APPENDICES

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Foreword

The Commission on the Organization of the Government for the Conduct of Foreign Policy has benefited greatly from the studies and analytic papers submitted to it by scholars and experts in various fields. Many of these contributions are published in this and companion volumes as appendices to the Commission Report. They are offered to the public in the hope of stimulating further discussion and analysis of the difficult issues of government organization to meet new needs. The views expressed, however, are the authors' own; they should not be construed to reflect the views of the Commission or of any agency of the government, Executive or Congressional. The views of the Commission itself are contained solely in its own Report.

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Appendix U:
Intelligence Functions Analyses

Introduction

The papers in this section were commissioned as part of the Commission's study of intelligence support of foreign policy. They were designed to address certain fundamental problems of the intelligence community; the relationship between intelligence analysis and policymaking, with emphasis on the different perspectives of intelligence producers and consumers; resource management, a particularly difficult enterprise given the fragmented nature of the intelligence community; future needs for intelligence support, with special reference to the subject of economic intelligence; and the conduct of clandestine operations, with emphasis on the importance of effective policy review and oversight.

The program of analytical studies on intelligence was developed by William R. Harris. The papers by William J. Barnds, Robert M. Macy, Taylor G. Belcher, and Russell Jack Smith are based in part on interviews both inside and outside the intelligence community. The papers by John W. Huizenga, Lawrence E. Lynn, Jr., and Harry Howe Ransom are informal commentaries on the two papers by William Barnds, and further illustrate the different approaches to intelligence analysis. The essays by Harry Howe Ransom and Paul W. Blackstock are independent studies by academic specialists.

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Intelligence Functions

William J. Barnds
October 1974

SUMMARY

1. There have been important changes in the focus, organization, and methods of the United States intelligence community over the past twenty years. However, it has retained the basic characteristics it acquired when it was established in the late 1940s, because its basic functions—the collection of information, analyzing and reporting it, and carrying out covert operations—have not changed.

2. The U.S. intelligence system remains heavily focused on military considerations and upon discovering and evaluating potential military threats. However, scientific developments have greatly enhanced the importance of technological collection methods. These methods provide extensive and accurate information on the numbers and types of weapons—especially strategic weapons—possessed by the U.S.S.R. and China, which is essential to U.S. security and for arms control agreements.

3. The increased importance of economic issues in international affairs has led to greater emphasis on economic intelligence. Much of the task of supplying such intelligence to operating departments and inter-departmental committees which operate outside the NSC complex has fallen to the Central Intelligence Agency, but organizational arrangements are still in a state of flux. These developments raise two important questions: (1) which organizations within the U.S. government have the responsibility for collecting economic information, and by what methods, and (2) where should the analysis of foreign economic developments and trends be carried out?

4. The addition of new tasks while many old responsibilities remain has led to growing financial pressures on the intelligence community at a time of rising costs and budget cuts. Overstaffing and duplication of effort made it possible to absorb past reductions in funds, but the easy cuts have been made.

5. An intelligence system can be organized along one of three lines—decentralization, centralization, or a blend of the two. The first would involve unacceptably expensive duplication of effort, there would be considerable danger of gaps in coverage, and the President would be forced to make his decisions based upon conflicting intelligence judgments from departments with policy interests of their own. A centralized system would eliminate duplication, but the President would be isolated from all but a single viewpoint. Moreover, operating departments have specific intelligence needs of their own which might not be satisfied by a single central agency. Thus the U.S. government adopted and retained a mixed or "coordinated" system, in which the Director of Central Intelligence (DCI) plays the key role.

6. The two major changes in the system as it has evolved over the years have been moves toward greater centralization—the establishment of the Defense Intelligence Agency and the attempt to have the DCI assume greater responsibility for coordinated management of intelligence collection. There are distinct limitations on the ability of any DCI to coordinate and influence the activities of powerful departments over which he has no direct line authority. However, some progress has been made, especially through the preparation by the DCI of a consolidated intelligence program budget.

7. Intelligence collection and production cost several billion dollars annually and influence the expenditure of even larger sums, and intelligence judgments permeate the entire foreign policy process. There have been sharp disputes over the quality and relevance of intelligence in recent years, as well as over the adequacy of policy guidance provided. There are also sharp disputes over the role of intelligence in the decision-making process, and over the appropriate relationship between the intelligence officer and the policy maker. One group stresses that this should be an arms-length relationship so as to assure objective intelligence judg-

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ments; the other group stresses the need for continuing contact and interaction so that intelligence will be relevant to the policy maker's concerns. Success or failure in the intelligence/policymaking relationship centers as much if not more on the *attitudes* of the officials involved toward each other's function as on *organizational* arrangements, but the *procedures* for guiding the analyst and for the transmission of intelligence are of considerable importance in the whole process. Some steps have been taken in recent years to bring intelligence officers and policy makers closer together, the most important of which was the replacement in 1973 of the CIA's Office of National Estimates with a group of National Intelligence Officers who keep in close touch with policy makers.

8. Clandestine activities and covert political action are by far the most controversial aspect of U.S. intelligence activities. The major organizational issue involves the question of whether or not CIA should be divided, with the Clandestine Service separated from the analysts. The arguments for and against such a division are complex, and any division would have both beneficial and detrimental effects. The arguments against any simple division along present operational and analytical lines are strong enough so that it is worth exploring the possibility of keeping the administrative and support staffs involved in operations—and perhaps those operators with only light or nominal cover—within CIA, while establishing a much smaller but truly clandestine service outside CIA but under the DCI.

9. Despite many charges that CIA operates on its own, the activities undertaken by the Agency are carried out only when approved by senior policymaking officials. Major clandestine collection efforts which involve serious political risks are evaluated in a systematic manner. However, covert political operations are considered on an individual basis, and a more systematic and integrated approach is needed.

10. There has been considerable debate over the years concerning the adequacy of Congressional oversight of intelligence activities, which is exercised by special subcommittees of the appropriations and military affairs committees. There has also been dissatisfaction over the amount of intelligence provided to Congress. Moves to establish a Joint Committee on Intelligence have been unsuccessful because of disputes within Congress over its jurisdiction, concerns about security, and opposition by the Executive Branch. Some change in views has occurred within the intelligence community, where some officials now see such a Joint Committee as being better able to reassure Congress and the public that intelligence activities are effective and adequately controlled.

INTRODUCTION

The structure of the United States intelligence community as it was established in the 1940s and as it has evolved since then reflects the efforts of American political leaders to create institutions and procedures which would make available to the policy makers the information necessary for the successful conduct of foreign policy. There have been some important changes in the focus, organization, and methods of the system. However, it retains the *basic* characteristics that it acquired when it was set up, as its basic functions have not changed. In short, it has been a stable system, but not a rigid or inflexible one.

Briefly, the responsibilities of the United States intelligence community are threefold: (1) to collect, evaluate, and disseminate information on the world outside the U.S. from all types of sources ranging from facts in the public domain and reports of U.S. officials stationed abroad through those obtained by secret agents and by sophisticated technological methods; (2) to prepare studies analyzing events and trends around the world that have a bearing on U.S. security and welfare, and to convey the findings to the policy makers; and (3) to conduct covert action in support of policy decisions when so directed by appropriate U.S. officials. The first two responsibilities are inherent in the nature of an intelligence system. One can conceive of a system that has no covert action capability, although major powers have seldom been willing to forego such methods entirely.

INTELLIGENCE IN A CHANGING ENVIRONMENT

Such a textbook description of a system's basic functions tells little about its operations. The particular missions assigned and methods used depend heavily upon a country's concept of its national interests, the dangers it perceives, and the domestic values of the society. The United States intelligence community is very much a product of American experiences during the Second World War and the early years of the Cold War.[1] The trauma of Pearl Harbor, the harsh struggle with the Axis, and the even longer (though less violent) struggle with the Soviets and the Chinese have all left their mark on

[1]The intelligence community is composed of the Central Intelligence Agency (CIA); the Department of State's Bureau of Intelligence Research (INR); the Pentagon's Defense Intelligence Agency (DIA); the National Security Agency (NSA) which is responsible for communications intelligence; the intelligence components of the Army, Navy and Air Force, and the intelligence units of the Atomic Energy Commission, the Federal Bureau of Investigation and the Treasury Department.

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the outlook of U.S. officials regarding intelligence. One effect has been that the system is very heavily focused upon military considerations and toward discovering and evaluating potential military threats. About 85 percent of the intelligence community's budget is spent by the Department of Defense, although much of this is expended on collecting information sought by the whole community. (Much information is also gathered by Foreign Service Officers, but such costs do not appear in any intelligence budget.)

The tasks and targets of the intelligence organizations of a major power are many and varied, and difficult decisions must be made regarding the assignment of priorities and fields of concentration. Perhaps even more difficult are decisions concerning areas and topics to be given little attention. Even within a particular field, such as military intelligence, new developments such as the scientific revolution create both new targets and new techniques. The advent of hydrogen weapons and intercontinental ballistic missiles made it of crucial importance that the U.S. government have a reasonably accurate knowledge of the capabilities of actual and potential enemies. Fortunately, the technological revolution which led to the development of such weapons also made it possible to develop means of penetrating the Soviet veil of secrecy. The U-2, other reconnaissance vehicles, and electronic intercept stations around the edges of the Communist world enabled the United States steadily to increase its knowledge of the Soviet military establishment. Organizationally, these developments were reflected in the creation of the Directorate of Science and Technology in CIA by John McCone in the early 1960s.

Intelligence organizations operate most easily when the international system is stable and their government is pursuing a clearly defined and well-articulated foreign policy. These conditions were characteristic of the period when the Cold War was at its height, but they have been less true for several years. The strength of America's principal adversaries and allies (except the United Kingdom) has increased relative to that of the United States. The U.S. remains in an essentially competitive relationship with the Soviet Union, but the policy of "détente" injects elements of cooperation into the relationship—elements which will grow if the policy is successful. This not only creates new intelligence requirements, such as monitoring arms control agreements, but also complicates the task of appraising Soviet policy. The same is true regarding China, with whom U.S. relations have shifted even more dramatically, and whose policies have fluctuated sharply in the past.

As Western Europe and Japan regained and then surpassed their prewar strength, they became less inclined to follow the United States lead in political matters. They also became serious challengers to the U.S. in the economic field. Their achievements represented a striking success for U.S. foreign policy, but foreign policy successes often create new problems in the process of solving old ones. As dependent allies become more independent allies —and competitors—the type and quantity of intelligence needed about them must be continually reexamined. Since their options are greater, it may be more important to follow closely the trends in their policies, but it may also be more important to exchange intelligence with them about Soviet and Chinese affairs so that a sufficient measure of common understanding and outlook is retained to keep the alliances from unravelling. The growing instability in the southern tier of Europe also poses old problems in a new setting.

As developments in—and U.S. attitudes toward —the heterogeneous group of countries labeled the Third World have fluctuated over the years, the tasks of intelligence organizations have shifted. When the Cold War became stalemated in Europe and East Asia in the 1950s, competition between the Communists and the West shifted to Asia and then to Africa and Latin America. There developed a belief that the Cold War would be won or lost in these weak, impoverished and struggling lands, which seemed so vulnerable to the power and appeal of a Communist movement possessed of apparent unity and dynamism. Eventually it became clear that the local governments had seized and maintained their hold on the nationalist banner, which remained the most potent emotional symbol in these lands. The view of many Americans began to veer toward the idea that nothing that happened in any of these areas could seriously affect U.S. security.

However, the growing dependence of not only Western Europe and Japan but also the U.S. on raw materials (especially petroleum) from one part or another of Asia or Africa soon complicated the picture. This posed the analytical problem of likely trends in U.S. dependence on imported oil, the uses likely to be made by the oil producers of their new wealth, and the ability of the international monetary system to deal with new pressures. The Shah of Iran, long close to the U.S., became the leader in the move by the Organization of Petroleum Exporting Countries (OPEC) to raise the price of petroleum several fold. The King of Saudi Arabia wanted prices lowered and had the productive capacity to force such moves if he were willing to take the political risks involved. Intelligence appraisals of the strengths and likely courses of action of these two men are of critical importance, as are judgments about how they would react to various U.S. courses of action.

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The oil crisis of late 1973 serves to highlight a major shift in the focus of American foreign policy in recent years. This is the growing importance of international economic policy relative to the traditional security concerns that dominated U.S. foreign policy for nearly three decades after 1941. The decline of American economic predominance by the late 1960s as a result of more rapid Western European and Japanese economic growth was one factor in this change, and the growing dependence on imported raw materials added another element. These trends have not only undermined the structure and procedures of the international monetary and trading systems that made possible the great postwar economic progress, but have also raised serious questions about the likelihood of a worldwide depression and about the economic viability of the resource-poor underdeveloped nations.

These developments raise two important questions: (1) which organizations within the U.S. government have the responsibility for collecting economic information, and by what methods against which targets, and (2) where should the analysis of foreign economic developments and trends (and their meaning for the United States) be carried out? Much of the information needed for foreign economic policy is either unclassified or available from normal government reports, but some useful material may be obtainable only by agents or as a by-product of sophisticated technological collection methods. Moreover, there often is a need to share the results of economic research and analysis with other governments and international organizations in view of growing interdependence. Will they fear they are being given distorted information if it comes from the intelligence community, or would they feel the same way no matter where it originated within the U.S. government?

The addition of new tasks while many old responsibilities continue have led to growing financial pressures on the intelligence community, which was already faced with the increasing costs of sophisticated technological systems and of personnel in a period of rapid inflation. Since there was considerable overstaffing and duplication of efforts in the past, budget reductions have been possible despite increased costs. However, the easy cuts have been made, and future progress in eliminating duplication, unnecessary functions, and low priority activities will be much more difficult.

One other change in the "environment" of intelligence warrants mention. The declining intensity of the Cold War, domestic divisions over Vietnam, and revelations of CIA's subsidization of private American institutions have dramatically altered public attitudes toward intelligence activities. There remains widespread awareness among both public officials and the public at large of the importance of intelligence collection and analysis. However, there is widespread skepticism about the need for covert operations, and such events as the attack on the U.S.S. Liberty in 1967 and the capture of the Pueblo in 1968 have raised questions about the control over certain collection methods as well, Covert operations, by most accounts, occupy a much smaller role than a decade or so earlier. Nonetheless, the absence of a broad consensus on the appropriate policies and methods of U.S. foreign policy will make it difficult to maintain the secrecy of such activities, and this will increase their political costs at home and abroad.

ORGANIZATIONAL MODELS

There are three broad ways in which an intelligence system can be organized to fulfill its basic functions, whatever the nature of a country's foreign policy and the environment in which it operates. The first would involve a completely decentralized approach. Each department or agency concerned with the formulation or execution of foreign policy (in the broadest sense of the term) would have its own intelligence unit to secure the information and provide the analytical reports needed to enable the leaders of the department to fulfill their policy functions. Each department would tend to concentrate on a particular field, e.g., the Defense Department on military intelligence, and the State Department on political intelligence. However, all would feel the need for some capability in fields outside their primary responsibility in order to serve their top officials when the latter were engaged in basic policy debates.

The disadvantages of such a system are obvious. There would be considerable duplication of efforts —especially collection efforts—which would be hideously expensive. Just as there would be considerable overlapping, there probably would be some important gaps in coverage on areas that no department regarded as important to its specific responsibilities. Information collected by one agency and needed by another might or might not reach the latter if no central authority required its dissemination throughout the government, and considerable confusion would result if the President and other senior officials were to act on the basis of different information. Intelligence successes often come about through piecing together information from many sources in order to understand the capabilities or intentions of another government; intelligence failures (such as Pearl Harbor) can occur from the absence of any organization with access to all the known facts. Finally, the President would not only have to make his decisions on the basis of

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conflicting intelligence reports and estimates—something no system can, or should, completely eliminate—but all of the intelligence organizations would be parts of agencies with policy interests of their own. Despite universal acceptance of the principle that policy positions should not color intelligence judgments, subtle (and sometimes not so subtle) pressures exist which make securing disinterested intelligence appraisals a perennial difficulty. (A decentralized structure might be appropriate for a system of policy making dominated by the State Department—especially if INR were given an enhanced role—although the lack of an independent CIA could also result in greater influence for the intelligence estimates of the Defense Department.)

If the drawbacks of a completely decentralized intelligence system are clear, there are major liabilities to a completely centralized structure. Duplication and gaps would be greatly reduced if not eliminated. However, operating agencies need tactical or departmental intelligence just as senior officials need national intelligence. Military units need tactical intelligence concerning the changing size, dispositions, and equipment of the forces of potential enemies. No military commander can operate effectively without intelligence officers who, because they are under his control, can be directed to meet his rapidly changing needs rather than those of another agency whose requirements and priorities are often quite different. The same situation applies, although in a different way, to diplomats involved in negotiations with other nations.

In a centralized system the President would receive his official intelligence reports and appraisals from an organization with no *institutional* policy interests, but he would be isolated from all but a single viewpoint.[2] At the same time, the departments coming to him with policy proposals would be basing them on *implicit* intelligence appraisals of situations and trends abroad. However, these would not be easy to discern. Thus differences in judgments would be difficult to resolve in an orderly and expeditious manner. These objections, together with the forces of bureaucratic interests and inertia, meant that there were practical—and probably insurmountable—political obstacles to any attempt to deprive the various departments of their intelligence functions and units when the Central Intelligence Agency was established in 1947.

Thus the United States set up what might be termed a "mixed" system in an attempt to combine the best features of decentralization and centralization while avoiding the obvious weaknesses of each. The compromises involved in the establishment of a "mixed" system have given rise to difficulties over the years, but attempts to deal with them have focused on modifications rather than abandonment of the basic system. The decision to continue with a mixed system probably also reflects an awareness that U.S. interests and activities in world affairs range from adversary power politics to the management of interdependence with allies, and that such different types of relationships require flexible organizational structures.

The Director of Central Intelligence (DCI) was given the task of coordinating the work of the intelligence units of the U.S. government. In terms of organization charts, the DCI reports to the National Security Council. However, since this body is advisory to the President, the DCI in practice reports to the chief executive, and this apparently has worked out satisfactorily. The United States Intelligence Board (USIB)—formerly the Intelligence Advisory Committee—is the central coordinating institution of the intelligence community. It is composed of the DCI and the top officials of DIA, NSA, INR, and the intelligence units of the FBI, the Treasury, and the Energy Research and Development Administration. USIB not only passes on National Intelligence Estimates but (with the help of its various committees) establishes collection requirements for the entire community. While the DCI as chairman of USIB has the most important voice in the substance of intelligence estimates, other members can dissent from his judgments. (The heads of the intelligence units of the military services are not members of USIB, but they attend the meetings and can dissent from its intelligence judgments.)

There have been two major changes in the organization and procedures of the intelligence community as they were established in the late 1940s and modified during the Korean war years. Both involved moves toward greater centralization in one form or another. The first has been the trend toward centralization of the intelligence activities within the Department of Defense—part of a broader trend toward unified commands and increased authority for the Department of Defense (and the Office of the Secretary) over the military departments. This involved the establishment of the Defense Intelligence Agency (DIA) in 1961, and the creation of an Assistant Secretary of Defense (Intelligence) as the senior staff advisor to the Secretary of Defense in 1971. The military services are to engage in those intelligence activities necessary for their operational missions, but national intelligence—both setting collection priorities and producing finished intelligence—is the responsibility of DIA. However, lines between tactical or department intelligence and national intelligence are

[2] Thus, while a centralized system would at first glance appear to strengthen the President's position, the end result could restrict his options by reducing his access to a variety of viewpoints.

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easier to define than to put into effect, and considerable overlapping exists.

The second major trend involves an effort to coordinate the work of the various parts of the intelligence community more effectively. The central method adopted to further this effort has been to increase the *responsibility* of the Director of Central Intelligence (DCI) as the President's principal intelligence officer. The Presidential directive of November 5, 1971 specified that the DCI was to provide leadership to all foreign intelligence activities of the U.S. government. However, the *authority* of the DCI remains limited, a subject which will be discussed shortly.

The effort to have the DCI assume greater responsibilities is not a new one. President Kennedy directed John McCone to undertake the "coordination and effective guidance of the total United States foreign intelligence effort" in 1962. Progress was sporadic, however, and the structure of the system and the loci of power within it were much the same at the beginning of the 1970s as they were a decade earlier. Secretary of Defense Laird accepted the validity of criticisms concerning the lack of coordination and the poor quality of military intelligence activities in his 1970 Annual Message to Congress. He responded not only by consolidating responsibility for advising him about defense intelligence activities in a high-level civilian official, but also by *reducing* the role of CIA, INR, and the Office of Management and Budget in the decisions of the National Intelligence Resources Board, which allocated resources among the various defense intelligence programs.

The Nixon Administration's dissatisfaction with both the cost and quality of the U.S. intelligence effort, along with similar complaints by important elements in Congress and among the public, led to the issuance of the 1971 directive, which was prepared by James Schlesinger when he was in the Office of Management and Budget. The 1971 directive also set up two new committees: (1) the National Security Council Intelligence Committee (NSCIC),[3] which was to provide substantive *guidance* and *evaluation* from senior policy makers to the intelligence community, and (2) the Intelligence Resources Advisory Committee (IRAC),[4] which was to advise the DCI so that he could better advise the President about the allocation of tasks and resources within the intelligence community. An important tool in the latter effort has been the effort to develop annual National Foreign Intelligence Program Budget Recommendations by the DCI for submission to the President.

There has also been an effort to increase the strength and responsibilities of the Intelligence Community Staff (which is headed by a senior military officer) in order to provide the DCI with the staff support necessary to manage and coordinate the intelligence community. The establishment of IRAC and an integrated program budget reflect the general agreement in government that of the three major aspects of foreign and security policy—policy planning and policy making, resource allocation, and the coordination and monitoring of operations —centralization is most appropriate for resource allocation. (Competitive collection would be extremely expensive, whereas the cost of competitive reporting largely involves demands on the time of busy senior officials. Competitive—or duplicative—processing and analysis stands between collection and reporting in terms of resource requirements.)

Several points need to be made about the potential and the limitations of these bodies, as well as how they operate in practice. The 1971 Presidential directive did not involve any *statutory* increase in the authority of the DCI to manage and coordinate the intelligence community. The President simply directed the DCI to do more in this area and set up the interagency mechanisms described above to help him. Yet only the CIA is under the direct line authority of the DCI. The Secretary of Defense controls the DIA and NSA, and the Secretary of State controls INR. Such powerful men are, to put it mildly, hardly likely to turn complete responsibility for assigning tasks and allocating resources to parts of their own departments to an outside official. (A key responsibility of the Secretary of Defense is to be sure that the military services have the intelligence necessary for their security and operations.) In theory, either Cabinet member can be overruled by the President, but there are practical limitations on how often this will occur. Thus the DCI's chief tool is persuasion, and the normal outcome when disputes occur is often no more than a partially satisfactory compromise.

Nonetheless, three additional points are important. First, there is general agreement that those responsible for implementing the directive are making a serious effort to do so at the present time, and this view is held even by those who stress the inherent limitations involved. Second, the compartmentalization within the intelligence community has been greatly reduced in recent years as its various components have acquired greater knowledge of and more experience working with each other. (More people have worked in more than one organization, although this has resulted as much from

[3]NSCIC members are the Assistant to the President for National Security Affairs (Chairman), the DCI (Vice-chairman), the Deputy Secretary of State, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of the Treasury for Monetary Affairs.

[4]IRAC members are the DCI (Chairman), and one senior official each from the Department of State, Defense, Office of Management and Budget, and CIA.

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individual job-shifting as from any planned exchange of personnel.) Overlapping and duplication in the collection process are more visible and thus more difficult to justify, although bureaucratic interests and inertia remain powerful forces. However, duplication is a less difficult problem to deal with than deciding whether or not certain collection methods yield an adequate return—or are likely to in the future—for conflicting positions on the latter often depend ultimately on individual judgments on what risks are acceptable. Third, the requirement that the DCI prepare a consolidated program budget has led to the practice of the DCI presenting this to Congress. The fact that he must be willing to defend the programs and expenditures in it puts pressure on other departments not to include items that they know the DCI opposes.

If a measure of progress is being made in coordinated management of the collection process, the same cannot be said for the NSCIC's assignment of *guiding* and *evaluating* intelligence production from the consumer's standpoint. The NSCIC remains a paper organization, partly because of the preoccupation of the Assistant to the President for National Security Affairs (who now spends most of his time as Secretary of State) with other matters. Specific requests for and comments on individual intelligence studies are made from time to time, but this is not done in a systematic manner. The high-level officials on the committee could hardly spare the time for detailed work in this area, but without their drive and support any task force or working group of people more directly involved can make only limited progress. This failure to utilize the NSCIC mechanism is particularly striking in view of the past expressions of dissatisfaction on the part of important policy makers with both the analytical quality of intelligence and its relevance to policy requirements.

INTELLIGENCE AND POLICY MAKING

Intelligence collection and production have become major activities of the United States government in the past few decades. Intelligence organizations employ thousands of people and cost billions of dollars, and the finished intelligence products—current intelligence reports, basic research, national estimates, and special studies—influence important policy decisions and the allocation of many additional billions of dollars. The willingness of several Administrations to devote such extensive resources to intelligence is a clear indication that the importance of the intelligence function is recognized by top U.S. officials. Even those who ordered cuts in intelligence budgets in recent years have stressed that a major intelligence effort was essential for the United States.

Yet this willingness to devote substantial sums to intelligence should not obscure the widespread feeling among policy makers in recent years (and many intelligence officers as well) that the quality and relevance of intelligence production should be significantly improved. How valid these complaints are, and what might be done about them, are difficult issues. In order to grapple with them, it is necessary to discuss briefly the tasks of intelligence officers, what types of information they use in their work, how the production process works, and the contrasting views of how intelligence officers and policy makers should relate to each other.

Simply stated, the task of the intelligence officer is to tell the policy makers what has happened throughout the world in the recent past, what is happening currently (and why), and what the future is likely to hold. Thus he must be part historian, part journalist, and part forecaster. (In reality, specialization leads some officers and units to concentrate on one or another of these tasks, but senior intelligence officers must be talented in all of them if they are to be useful to the policy maker.) The constant reinterpretation of history, the disputes about the meaning of contemporary events, and the different forecasts of such basic subjects as the outlook for the U.S. economy by economists working from an elaborate data base illustrate the difficulty the intelligence officer has in meeting the many demands placed upon him.

These difficulties are currently increasing because of two developments. The first is that the analytical tasks assigned to the intelligence community are becoming more varied as a result of the growing complexity of American foreign policy. Détente requires a more sophisticated analysis of Soviet behavior as well as a monitoring of arms control agreements. The shift from bipolarity toward multipolarity adds to the importance of some countries without detracting much from the importance of others; it also makes the pattern of international affairs more difficult to discern and predict. The growing importance of economics in world affairs requires that greater direct attention be devoted to such matters, as well as to the implications of various economic trends. For example, will the oil-producing countries be able to maintain their cartel? Are economic disturbances within the capitalist world—even in societies with high-income levels—likely to provide new opportunities for Communist gains? How loyal to—or independent of—Moscow would the Communist parties of Western Europe be if they entered governments? Increased concern over drug addiction and more recently terrorism has created new responsibilities for intelligence analysts as well as collectors. It has

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also heightened the importance of good working relationships between the government agencies concerned. The notoriously bad relations between the FBI and CIA, whose cooperation is important in dealing with terrorism, have fortunately been reversed in the last year or so.

The second development is the knowledge explosion. The growing interdependence of nations means that a particular event may have very serious secondary and tertiary consequences which are difficult to trace out in advance. In theory the knowledge explosion—and the development of new techniques and equipment for processing and analyzing information—should be a help to the analyst, and in some ways they are. However, they often provide a flood of information which is more than an individual can digest. Jobs are then broken up and greater specialization ensues, but this increases the dangers of parochialism in outlook and creates new problems in coordinating the work of specialists.

The producer of finished intelligence stands between the intelligence collector and the policy maker. This involves him in two rather different types of relationships and creates two different sets of issues. The first involves providing coordinated guidance to the collectors of information by setting forth requirements in a regular and systematic manner, but without letting the whole procedure become a purely mechanical process divorced from the shifting concerns of the producers. The second involves the production of intelligence that is useful as well as accurate, and involves the uneasy relationship between the reporter and the analyst on the one hand and the policy maker on the other. Success or failure in the latter centers as much if not more on the *attitudes* of the officials involved toward each other's function as on *organizational* arrangements, but the *procedures* for guiding the analyst and for the transmission of intelligence are of considerable importance in the whole process.

Open materials in the public domain form a substantial part of the information used by the intelligence producer. These include newspaper and magazine reports, speeches of foreign leaders, published reports of foreign governments and international organizations, and the published research of scientists and academics around the world. Assigning responsibility for the collection of different types of open material so as to avoid duplication and gaps, and to make sure it is distributed to those who need it, is probably the easiest part of the management process.

Overt reporting by U.S. officials stationed around the world—Foreign Service Officers, military attachés, etc.—is probably the most valuable source of information available to intelligence analysts on the non-Communist areas of the world. It is also the one that is least susceptible to control by anyone in the intelligence community. While the U.S. diplomatic posts abroad receive detailed lists of intelligence requirements, the collection of intelligence is not the primary purpose of diplomats. Their reporting ability (especially when they are junior officers) is an important factor in their performance ratings, but, since they are subordinate to policy bureaus in the State Department, the influence of those managing the intelligence collection process is limited.

One of the most recently developed but nonetheless most important types of information—especially on Communist countries—is that derived from photographic reconnaissance. It is of particular importance to the analyst trying to appraise weapons production and deployment. Information can also be gathered on mineral deposits and on developing weather patterns and crop prospects which, if properly distributed, could help in the management of global economic problems. (The photoreconnaissance effort is operated by the Air Force, but decisions on how funds will be allocated are made jointly by the Assistant Secretary of Defense [Intelligence] and the DCI.)

One of the largest and most expensive collection efforts involves communications and electronic intelligence collection (COMINT and ELINT). The latter is a product of recent decades, while the former goes back several generations in its present form—and much further if capturing messages carried by courier is included. The interception and deciphering of radio messages is one of the most controversial aspects of the collection process. It has yielded extremely valuable information at times in the past, but the development of sophisticated codes and coding machines—especially among the developed countries—has proceeded faster in recent decades than deciphering or code-breaking techniques. The military services who operate most of this program continue to defend it strongly for two reasons: (1) it provides tactical intelligence which is important in peace-time, and which would be of even greater importance in wartime; and (2) standards of communications security might decline during wartime dislocations, thereby enabling NSA to break codes that are presently unreadable. Moreover, some things can be learned about another government's activities from analysis of the pattern and frequency of unreadable messages (called traffic analysis).

The final type of information is obtained from clandestine reporting—the traditional and often romanticized spying or espionage function. The relative importance of the spy was greater a century ago than it is today, when more information is published openly and when the advanced technological collection methods discussed above are available.

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The individual agent remains quite useful in most less developed countries. However, the great difficulties and limited successes in penetrating closed societies such as the Soviet Union and China, and the relative ease of appraising trends in the democratic industrial societies through the use of open and overt official collection efforts, have raised important questions about the basic usefulness of espionage in today's world.

Certain points are worth keeping in mind about this subject. The first is that agent reporting—which is not an expensive method of collection—sometimes fills in important gaps on a subject. It is often more useful than technological methods in revealing the *intentions* (as distinct from the capabilities) of foreign countries, although the danger of being misled by a double agent can never be ignored. Moreover, world trends can change, and the importance of espionage in an area such as the Balkans could increase if conditions became less settled. An intelligence system, while flexible enough to respond to short-term needs, should be organized and deployed for the long haul. This requires long lead times and advance planning; a skilled and experienced clandestine service and useful networks of agents can seldom be created in a hurry.

Another point was made by Hugh Trevor-Roper in his excellent study of Kim Philby:

> To have a reliable, intelligent, highly-placed agent in the center of a potentially hostile power, with access to 'hard' evidence, is the dream of every intelligence service. . . . A well-placed agent of known fidelity and intelligence who can advise his master, answer specific questions, comment on the disjointed texts which every Secret Service picks up, correct the illusions to which it is prone, has a value which transcends the occasional questionable scoop.[5]

Important as is the collection and assembling of high quality information, its analysis and presentation to the policy makers in usable form is the focal point in the intelligence community's effort. Thus William Colby stated (in his testimony to the Commission) that his responsibility for coordinating and managing the intelligence community was important, but less so than his responsibility for producing substantive intelligence. This requires a wide variety of different types of intelligence—reporting about current political and economic events from Chile to China, so that senior policy makers will know not only what has occurred but also its implications; indications of changing orders of battle of foreign military forces along the Sino-Soviet frontier or in Vietnam that might indicate increased dangers of war; and signs of new weapons developments in Russia or China that provide an indication of their future military strength and help understand their intentions on arms control. Some of this intelligence will be conveyed on a regular daily or weekly basis, while other reports will be undertaken at the initiative of the intelligence officer or at the request of the policy maker. Some of it will represent the judgment of a single organization—such as CIA, DIA, INR, or NSA. Other reports (both daily reporting and long-range estimates) will represent the coordinated effort of the entire intelligence community. Most of the "product" of intelligence officers will be written, but some will be conveyed by briefing officers whose personal styles will influence how it is delivered and received. All of it will compete with many other demands for the time and attention of the overburdened senior policy maker.

There are two main views of the appropriate relationship between the intelligence officer and the policy maker. The traditional or classic view is that this should be an arm's-length relationship, so that the dangers of the intelligence officer's judgment being swayed by the views of the policy maker are kept to a minimum. This view stresses that intelligence should tell the policy maker what he needs to know rather than what he wants to hear. The other view agrees that the intelligence officer must be rigorously honest and independent in his relationship with the policy maker, but stresses that if the former is to tell the latter what he "needs to know" he must have considerable knowledge of the specific concerns of the policy maker. Otherwise, intelligence analysis becomes an isolated intellectual effort carried out in a vacuum—the pursuit of knowledge for its own sake—rather than a carefully focused input to the policy maker's thinking and decision-making process. Even in the latter case, of course, intelligence is but one input among many involved in a decision, for the policy maker must also be concerned with such matters as domestic needs and Congressional opinion.

In describing these differences it is important not to exaggerate them. One holding the traditional viewpoint would agree that an intelligence organization should stand ready to answer questions about likely foreign reactions to various U.S. courses of action. (How would China react to the mining of Haiphong harbor? Moscow to a naval blockade of Cuba? The world to a rise in U.S. tariffs?) A person holding the view that there must be continuing contact between intelligence officials and policy makers would agree that the former should not tell the latter which policy he should follow. Nonetheless, those holding the second viewpoint argue that intelligence officers must be prepared to take the initiative in seeking out

[5]Hugh Trevor-Roper, "The Philby Affair: Espionage, Treason, and Secret Services," *Encounter*, April 1968.

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policy makers, gaining admittance to their meetings, making known the capabilities of intelligence organizations, and in effect pushing the policy makers to explain what their aims and policies are and solicit their requests for intelligence studies. Moreover, a degree of overlap in views between the two groups does not prevent sharp and passionate arguments from arising over the remaining differences.

One step taken in recent years to bring intelligence officers and policy makers into closer contact involves the Verification Panel, which utilizes intelligence on Soviet military developments to monitor the SALT agreements. Another proposal which has been made from time to time is to remove the national estimating function from CIA and place it in the NSC structure.[6] There are several reasons why this proposal has never been accepted. First, it would weaken the links between the intelligence estimators and the bulk of the intelligence researchers and analysts, thereby reducing the claims of the estimators to be heard by the policy makers. Second, the estimators would be operating in a more politicized environment, and would find it more difficult to maintain their objectivity. Third, there has been some reluctance to expand the NSC staff still further.

However, a variation of this proposal has been adopted in an effort to bridge the intelligence officer-policy maker gap. This involves the abolition of the Office and the Board of National Estimates in favor of a system relying on National Intelligence Officers (NIOs) with specific area or functional responsibilities for substantive intelligence. (The NIOs also function as senior advisors to the DCI in the area of collection guidance and clandestine activities.) The NIOs are to keep in close personal touch with senior policy-making officials in order to learn of their changing needs and keep them informed of the work in process and the research and analytical capabilities of intelligence producers. NIOs operate across bureaucratic boundaries, designating the most knowledgeable person on a particular topic to prepare a National Intelligence Estimate on the subject when one is needed. This system has been in operation only a short time, and thus its performance is impossible to evaluate. It obviously is dependent upon the cooperation of the heads of the various directorates in CIA (and elsewhere in the intelligence community) whose subordinates are assigned tasks by the NIOs. Since Mr. Colby has made clear his determination that the system work, such cooperation apparently has been forthcoming to date.

[6]For a statement of this view see Chester Cooper, "The CIA and Decision-Making," *Foreign Affairs*, January 1972.

CLANDESTINE ACTIVITIES

The clandestine activities of the United States intelligence community, which are concentrated in the Central Intelligence Agency, are by far the most controversial aspect of intelligence activities. These have led to charges that CIA is an invisible government which could drag the United States into war on its own initiative, that it is not controlled by elected officials or accountable to Congress, and that it has undertaken actions which have undermined the reputation of the United States around the world and thus has been a major reason for the alienation of many Americans from their government. In the eyes of its critics—and these include responsible and serious people—it has created the very problems that were feared when it was established and which had been one reason the U.S. had previously eschewed such activities in peacetime. The supporters of clandestine activities make no attempt to defend every operation or practice of the clandestine services. However, they argue that the world is and is likely to remain a dangerous place and that the U.S. cannot afford to deny itself the use of potentially valuable weapons to protect its security. While concerned with the country's democratic values, they stress that the preservation of such values is dependent upon the maintenance of national security.

Before proceeding further, it would seem useful to outline briefly the assignments of CIA's clandestine service. They are essentially fourfold. First, it is responsible for the secret collection of information—traditional espionage or spying activities. Second, it has counterintelligence responsibilities, which involve protecting the United States from the operations of foreign intelligence services, especially the Soviet KGB. (It must work closely with the FBI to operate effectively in this area.) Third, it establishes working relationships with the intelligence services of allies and—on a more restricted basis—some other nations as well. It does this for three different purposes: (1) to exchange intelligence information with them, whether in the form of individual agent reports, basic research, or intelligence estimates; (2) to run occasional joint operations with them; and (3) to help them, on occasion, to protect their own societies against foreign penetration or domestic upheaval. (Its liaison activities also provide a cover for unilateral clandestine activities.) Fourth, it conducts covert political operations, which run from the counselling of foreign political leaders, conducting covert propaganda, supporting organizations or institutions ranging from publishers through labor unions to political parties, to supporting a group that is attempting to overthrow the government of its country. Some-

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times an individual CIA station in a foreign country will be involved in many or all of these activities, while on other occasions some of the operations may be controlled from nearby countries or even from the United States.

Clandestine activities raise three major issues, which can be labeled *organization, procedures,* and *policy.* The last is by far the most difficult, and its complexity requires serious study rather than the few questions raised here. The problem involves the matter of ethics, both as to the target of operations and the techniques used. It involves an evaluation of the ability of the Clandestine Services (CS) to maintain secrecy—not only in wartime or in a period when a strong national consensus discourages embarrassing revelations—but in times of domestic disagreements over foreign policy when Americans tend to revert to their traditional distrust of secrecy, and when officials (or former officials) opposed to an operation may reveal its existence to the media. It involves hard (and practical) issues as to whether the benefits the U.S. derives by the respect accorded the rule of law are undermined if it emulates its enemies and fights fire with fire.

And yet, if the U.S. ceased such activities, is there any chance its enemies would exercise similar restraint? May not U.S. activities, rather than destroying the independence of small countries, contribute to helping them maintain their independence in the face of interference by others? If the U.S. decides to maintain a clandestine action capability (and most objections, it should be noted, are directed against covert operations and helping foreign governments deal with their *domestic* enemies—which sometimes have foreign backing), how often and in what circumstances should such methods be employed? These are matters of judgment. Few have the experience or the detailed knowledge to speak with authority on the balance of gains and losses in the past, or on how they are likely to balance out in the future.

Two questions involving the issues of *organization* and *procedure* do warrant consideration. The one dealing with organization is whether CIA should be divided, with the Clandestine Services established as a separate agency apart from the intelligence research and analysis function. Before discussing the arguments for and against separating operations from analysis, one important point needs to be kept in mind. This question has generated a certain amount of emotion; many of those who have been critical of CIA as an institution or its operating methods have favored such a change as a means of cutting CIA down "to size." Many of the advocates of clandestine activities or supporters of CIA have seen such a change as reflecting an animosity toward the Agency and have accordingly been almost instinctively opposed to any division of CIA. Yet there is no logical connection between the structure of CIA and U.S. reliance on clandestine activities; a person who favored *greater* reliance on covert operations might argue that the necessary security could only be achieved if clandestine activities were placed under a separate and deeper cover. Finally, whatever organizational arrangements are most appropriate for the long run should be the ones adopted *unless* they can be shown to be disastrously disruptive in the short term.

There are several arguments for and against any division of CIA. Such a change would have both beneficial and detrimental effects, which are often opposite sides of the same coin. For example, analysts and operators benefit more from the knowledge and experience of the other than would be true if they were in separate organizations. Yet security considerations and the need for compartmentalization require that some limits be kept on this exchange of information, although these have been reduced in recent years. There are at least potential dangers if the agency that provides intelligence analysis and conclusions which influence policy may become the organization which carries out elements of the policy adopted. These functions are in separate parts of CIA, it is true, but the top leaders of the Agency are responsible for both functions. However, the Pentagon Papers indicate that CIA analysts on many occasions (even when covert operations were involved) stated that U.S. policies and programs would not be successful, which indicates this problem can be overcome.

CIA has a reputation in many circles at home and abroad as a primary instrument of "American imperialism." In this view, it undertakes activities that threaten détente, interferes in the internal affairs of other nations, and aids the forces of "reaction" to suppress movements working for "freedom and justice." It could be argued that the division of the CIA would be taken as a sign that clandestine activities were being downgraded, thereby lessening antipathy to the U.S. government at home and abroad. Yet finding a different organizational cover that offered any greater security for the present Clandestine Services would be extremely difficult. Moreover, a change of organizational structure and name would be treated as a hypocritical cosmetic change by many critics (and some foreign intelligence agencies would propagate this idea) unless the new Clandestine Service's record was either more secure or more restrained. (The various name changes of the Soviet secret police have not enhanced its reputation—or that of the Soviet Union.) Any proposed change should be evaluated primarily as to whether it benefits the United States government rather than only CIA.

A division of CIA would have one clear-cut ben-

efit. There is still considerable suspicion of CIA in much of the academic and intellectual community, and some of the most talented people probably refuse to consider working as analysts lest their association with CIA and its operators bar them from certain jobs outside the Agency. If the research and analytical function were in a separate organization —and it were adequately funded—this handicap would be eliminated. However, this handicap is somewhat less serious than it was a few years ago because of declining personnel ceilings, a surplus of college graduates, and some improvement in the Agency's reputation because of its skeptical views on the chances for the success of U.S. policy in Vietnam.

There are two remaining arguments against dividing the agency. CIA's Directorate of Science and Technology (D/S&T), which has demonstrated considerable initiative and imagination, is involved in collection activities and analysis. Dividing D/S&T would weaken it, but assigning it to either an operational or an analytical organization would reduce its ties to other operators or analysts.

The final argument for the present arrangement involves the basic workings of the intelligence community. If the Director of Central Intelligence is to be the President's principal intelligence advisor and is to coordinate the intelligence activities of the U.S. government, he must—given the realities of politics within the U.S. government—either be the head of a major organization or be personally very close to the President (as is the Special Assistant for National Security Affairs). Dividing CIA would reduce his stature and influence. The director of the Clandestine Service would find it even more difficult than it is at present to be the coordinator, and the director of the new agency dealing with research and analysis would find it much more difficult to gain the President's ear unless he and his agency—or at least part of it—become part of the President's staff. This staff is probably already too large.

Is there any change which would maximize the benefits and reduce the liabilities of a different organizational structure? One widespread conviction among those knowledgeable about intelligence activities is that no country should have two clandestine services—one for the clandestine collection of information and the other responsible for covert operations. The latter sometimes depend upon or even grow out of information collected clandestinely. The two clandestine services would sometimes find themselves trying to recruit the same agent. Every government that has divided these two functions has found that the two services have not only stumbled over each other but spent much of their time and energies competing and intriguing against each other.

These arguments appear compelling if there is to be a *large* clandestine service with extensive reliance on covert operations. Yet the latter have declined substantially in importance over the last decade, and the number of people in the Clandestine Services with secure or deep cover—as against nominal or light cover—is not large. This suggests that it would be worth exploring the possibility of keeping the administrative and support staffs—and perhaps those in the Clandestine Services who operate with light cover (officials in U.S. embassies, etc.)—within CIA, while setting up a separate but much smaller and truly clandestine organization that might operate more securely and thus more effectively. Such an organization probably should be under the authority of the DCI as head of the intelligence community, but not as part of CIA. Many questions would arise about such a change, including the need for—and possibility of securing—new legislation, but some consideration of the pros and cons of such a reorganization would seem desirable.

The third major issue to be considered is that of *control* of CIA's clandestine activities. In short, are these adequately controlled by the White House staff, the Department of State, and the Department of Defense when its interests are involved? [7] [Even such critics as Marchetti and Marks—in their book *The CIA and the Cult of Intelligence*—explicitly reject the charge that CIA acts without proper authorization, stating (disapprovingly) that every American president has concluded that the Agency's clandestine capabilities are useful.] The procedures for securing the approval of senior policy makers were rather informal during CIA's earlier years. In time these were tightened up and regularized as regards new programs, although it was only after the widespread revelations of the mid-1960s that periodic reexamination and approval of long-established and ongoing programs became the norm. By the late 1960s covert political activities had to be approved and reviewed by a committee composed of senior members of the White House staff, the State Department, and the Defense Department. This is now known as the "Forty Committee." Its members are the Assistant to the President for National Security Affairs (Chairman), Under Secretary of State for Political Affairs, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the DCI. INR examines these proposals for the State Department, although the need for secrecy has led to a high degree of compartmentalization.

The problem that presently exists is that approval is obtained on an individual operation basis

[7] *Control* must be distinguished from *influence*. Many critics who argue that CIA plays too large a role in government are essentially concerned with its influence, even though they sometimes speak of it as being uncontrolled by the President or Congress.

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(sometimes by telephone) rather than by a searching and systematic examination of the potential benefits and costs of such activities in relation to the totality of U.S. foreign policy objectives and activities. (This contrasts with the control exercised over those major clandestine collection operations which involve serious political risks, which are considered in a thorough and systematic manner.) Obviously, the people who approve or disapprove proposed operations are not unaware of the need to weigh each proposal in relation to broad national concerns, but it would seem more difficult to do so on the present basis than it would under a more integrated and systematic approach.

THE CONGRESSIONAL ROLE IN INTELLIGENCE ACTIVITIES

The division of powers in the American system of government has created special problems regarding the conduct of foreign policy. If the Executive branch of government has traditionally (and increasingly in recent decades) been the moving force in foreign affairs, its predominance has been even greater in the field of intelligence activities. Disputes over the substance of American foreign policy and the authority and responsibility of Congress in foreign affairs have raised many difficult issues, and some of these are having a growing impact upon the intelligence community.

There are *four* major areas or types of activities that are involved in Congressional-intelligence community relations. The *first* is that Congress must provide legal authority for the creation of organizations (as it did for CIA in 1947) and for the activities they undertake. There has been some debate over the question of whether the legislation establishing CIA gave it authority to undertake covert operations. Those who argue that such activities are within CIA's basic charter—and are spelled out by Presidential and NSC directives—cite the fact that the law allows CIA to undertake such other functions and duties relating to national security intelligence as the National Security Council directs. Others argue that covert operations have nothing to do with the intelligence functions—collecting information, evaluating it, and disseminating finished intelligence—assigned to CIA by Congress, and that such activities are thus carried on without statutory authority.

The *second* aspect of the Congressional role is the appropriation of funds for intelligence activities. There is no dispute over Congressional authority in this area, although some Congressmen believe the funds allotted to CIA should be clearly specified rather than hidden in the budgets of other departments. Appropriations for CIA are handled by special subcommittees of the Senate and House appropriation committees, while appropriations for the intelligence activities of other departments—such as State and Defense—are handled by the subcommittees responsible for the particular departments.

The *third* issue concerns the provision of intelligence reports and estimates to Congress. A certain amount of intelligence has always been made available, chiefly in the form of committee briefings. Some Congressmen believe this is not enough, and argue that all intelligence reports (not agent reports, but finished reports by various units of the intelligence community) should be turned over to Congress on a regular basis. They stress that they must vote on important issues regarding foreign political, economic and military policy, and they question the value of a system that spends large sums for information which is not made available to them. Complicated and politically sensitive issues are involved here. For example, would the staffs of Congressional committees—and of individual Congressmen—have access to such material? What arrangements for security would be made, and how good would they be? Would Congress have a better —and perhaps more sympathetic—understanding of the difficulties and dilemmas facing any U.S. government if it received regular intelligence reports? Would it be able to provide a valuable long-range perspective since it does not have day-to-day operational responsibilities? If all written reports automatically went to Congress, would this inhibit judgments that indirectly cast doubt upon Administration policies out of fear that such reports would be used against the Administration by Congressmen critical of its policies? Would really important estimates be made orally—and therefore often more vaguely—so that they could be kept secret? To what extent does the President have the right to receive information and advice from his subordinates without sharing it with anyone?

The *fourth* issue concerns Congressional oversight in general and surveillance of clandestine activities in particular. Oversight (except in fiscal matters) has been the responsibility of special subcommittees of the House and Senate Armed Services Committees. (CIA, on occasion, provides economic intelligence briefings to committees dealing with economic matters.) Critics have charged that these committees do not exercise their responsibilities in a sustained and serious fashion. They say that Congress—and the public—have no assurance that U.S. intelligence activities are effective or adequately controlled.

Various proposals have been put forward to deal with this matter, and most of them call for Congress to create a Joint Committee on Intelligence in order to gain greater access to intelli-

gence production as well as to exercise greater influence over clandestine activities—and especially over covert operations. Such proposals have never been accepted for several reasons. First, they were regarded by members of the present subcommittees as challenges to their authority. Second, the proposals called for such a Joint Committee to have jurisdiction over the intelligence activities of all government departments, which created opposition among the members of committees presently responsible for matters affecting those departments. Third, every Administration has opposed such a change, fearing it would impose new constraints on an activity that was essentially executive in character. Other arguments were that secrecy would be endangered, making foreign intelligence services less willing to cooperate with CIA, and that intelligence activities have been investigated periodically by special government commissions and regularly by the President's Foreign Intelligence Advisory Board.

The critics, while granting some force to these arguments, have not been convinced by them. What is more interesting, however, is that some people in the intelligence community—and apparently in CIA in particular—now see some merit in the establishment of a Joint Committee on Intelligence. Such a committee, were it to be responsible for maintaining the security of information provided it, might result in greater rather than less security. It might also provide reassurance to Congress—and the public—that CIA was adequately supervised, and thus place the Agency in a stronger position over the long term. Important issues—such as the extent of the Joint Committee's jurisdiction, its membership and staffing, and its methods of operation—are still matters of contention, but the differences have narrowed.

Intelligence and Policymaking in an Institutional Context

William J. Barnds
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SUMMARY

1. The U.S. intelligence system remains heavily focused on military considerations and upon discovering and evaluating potential military threats. However, changing conditions in the world have added new tasks, particularly in the area of economic intelligence, without reducing old responsibilities significantly—a trend that presents growing problems in a time of fiscal stringency.

2. The information collected for processing and analyzing by the intelligence community comes from a variety of sources ranging from the mundane to the esoteric. There has been a rapid rise in the importance of technological collection methods in the past decade or so, especially on military matters involving Communist states. Nonetheless, material in the public domain, reports of U.S. officials stationed abroad, and reports from foreign agents continue to play an important role in the intelligence process.

3. The structure of the intelligence community reflects the basic decision made shortly after the Second World War that, while departments with policy responsibilities should have an intelligence capability of their own, there should also be a central agency to produce its own studies as well as to coordinate the work of the community as a whole. Each of the intelligence organizations has its particular strengths and weaknesses, but the basic structure of the intelligence community in the area of intelligence production is sound.

4. The functions of intelligence in the policy process are: (1) alerting policy makers to events abroad; (2) estimating future developments; (3) appraising the likely consequences of possible U.S. courses of action; and (4) monitoring conditions that affect U.S. policies or agreements with foreign governments. Both intelligence officers and policy makers must perform certain tasks if the relationship is to be successful. However, differences in viewpoint about the appropriate relationship between intelligence officers and policy makers—and between their respective organizations—remain widespread. Some stress that this should be an arm's-length relationship so as to assure objective intelligence judgments; others stress the need for continuing contact and interaction so that intelligence will be relevant to the policy maker's concerns.

5. Three broad conclusions about the performance of the tasks required for an effective intelligence-policy making relationship seem warranted. First, several of them are being performed in an inadequate manner. Second, the situation is better than it was a few years ago, when distrust and lack of confidence characterized the relationship. Third, substantial improvements are possible without major reorganizations or drastic increases in the workloads of busy men, although some changes in working styles would be required.

6. Despite recent efforts at improvement, deficiencies exist in the establishment of realistic collection requirements—a problem which will become more serious as more sophisticated technologies permit the collection of an ever-growing volume of information.

7. Policy makers do an uneven job of providing guidance to the intelligence community and evaluation of the intelligence product. The Nixon Administration's dissatisfaction with intelligence production led it to establish the National Security Council Intelligence Committee to guide and evaluate the work of the intelligence community, but this body—which could and should provide guidance and evaluation by policy makers—has remained a paper organization. The National Intelligence Officer system is one attempt to bridge this gap. The President's Foreign Intelligence Advisory

Board (PFIAB) could usefully direct its attention to the problems of guidance and evaluation.

8. An even more serious weakness is the failure of high-level policy makers to keep the intelligence community informed of U.S. policies under consideration. Under such circumstances the intelligence officer must try to estimate what his own as well as foreign governments are doing. There is no satisfactory solution to this problem unless policy makers are less secretive about their activities and their longer-term priorities and goals.

9. Adequate arrangements for the organization and coordination of foreign economic policy—which involve a large number of powerful departments—have yet to be established. Policy formulation and coordination have fallen partly to the Council on International Economic Policy (CIEP) and partly to the National Security Council—a system that satisfies virtually no one. At the present time most economic intelligence reporting and analysis are done by the Central Intelligence Agency, whose work in this area is highly regarded throughout the government. In view of the lack of any consensus about the appropriate U.S. government organizational structure and procedural arrangements for dealing with foreign economic policy, it would be more sensible to build upon the present arrangements for economic intelligence than to make any major organizational changes. One procedural arrangement that might be appropriate, however, would be to make sure that there are adequate provisions for the DCI to report to the CIEP—and for the latter body (as well as departments outside the intelligence community) to have the authority to task the intelligence community.

INTRODUCTION

The development of the Cold War and the withdrawal of the European colonial powers from Asia in the late 1940s made it clear to American leaders that the United States would be drawn into a deeper and more lasting involvement in world affairs than had ever been the case in peacetime. During World War II, the hastily expanded U.S. intelligence organizations had given top priority to Germany, Italy, and Japan. Thus, little was known about America's principal adversary, the Soviet Union, or about the vast array of new nations stretching from North Africa through the Middle East and the Indian subcontinent to the South China Sea.

The confusion and uncertainty about the appropriate foreign policies to adopt regarding the bewildering series of problems facing the United States were intensified by the lack of institutions and procedures within the U.S. government necessary to formulate and execute an effective policy. President Roosevelt's highly personalized and informal style of leadership had obvious deficiencies and was, in any case, not congenial to his successors. Institutions and procedures had to be established which would enable the President to bring together the key U.S. officials who dealt with the various aspects of foreign policy to consider the relevant facts, to appraise American interests, and to weigh alternative courses of action, make the necessary policy decisions and see that they were carried out.

These needs led to the creation of the National Security Council and the Central Intelligence Agency in 1947. United States political leaders recognized the need for government departments with policy responsibilities to retain a capacity for intelligence research and analysis, but they decided that the task of providing much of the reporting and analysis needed should rest with an organization with no direct policy responsibilities and thus no departmental positions to defend. Thus the former Research and Analysis branch of OSS, which had moved into the State Department after World War II, was transferred to the CIA. A growing effort was launched to collect information of all kinds in Eastern Europe, the Soviet Union, the Far East, and the former colonial territories. Information that would be needed if war broke out received priority. However, the paucity of knowledge of the world abroad meant that almost any information seemed valuable, and thus a vast collection process was set up to gather data on everything from factory locations, road and rail networks, and trade relations to the strength and attitudes of various political forces in far-flung countries. Arrangements for basic research, current reporting, and long-range estimating were established, and extensive efforts were devoted to thinking through and working out appropriate arrangements for the utilization of intelligence in the policy-making process. Intelligence has had its successes and its failures over the years, but even its critics acknowledge that it has and will continue to play an important role in American foreign policy.

It is simple to state the formal responsibilities and to describe the work, varied and voluminous though it is, of the U.S. intelligence community in the area of intelligence production. It is to give the policy makers judgments as to what the situation actually is in the world at any given time, what it will be in the future, and (to a degree) what the implications of such judgments are. To carry out its responsibilities, the U.S. intelligence community has become one of the largest consumers and producers of information in the world—and thus in history. It gathers masses of facts, rumors, and opinions by reading everything from foreign newspapers and the translations of foreign radio

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broadcasts to the cables of U.S. missions abroad and the reports of secret agents, and from the reconnaissance photographs to the information in intercepted radio messages. Selected pieces of this information go directly to policy makers in their original form, but much of this data goes no farther than the intelligence analysts themselves. The intelligence organizations, after evaluating and analyzing it, regularly produce a variety of reports (National Intelligence Estimates, daily and weekly intelligence journals, special memoranda, and various studies in depth) and send them forth to compete for the attention of the overburdened and harassed policy makers. These reports deal with affairs in countries as far apart as Albania and Zambia and with subjects ranging from the prospects of an insurgency movement in Iraq to the implications of Soviet research and development efforts for Soviet weaponry a decade or more hence.

The responsibility for political analysis has grown as new nations have been born, and the need for such analysis seems unlikely to diminish. The amount of effort devoted to scientific intelligence has increased many-fold in the last fifteen years. In view of the seemingly inexorable march of science in the industrialized nations and the growth of the scientific capabilities of some of the new nations, the tasks in this area are likely to grow in importance, complexity, and volume. The need for accurate knowledge of the military forces of the major powers has always been substantial, and, despite a somewhat reduced U.S. involvement in the affairs of other continents, it remains important to know the military capabilities of dozens of countries. Even today the U.S. intelligence community's efforts are focused heavily upon military considerations and toward discovering and evaluating potential military threats.

Changing conditions in the world have added new tasks without reducing old responsibilities significantly—a trend that presents growing problems in a time of fiscal stringency. These new tasks are most striking in the area of economic intelligence, for the international trade and monetary upheaval of 1971 and the oil crisis of late 1973 highlight a major shift in the focus of American foreign policy in recent years. This is the growing importance of international economic policy relative to the traditional security concerns that dominated U.S. foreign policy for nearly three decades after 1941. The decline of American economic predominance by the late 1960s as a result of more rapid Western European and Japanese economic growth was one factor in this change, and the growing dependence on imported raw materials (especially petroleum) added another element. These trends have not only undermined the structure and procedures of the international monetary and trading systems that made possible the great postwar economic progress, but have also raised serious questions about the likelihood of a worldwide depression and about the economic viability of the resource-poor underdeveloped nations. Thus the intelligence community must grapple with the analytical problem of likely trends in U.S. dependence on imported oil, the uses likely to be made by the oil producers of their new wealth, and the ability of the international monetary system to deal with new pressures. Intelligence appraisals of the strengths and likely courses of action of such men as the Shah of Iran and the King of Saudi Arabia are of critical importance, as are judgments about how they would react to various U.S. courses of action.

Finally, intelligence organizations have the task of weaving judgments on political, economic, sociological, military, and scientific matters into an integrated and complete view of an area or an issue. This is as difficult and complex as integrating the modes of thought and expression of the political scientists, historians, economists, military strategists, and scientists who comprise the intelligence community or the foreign policy apparatus of the government. Thus intelligence permeates the entire foreign policy process. Intelligence activities cost several billion dollars annually, and intelligence judgments influence decisions involving the spending of even larger sums and, on occasion, concerning war or peace.

Two developments have increased the difficulties facing intelligence analysts in recent years. The first is the growing complexity of American foreign policy. Intelligence organizations operate most easily when the international system is stable and their government is pursuing a clearly defined and well-articulated foreign policy. These conditions were characteristic of the period when the Cold War was at its height, but they have been less true for several years. The strength of America's principal adversaries and allies (except the United Kingdom) have increased relative to that of the United States, and so has their freedom of action in certain areas. The U.S. remains in an essentially competitive relationship with the Soviet Union, but the policy of "détente" injects elements of cooperation into the relationship—elements which will grow if the policy is successful. This not only creates new intelligence requirements, such as monitoring arms control agreements, but also complicates the task of appraising Soviet policy. The same is true regarding China, with whom U.S. relations have shifted even more dramatically, and whose policies have fluctuated sharply in the past. And the rise of terrorism and drug use have resulted in new demands on the intelligence community for analysis as well as collection of information.

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The second development is the information and knowledge explosion. The growing interdependence of nations means that a particular event may have very serious secondary and tertiary consequences which are difficult to trace out in advance. New techniques and equipment for processing and analyzing information should be a help to the analyst, and in some ways they are. However, they often provide a flood of information which is more than any individual can digest. Jobs are then broken up and greater specialization ensues, but this increases the dangers of parochialism in outlook and creates new problems in coordinating the work of specialists.

Moreover, neither "intelligence" nor "policy making" exist in disembodied form. They represent the work of men and women, who are both supported and constrained by the institutions which employ them. Loyalties, ambitions, emotions, values, dedication, and vested interests are involved in ways difficult for the various individuals themselves to disentangle. Thus it is hardly surprising that the relationship between intelligence and policy making—and between intelligence officers and policy makers of various types and in many different situations—is a difficult and complex one. Major-General Sir Kenneth Strong, long a senior official in the British intelligence structure, has commented:

> The relationship between Intelligence officers and policy-makers is of course difficult and complex. The generally accepted view that it is the duty of the Intelligence officer to 'give just the facts, please' has little relevance in a modern governmental structure. In the first place, the facts are often such that the policy-makers are unable to interpret them without expert advice. Secondly, and obviously, the choice of facts is critical, and the Intelligence officer's decision as to which facts are relevant and which should be presented to the policy-makers is often the major initial step in the decision process. This choice between the trivial and sensational, between the unpleasant and pleasing, is by no means as easy as it may appear. Intelligence officers are human, too, and the temptations to prepare a logical story or to serve personal prejudices cannot be overlooked, especially in areas where the facts themselves are often in some doubt and the interpretation of them is as much a matter of opinion as of logic.
>
> On the other hand, there is a frequent temptation for policy-makers to use Intelligence data selectively to suit their own preconceived judgments or political requirements.[1]

[1]Major-General Sir Kenneth Strong, *Men of Intelligence*, St. Martin's Press, New York, 1972, page 140.

The relationship between intelligence and policy making is hardly as central as a feature of the American system as is that between Executive and Legislature, nor is it as complex as the military-civilian relationship. Nonetheless, it does raise important issues, but these have received relatively limited study. This is partly due to the fact that the relationship in its present form is only a few decades old, but also stems from the secrecy surrounding intelligence activities.

However, before examining the relationship itself and some of the problems it poses, it is useful to discuss the sources and types of data that intelligence is based upon as well as the organizations within the U.S. government responsible for intelligence production.

THE RAW MATERIAL OF INTELLIGENCE PRODUCTION

Intelligence is a term which has different meanings for different people. It has come to mean not only information on foreign countries which has been collected and evaluated, but also sometimes refers to counterespionage and covert operations as well as espionage. At times intelligence is used to describe a process, and at other times to describe a product. Perhaps the most useful definition for the purposes of this paper is a modification of the one found in the Dictionary of the United States Military Terms for Joint Usage: *Intelligence is the product resulting from the collection, evaluation, and analysis of all available information which concerns foreign nations or activities, and which is immediately or potentially significant to planning and decision-making.*

Thus intelligence is designed to provide policy makers with knowledge concerning present conditions, trends, capabilities, and intentions of foreign countries and groups within them. There are, of course, degrees of knowledge—or rather degrees of certainty about knowledge. Some matters are known. Others may be unknown but (at least theoretically) knowable with a high degree of certainty, such as the size and characteristics of the Soviet strategic forces. It is the task of the intelligence community to gather and interpret such facts. It is also possible, through studying the Soviet research and development effort, its industrial production capabilities and performance, and its general foreign policy, to provide fairly reliable estimates—i.e. those within reasonable ranges—of probable trends in Soviet military posture for the next several years. Other matters are not only unknown but unknowable. For example, it is not possible to give more than a rough estimate of the likelihood of a war between Greece and Turkey at

a particular period in the future because this depends upon the interaction of many contingent events as well as on the intentions of leaders who probably have not made up their minds over what course they will follow. Thus one of the important but difficult tasks facing the intelligence officer is to indicate the degree of certainty (or uncertainty) he attaches to his conclusions.

Intelligence can also be categorized as either strategic or tactical. (Counterintelligence, or actions designed to counter the operations of foreign intelligence services, is basically a police function. Neither counterintelligence nor covert operations will be considered in this paper.) Strategic intelligence involves knowledge of the capabilities and intentions of foreign powers which is required by United States leaders for making plans and decisions regarding national security and foreign policy. This includes intelligence on current developments as well as long-range forecasts on political, military, economic, and scientific trends in foreign countries. Tactical (or departmental) intelligence is so designated because it involves, *in the first instance,* information needed by a military commander or a diplomat in order to conduct his own operations. Yet it quickly becomes clear that there is no dividing line between tactical and strategic intelligence when we see how a single fact—the placing of Soviet army units in East Germany on the alert—would be tactical intelligence to the U.S. Army commander in Germany *and* strategic intelligence to U.S. leaders in Washington. With this limitation in mind, this paper concentrates on strategic or national intelligence.

The information that is collected for processing and analyzing by the intelligence community comes from a variety of sources ranging from the mundane to the esoteric. Since the importance of different sources varies with the country being studied and the issue under consideration, it is difficult to provide a meaningful statement of the importance of each type of data in the over-all intelligence process. The comments made on this matter should thus be regarded as no more than *very rough orders of magnitude.*

A basic source of information for intelligence production is material which is open and in the public domain. This includes newspaper and magazine articles, scholarly journals, books, open radio broadcasts, and the published documents of foreign governments and international organizations. These are important sources of information on Communist as well as non-Communist countries in many fields—although seldom concerning Communist military affairs. Open sources tend to be of more importance in developed or semi-developed countries than in those parts of the world which have only rudimentary media facilities and statistics-producing systems. Perhaps 20–25 per cent of the information used by the intelligence community comes from open sources.

Another major source of information comes from the reports of civilian officials of U.S. government agencies (excluding CIA) stationed abroad. The most important of these are the reports of the Foreign Service Officers in embassies and consulates, but also included are the reports from U.S. aid missions, attachés from the Treasury, Labor, and Agricultural Departments, and USIS personnel. The cables and dispatches of Foreign Service Officers, containing as they do the results of conversations with high local government officials (as well as background studies), probably are the most important sources of political information available. Many extremely useful economic studies also come from American officials, who integrate open source material with information picked up in their discussions with local officials or provided by local governments. Official reporting probably also provides 20–25 per cent of the total material that goes into the intelligence process.

U.S. military officials stationed abroad (either as military attachés or as MAAG personnel to oversee the distribution and use of U.S. military equipment) and routine military operations of U.S. forces abroad also provide information through their official reports. Naturally, these reports deal largely with military matters. U.S. military officials provide much more information on non-Communist than Communist forces. The operations of U.S. forces abroad may provide information on the capabilities of allied forces, as when joint maneuvers are held. They may also stimulate actions on the part of Communist forces which provide useful information through technical collection methods, a matter that will be discussed shortly. Considerable tactical intelligence is obtained from these sources, but probably only about 10 per cent of strategic intelligence originates with them—although this figure increases sharply in wartime.

The final source of information collected by human as against technical means is that obtained from clandestine collection.[2] This has been declining for many decades for a variety of factors. Weapons have become so complex that few spies could evaluate a modern aircraft even if they examined it. Even a scientist watching a nuclear explosion can tell less than an acoustic-listening device thousands of miles away. Moreover, many societies have become so complex that they must publish increased amounts of information if they are to be managed. This process has gone very far in the open demo-

[2]Some collection efforts involve both human and technical collection, as when an agent makes a physical penetration to implant a technical device.

cratic countries, which automatically reduces the potential role of the spy. The police organizations of the Communist countries, especially the Soviet Union and China, make these societies extremely difficult to penetrate. However, the death of Stalin and the Sino-Soviet split have forced Soviet leaders to compete for the allegiance of foreign Communist parties by providing information on Soviet thinking and policies. Thus some success has been obtained against Communist countries by recruitment of agents from the Communist parties of non-Communist countries. However, there is always the danger that a seemingly good source will turn out to be a double agent, who has provided some good information to establish his credibility in order to mislead at a crucial point.

Nonetheless, agents can sometimes provide the missing pieces of information that make it possible to answer key questions. They can be an important source of information on the *intentions* as distinct from the *capabilities* of a foreign power. However, as governments become larger, more complex, and more bureaucratic, the amount of information that any single agent can provide is limited by his contacts. This is why such importance is attached to securing an agent close to the center of power, who can provide a broader and more inclusive picture of the plans and policies of his government. The difficulty of penetrating the Communist governments and the ease of open and official contacts with the non-Communist industrial powers have made agents most useful in the Third World countries, which are usually not the primary concern of American foreign policy. Probably no more than 5 per cent of the total information used by the intelligence community comes from classical espionage operations.

Since World War II, technological collection methods have increased rapidly in scope and diversity, and together these probably account for over a third of the total information. The scientific and technological revolution of recent decades has not only made it possible to improve collection technology dramatically, but the increased power and range of modern weapons have made them more vulnerable to technological collection methods. The power of nuclear explosions can be detected around the globe, ICBM sites can be observed by aerial photography, and a missile being tested emits signals over the course of its several-thousand-mile flight that can be picked up hundreds or even thousands of miles away.

Before discussing those types of technical collection which have arisen and grown in recent decades, it should be noted that there has been some decline in the importance of the oldest form of intelligence collected by technological methods. This is communications intelligence (COMINT), which became a major source of intelligence after the advent of radio communications. The success achieved by the United States in breaking the Japanese codes before World War II was a major factor behind American success in the Pacific War—just as U.S. failure to utilize such intelligence made possible Japanese success at Pearl Harbor.

The reason for the decline in importance of this source is that the senders have come out ahead of the interceptors in the never-ending struggle to encrypt messages so that they cannot be deciphered. Secure systems have come to characterize not only the advanced nations—non-Communist as well as Communist—but some of the developing countries as well. At the same time, the volume of messages is so great that unbreakable systems are not practical for all communications, even in the military area. Human and mechanical errors are sometimes made which make not only individual messages readable but, in at least some instances, can lead to the breaking of a system. And communications security inevitably declines considerably during the disarray of war. Finally, it is not necessary to be able to read messages to obtain valuable information from them by means of traffic analysis. Communications between two points indicate there is a connection between them; if what is taking place at one point is known, this may provide a clue to the activities of the other. While most intercept activity can be carried out at a distance from the target country, it is sometimes necessary to bargain in order to secure listening posts within friendly countries adjacent to the target area. The host country quite naturally tries to extract a high price for its cooperation.

There has been a rapid rise in the importance of electronic intelligence (ELINT) in the past few decades. This involves the interception of radio waves of a non-communications type—from radars and from new and sophisticated weapons being tested. Radars must continually be in operation if they are to be useful, and there are few countermeasures that can be taken to maintain security. Locating the radars and determining their characteristics often involves sending planes or ships close to a country's borders—sometimes approaching them as if one intended to penetrate national boundaries, which can increase tensions and occasionally lead to international incidents. When certain types of new weapons are tested, they are equipped with instruments which measure their performance and transmit the data to test sites by radio telemetry. Another type of ELINT is the use of radars to monitor the actual flight of a missile (RADINT), which also provides valuable information on the pattern of test firings.

The advent of nuclear weapons with their tremendous power brought into being special types of

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technical receivers, which detect the shock waves carried through the earth and air and provide information on the location and size of the explosion—seismic and acoustical intelligence. Recordings of electromagnetic waves and the collection of radioactive debris provide other types of information, including the nature of the weapon. Since all tests —except those of China and France—have been carried out underground since 1962, the possibility of collecting such radioactive debris has declined.

Whatever the importance one attaches to the above technical collection methods, there is widespread agreement that all are overshadowed by imagery or photographic intelligence. This provides useful scientific, economic, and military information on the Communist countries that is not available from other sources. It can even, by detecting the pattern of weapons deployment, provide clues to political intentions. The SALT agreements signed in 1972 specifically stated that neither side would interfere with national technical means of collecting information to verify compliance with the agreements.

Photoreconnaisance, while sometimes hampered by cloud cover, also has the virtue of a high degree of reliability as long as the film is of readable quality. Arms control agreements would have been impossible without it. Both photographic and imagery intelligence also provide important information on the location of natural resources, industrial facilities, and on agricultural patterns. (New types of sensors which can detect crop troubles or failures have been installed in some satellites, and the Earth Resources Technology Satellite [ERTS] provides new capabilities for detection of raw materials of various types.)

The most striking characteristics of the raw information gathered by the collection process are its volume and its variety—both as to type and to quality. Millions of words of open source information, tremendous numbers of intercepted radio communications and telemetry signals, thousands of reports from U.S. officials abroad, seemingly endless rolls of photographs, and smaller numbers of agent reports reach Washington regularly for processing and transmission to intelligence analysts and policy makers. Some of this, such as open source material, requires only routine categorization and transmission to the appropriate analysts. Other materials, such as telemetry signals and most satellite photography, must be examined by specialists with esoteric technical skills before being sent to analysts. Material collected by one agency or department is generally distributed throughout the intelligence community, although some information that arises out of operational activities of the various departments is held much more closely.

Some critics have charged that collection drives the system, rather than the other way around, and that masses of information are collected simply because it is technically possible to do so. While this probably is an overstatement, the task of guiding and controlling the collection process is one that will become more difficult in the years ahead as more sophisticated collection systems now under development become operational and greatly increase the volume of data obtained.

An unending problem for the intelligence community is that of evaluating the quality of information collected. How reliable have a particular agent's reports been in the past, and does he have access to the type of information in a particular report? Is the foreign minister of a particular country telling the U.S. ambassador the truth when they talk or, more realistically, how is he mixing the truth with statements designed to entice or mislead? Does an upsurge of unreadable communications between two points indicate that an operation is about to begin, or is it an attempt to confuse or mislead people in the National Security Agency engaged in traffic analysis? Are the statistics of agricultural production given the U.S. by a foreign government accurate? If not, is it because their statistical techniques are inadequate or because they want to create a particular impression? Some of these questions can never be answered with certainty, but meticulous cross-checking and comparison of reports from many types of sources dealing with the same subject often enable the processor or the analyst to reduce the uncertainties substantially.

THE STRUCTURE AND PRODUCTION OF THE INTELLIGENCE COMMUNITY

The "production" of the intelligence community ranges from oral interpretations of a particular event by a single analyst in response to a policy maker's informal query to the formal process involved in drafting and coordinating National Intelligence Estimates (NIEs) and having them approved by the United States Intelligence Board (USIB).[3] Much of the production appears in written form, but oral briefings occupy an important role in the system, particularly in the Defense Department.

Primary responsibility for preparing intelligence

[3]USIB is chaired by the Director of Central Intelligence. Its members are the Deputy Director of CIA (representing the Agency), the directors of the Defense Intelligence Agency (DIA) and the National Security Agency (NSA), the Director of the State Department's Bureau of Intelligence Research (INR), and the heads of the intelligence sections of the ERDA, the FBI, and the Treasury. The heads of the intelligence units of the Army, Navy, and Air Force are not official members of the USIB, but they attend the meetings and can dissent from its judgments.

reports and estimates for the policy makers rests with the Bureau of Intelligence Research, the Defense Intelligence Agency, and the Central Intelligence Agency. The effort of the National Security Agency results largely in the publication of individual messages—or collection of messages—on specific topics, although its reports sometimes combine this information with material from other sources. The intelligence units of the military services concentrate largely (though not entirely) on tactical intelligence matters of interest to their particular services. The production of the FBI and Energy Research and Development Administration consists largely of specific reports dealing with their special responsibilities, while the intelligence unit of the Treasury concentrates on collating and summarizing intelligence produced elsewhere for use by Treasury and other officials concerned with international economic matters.

The Central Intelligence Agency has the principal responsibility for producing national intelligence, especially for the President and the NSC apparatus. The National Intelligence Officers (NIOs) are technically under the DCI as head of the intelligence community rather than as director of the CIA, but they are more a part of CIA than of any other organization. (Most of the NIOs are from CIA, although State and Defense Department people are also involved.) Most of the regular current intelligence production is carried out by CIA, which produces two daily intelligence publications, a weekly intelligence review, an economic intelligence weekly, and a weekly review of international oil developments. However, much of the material published in the daily publications, and some of the weekly material, is coordinated with the other members of the intelligence community, who can register dissents from judgments with which they disagree. A large part of the responsibility for economic intelligence has come to rest with CIA. Originally its responsibilities in the economic field were confined to research and reporting on the economies of Communist countries (including their international economic activities), but over the years they have expanded to include virtually all parts of the world. CIA does extensive research on military affairs—chiefly involving Communist countries—which overlaps the work done in the Defense Intelligence Agency. Over the past two decades the Agency has become a leader in the field of scientific intelligence, both as regards analysis and reporting on scientific trends abroad and in developing new technologies for information collection.

CIA has several important strengths, but has also suffered from two weaknesses. Since intelligence activities—collection, research, analysis, and reporting—are its major function, its senior people can devote most of their attention to such matters. Its analysts are freer of policy pressures than those of other intelligence organizations, which makes it easier to maintain objectivity. It is not bound by Civil Service rules, which gives its greater flexibility on personnel matters. And it has less problems maintaining continuity of expertise than do other intelligence organizations.

Its first weakness—and it is difficult to know how serious this is—results from the unwillingness of some people to work as analysts for CIA because they do not want to be involved with an organization which carries on covert operations. The second, and perhaps more important, weakness involves its distance (both organizationally and physically in view of its location at Langley) from the policy-making process. This is a particularly serious problem in view of the lack of systematic guidance by the policymakers that has characterized the relationship for many years. The National Intelligence Officer system is one attempt to remedy this. The institution of a daily CIA briefing of President Ford should be valuable in helping CIA keep in touch with matters causing concern and likely to be the subject of important decisions.

The activities of the Defense Intelligence Agency (DIA), which was established in 1961, range from basic research to current reporting. DIA's efforts are focused principally upon the military capabilities of potential adversaries—especially the Communist countries. Yet it must be prepared to deal with many other matters as well, ranging from the outlook for Sino-Soviet relations to whether a natural disaster in a particular country is serious enough to warrant the dispatch of naval vessels or aircraft for relief operations. It devotes a major part of its effort to briefing senior civilian and military officials of the Department of Defense. It must also provide intelligence support for the Secretary of Defense, and take part in the preparation and coordination of national intelligence.

DIA faces a number of serious problems which limit its effectiveness. It can be tasked by so many separate people and organizations—the White House, the Secretary of Defense, the Joint Chiefs, the heads of the military services, and others—that it is difficult to plan its activities in an orderly and efficient manner. Intelligence still has a low status in the military services, and only the Army has designated intelligence a career track. This hampers DIA's ability to secure its share of the best officers, a problem complicated by the reluctance of many officers to serve in an organization not part of their own service. Personnel turnover is high among military officers, and civil service rules limit management's ability to raise the standards of performance. The inherently hierarchical nature of the military establishment creates a milieu in which it is difficult for specialists to press their views on offi-

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cers who are their seniors, especially on issues involving service or departmental interests or policies.

A number of efforts have been made in recent years to mitigate these problems. DIA has experimented with new methodologies in some fields. A Directorate for Estimates was set up so that some analysts could concentrate on longer-term problems with less pressure to respond to current developments. Efforts are underway to give civilians greater responsibility in certain areas so as to be able to attract better people and to assure greater continuity of expertise. DIA no longer publishes its own daily intelligence bulletin (although it still produces a weekly review) but instead sends out its individual reports as they are prepared. These measures should result in some improvements, but, in view of the many problems facing DIA, it will be difficult to achieve a substantially better performance.

INR is the smallest of the major production units. Its production efforts are concentrated in two areas. The first is intelligence reports that service the specific needs of senior State Department policy makers. These are often short reports focused on very specific developments or issues of current interest. The second is its involvement in the coordination of current intelligence reports and NIEs produced in CIA. (In addition to its production activities, INR is responsible for appraising proposed covert operations and for managing the external research program of the State Department.) If the Secretary of State is a dominant figure in the making of foreign policy—and has confidence in the leadership of INR—the organization can play an important role, for its proximity to policy-making officials enables it to focus its efforts on those matters of intense concern to senior officials. However, it has two weaknesses: (1) its limited resources, which make it impossible to assemble a staff sizeable enough to deal with the range of issues confronting the U.S. government, and (2) its traditionally low status in the State Department (especially among Foreign Service officers) and its constant personnel turnover, which combine to make it difficult to obtain top quality people with experience and continuity in their jobs.

The size of the U.S. intelligence community gives it considerable capacity for research in depth, and also provides great strength for analyzing and reporting during a crisis. At the same time, size also imposes limitations, for subtlety of thought about complex issues is seldom a noteworthy trait of any large organization. This problem is compounded when various organizations come together in order to coordinate their judgments. Special efforts are constantly required to see that significant differences of views are spelled out rather than glossed over, and to make sure that unorthodox views and individual insights are encouraged rather than stifled by the system.

One other point warrants mention. The various intelligence organizations are more cognizant of the work underway, and of the strengths and weaknesses, of the others than was the case a decade or so ago. Less compartmentalization has resulted in somewhat easier and informal working relationships across bureaucratic lines, and this provides a measure of flexibility that does not show up on the organizational charts with their inevitable emphasis on boundaries and hierarchies. Organizational rivalries and loyalties have by no means disappeared, but on the whole the phrase "intelligence *community*" has more substance now than in the past. Moreover, a serious effort has been made to expand relations between intelligence analysts and scholars outside the government. Progress has been made despite the reluctance of some scholars to become involved with intelligence agencies. This effort warrants continuation, not because outside scholars are more able than government analysts, but simply because all possible sources of new ideas and different perceptions should be sought.

THE ROLE OF INTELLIGENCE IN THE POLICYMAKING PROCESS

Intelligence has *four* separate but related functions it must perform if it is to play its proper role in the foreign policy decision-making process. Its *first* and most obvious task is that of following events abroad and reporting on important developments so as to alert policy makers to impending opportunities and problems. A *second* task is estimating future developments in other parts of the world so as to reduce the uncertainties and risks facing the policy maker. A *third* function also involves estimating, but in the particular context of requests by policy makers for appraisals of likely foreign reactions to alternative U.S. policies currently under consideration. The *fourth* involves monitoring conditions that could affect U.S. policies adopted or operations underway. Verification of compliance or noncompliance by foreign governments of agreements, such as those on arms control, is an important example of this type of activity. (Conveying judgments to policy makers about when verification is and is not possible *before* agreements are made is a related aspect of this task.)

If the intelligence officer is to fulfill his essential functions, he must perform *four* separate tasks. The *first* is providing guidance for the collection process, so that information is collected on the subjects

that the analyst must deal with in his reports to the policy maker. The *second* is to keep attuned to the concerns of the policy maker so that the analyst can produce intelligence that is relevant to forthcoming policy decisions. The *third* is to produce high-quality, objective, and relevant intelligence reports and appraisals, something as simple to state as it is difficult to do. The *fourth* task is to convey his reports and estimates in a persuasive manner, which is essential if the intelligence produced is to have the impact it warrants.

The policy maker also must perform several related tasks if the relationship is to be successful. *First,* he must provide guidance to intelligence officers on the types of intelligence needed lest the intelligence officer be forced to operate in the dark —both as to his own production and in his guidance of the collectors. Estimating likely developments abroad is difficult enough without having to guess at the needs of one's own government. A *second* and closely related task is to keep intelligence officers informed not only of policies under consideration but of actions and operations of the U.S. government. Intelligence officers can hardly be expected to interpret the actions of foreign governments successfully if they are unaware of U.S. actions, promises, or threats that may be influencing the decisions of other states. *Third,* the policy maker must convey his evaluations of the intelligence he receives so that the intelligence officer knows whether or not what he has produced is meeting the needs of the policy maker. There are obvious limitations on the ability of busy men to perform these tasks in a regular and systematic manner, but, if extensive resources are to be devoted to intelligence, they are too important to be ignored.

There would be widespread agreement about the appropriate tasks of intelligence officers and policy makers as long as they are set forth in the abstract, as they are above, but everyone with any experience in either aspect of the relationship would immediately add that reality is never as clear-cut as the principles would have it or as neat as the organization charts indicate. There is considerable friction and tension in the relationship, which stems from personality clashes, organizational rivalries and conflicts, and different views about how the tasks of each side should be carried out.

There are two main views of the appropriate relationship between the intelligence officer and the policy maker. The traditional view stresses that intelligence should tell the policy maker what he needs to know rather than what he wants to hear. The relationship should be an arm's-length one, so as to keep to a minimum the dangers of the intelligence officer's judgment being swayed by the views of the policy maker. The other view agrees that the intelligence officer must be rigorously honest and independent in his judgments, but stresses that if the former is to tell the latter what he "needs to know" he must have considerable knowledge of the specific concerns of the policy maker. Otherwise, intelligence work becomes the pursuit of knowledge for its own sake rather than a carefully focused input to the policy-maker's thinking and decision-making process. Even in the latter case, of course, intelligence is but one input among many involved in a decision. The policy maker gathers facts and ideas from many sources, and must also be concerned with such matters as domestic needs and Congressional opinion in coming to his decisions.

In theory the intelligence officer does not put forward policy recommendations, but his decisions as to which facts are relevant and the way in which they are presented can make a particular policy look sensible or silly. His experiences will have led him to have committed himself to certain views of men and nations abroad, and he will have his personal views on what U.S. policy should be in particular instances. No matter how disciplined he is in trying to keep his views about foreign areas under constant scrutiny and modify them if unforeseen developments indicate he should, he will be hesitant to abandon positions to which he has committed himself lest he be regarded as inconsistent. Yet the intelligence officer who becomes predictable risks losing his audience. No matter how hard he tries to keep his personal policy preferences from influencing his intelligence judgments, he will find it extremely difficult to make the proper allowances for his own views. Similarly, policy makers sometimes exert pressures—subtle or otherwise—on intelligence officers to tailor their judgments so as to support existing policies, and they cannot always avoid the temptation to use intelligence selectively in order to secure support for their policies from the public, the Congress, and foreign governments. Even more delicate and complex strains arise when there is disagreement among individual policy makers or departments which lead some to cite intelligence reports as support for their positions and others to downplay the significance of such reports.

These differences should be kept in perspective. One holding the traditional viewpoint would agree that an intelligence organization should be prepared to answer questions about likely foreign reactions to various U.S. courses of action. (How would North Korea react to the removal of U.S. troops from South Korea? Moscow to full U.S. diplomatic relations with China? Other food-surplus countries to an increase—or the lack of an increase—in U.S. food shipments to avert famine?) A person holding the view that there must be continuing contact between intelligence officials and policy makers would

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agree that the former should not tell the latter which policy he should follow. Those holding the second viewpoint argue that intelligence officers must be prepared to take the initiative in seeking out policy makers, gaining admittance to their meetings, making known the capabilities of intelligence organizations, and in effect pushing the policy makers to explain what their aims and policies are and solicit their requests for intelligence reports. The areas of overlap between the two viewpoints provide the basis for a working relationship, but the differences in emphasis often produce sharp and bitter clashes. Such disputes constitute one source of continuing friction between intelligence officers and policy makers, particularly when an intelligence failure or an unsuccessful policy creates a major potential fracas.

Another problem is the tendency of some policy makers to regard themselves as their own best intelligence officers—at least on some issues. Few of the leading officials of the U.S. government would have gained such positions of influence were they not possessed of considerable self-confidence. They may still value intelligence reports, but they are much more receptive to specific facts and hard (measurable) judgments than to "soft" appraisals of trends or possible political developments. Moreover, intelligence "judgments" often seem much less significant than the policy maker's own high-level diplomatic exchanges or private conversations with foreign leaders—especially if something as dramatic as a "hot-line" is involved.

This tendency has probably been one factor behind the trend toward increased emphasis on current intelligence reporting and the downgrading (though not the elimination) of longer-range analysis and estimates. Another factor has been the increased skepticism about the utility of policy planning which, in the judgment of some critics, is usually no more than an unimaginative projection of the present into the future in a way that conveys an impression of predictability to policy that is impossible in a disorderly world.

Few people who have had any experience in estimating or planning are unaware of the limitations inherent in such activities. Nonetheless, they express serious concern about recent trends. Major resource decisions—such as new weapons programs—can only be based upon judgments, implicit if not explicit, about the future. Unless foreign policy has a sense of direction, individual decisions are likely to oscillate with the pressures of the moment rather than according to a well-thought-out frame of reference or design. The top official can easily allow himself to be overwhelmed with dramatic facts about current developments to the exclusion of the less exciting long-range think piece. Modern methods of communications allow the Secretaries of State and Defense, or even the President, to be the country desk officer in a crisis if he chooses to be. This happened in the Cuban missile crisis, the Dominican Republic intervention, and the early bombing campaign against North Vietnam. The record suggests that such a temptation should be resisted.

How successful or unsuccessful have intelligence officers and policy makers been in fulfilling their respective tasks in recent years? More important, what factors have been responsible for the achievements that one finds and for the problems that exist? The outside observer can make only tentative judgments, and runs the risk of being unduly influenced by individual successes or failures that have come to his knowledge. To generalize, however, three broad conclusions seem warranted. *First,* many of the tasks are being performed in an inadequate manner. *Second,* the situation is better than it was a few years ago. *Third,* substantial improvements are possible without major reorganizations or drastic increases in already heavy workloads, although some changes in working styles would be required.

Before expanding upon these judgments, several points—or perhaps viewpoints of the author—should be emphasized. First, success or failure in establishing a mutually beneficial intelligence officer-policy maker relationship depends as much if not more on the *attitudes* of the officials involved toward each other's role as on *organizational* arrangements, but the *procedures* governing their relationship are of considerable importance to the whole process. Poor organizations are a handicap, just as good structures are a help, but the basic structure of the intelligence community at the present time *in the area of intelligence production* is sound. Second, different working arrangements are necessary in dealing with different types of foreign policy problems. Relations with close allies in an era of increasing interdependence require the participation of a larger number of civil servants, Foreign Service officers, and military officers than do relations with adversaries; and the procedures for providing intelligence on different subjects should reflect this.

Third, the advent of a new Administration often results in particular strains on the intelligence-policy making relationship. Even public officials who have a proclivity to work through channels in an orderly fashion are affected by their personal appraisals of the individuals with whom they deal. When new public officials have an instinctive distrust of bureaucracy as such there will inevitably be serious strains between policy makers and intelligence officers. This happened during the early

years of the Nixon Administration, when senior men in both groups found it difficult to establish the trust and confidence in the other necessary for a productive relationship. In this kind of atmosphere, subordinate officials in the two groups who have worked together in the past can only mitigate the damage. There are some signs of improvement during the past year, but given the foreign policy challenges facing the United States there is no room for complacency.

What follows is a brief expansion upon the conclusions regarding the state of the intelligence-policy making relationship, together with a short statement of what can be done to improve it. More detailed comments on these and other points are contained in the final section of this paper.

1. Establishing requirements for intelligence collectors—a task that falls mainly to intelligence officers, but indirectly to policy makers as well—has always been a weak point in the process. Some efforts at improvements are underway, and these are discussed and appraised below.

2. The policy makers by and large do an uneven job of providing guidance to the intelligence community and evaluation of the intelligence product. Evaluation in particular tends to be *ad hoc* rather than systematic. (Guidance varies over time; many requests for studies were made when the National Security Study Memorandum [NSSM] procedure was first initiated by the Nixon Administration.) Periodic requests for particular studies and occasional complaints or compliments for a failure or a helpful appriasal are not adequate substitutes for a systematic effort in these areas. While some studies are self-initiated, and much of the reporting of any large organization is routine, a lack of guidance can lead to an effort to avoid risks by producing reports on every possible subject, thus, overwhelming the policy maker with paper. Policy makers complain—with some justification—that they find intelligence organizations unresponsive to some of their requests. (This is a particular complaint of middle-level policy officers.) Instances cited are requests for analysis of the personality traits of foreign leaders, the influence of bureaucratic interest groups on the policies of foreign nations, and the underlying goals and rationale behind such matters as the Soviet strategic arms build-up. Complaints are also heard from some policy makers that intelligence organizations are extremely conservative in experimenting with new methodologies or in hiring people with backgrounds in new disciplines, such as the psychology of organizational behavior. Failing to get an adequate response, some policy makers gave little attention to production guidance.

3. An even more serious weakness is the failure of high-level policy makers to keep the intelligence community informed of U.S. actions that have been taken, high-level conversations with foreign leaders, and policies under consideration. (This poses a particularly difficult problem when some of the basic conceptions about world politics and foreign policy goals held by newly-elected leaders are quite different from the ideas of their predecessors.) Under such circumstances the intelligence officer faces an extremely difficult task in keeping attuned to the concerns of the policy maker—as well as appraising actions of foreign political leaders. There are several reasons for this failure. One is simply the pressure of time on the top men in the foreign policy establishment. This is a particularly serious problem when one man, Dr. Kissinger, has more duties than any one person can handle—Special Assistant to the President, Secretary of State, chief American negotiator in a variety of situations, and major spokesman on foreign policy for the Administration in its dealings with Congress, the press, and the public. Moreover, no adequate delegation of authority is made for periods when Secretary Kissinger is out of Washington. Another reason is his fear of leaks—not only to other countries but also to elements in the U.S. government with different views on foreign policy—which would make it more difficult to carry out his policies. (This problem of inadequate knowledge of U.S. plans and actions is not unique to the intelligence community, but affects other parts of the foreign policy community as well. Indeed, it is ironic that as compartmentalization has declined among intelligence officers it has increased among policy makers.)

4. In view of these problems, it is surprising that the quality of intelligence is often quite good. There are weaknesses, to be sure, but the product often matches the work done at the better universities and private research establishments. (This does not imply that the intelligence community is more capable than the policy-making community, for one could make a case that the content of American foreign policy has also been good—even though neither group has made full use of the other.)

5. It is difficult to make any meaningful generalizations about how effectively and persuasively intelligence is presented to the policy maker. Considerable flexibility is required on such matters and some is clearly in evidence. Some policy makers are listeners and some are readers. Brevity and a few specific conclusions are required for some policy makers on certain subjects. In other cases much more detail and speculation may be appropriate. *Whatever the format and procedures, important intelligence should be presented in a way that can lead to discussion and questioning before decisions are made so that the dangers of the policy maker misunderstanding the judgments (especially those expressed as probabilities) and the implications of such intelligence are reduced to a minimum.* The lack of such opportunities when final decisions were being

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made—as distinct from options being set forth—was a weakness of the NSSM system. Moreover, the NSSM system was inadequate when a crisis arose, as evidenced by the establishment of the Washington Special Action Group (WSAG).

The Nixon Administration's dissatisfaction with the U.S. intelligence community led it to make a number of changes in 1971, one of which was the establishment of the National Security Council Intelligence Committee (NSCIC).[4] The NSCIC was to provide substantive guidance and evaluation from senior policy makers to the intelligence community. Despite Administration complaints about the analytic quality of intelligence production and its relevance to policy requirements, the NSCIC has remained a paper organization unused by those who created it.

Without suggesting that regular utilization of the NSCIC—or something much like it, with both consumers and producers of intelligence participating—would solve the complex problems and existing deficiencies in the intelligence-policy making relationship, it has the potential to improve conditions considerably if used intelligently. Its task is not to provide the week-by-week, study-by-study policy maker guidance to intelligence organizations. Rather, it should focus on major long-term issues, specific opportunities and deficiencies, and examination of the procedures used by each group to fulfill its functions. For example, the NSCIC might examine whether or not the intelligence community is devoting the right percentage of its resources to Soviet affairs, to international economic affairs, and to specific areas. Is a major new effort needed in Southern Europe in view of the importance—and fragility—of this area? This would require some changes in working styles. *Specifically, policy makers would need to be less secretive and more explicit about their longer-term priorities and goals.* (There are, of course, limitations as to how much precision one can expect about long-term aims given the periodic turnover at the top levels of the U.S. government, but some improvements are possible.) Similarly, periodic and systematic efforts to convey evaluations of the performance of the intelligence community would make its internal efforts at improvement more effective. The high-level officials who are members of the NSCIC would have to rely on subordinates for the detailed work necessary to make this body effective, but support and direction from the top are essential, and the amount necessary would not be unduly burdensome for busy officials.

[4]NSCIC members are the Assistant to the President for National Security Affairs (Chairman), the DCI (Vice-Chairman), the Deputy Secretary of State, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of the Treasury for Monetary Affairs.

KEY ISSUES IN THE INTELLIGENCE-POLICYMAKING RELATIONSHIP

Establishing Requirements for the Collectors

There is general agreement that one of the weakest—and most difficult—areas in the entire intelligence effort involves establishing requirements for collectors in a systematic, efficient and meaningful manner. There are some people familiar with the intelligence community who believe that far too much information of certain types is collected simply because it is collectible and because someone somewhere has requested it—and who see the problem getting worse as technological capabilities increase. This probably grows out of the "jigsaw puzzle" syndrome—the idea that somewhere there exists a particular fact which, if available, would provide the answer to the analyst's needs.

Procedures have been devised for levying individual specific requirements on collectors. Arrangements and procedures have also been adopted for deciding whether or not to undertake a major collection effort on a particular problem or to buy a new technological collection system. The latter types of decision require major coordinated studies involving estimates of likely trends in foreign countries and long-term American foreign policy priorities. Similar types of appraisals and decisions are necessary if difficult agent penetrations are to be attempted in a useful manner.

The essential problem regarding requirements is that of devising a systematic and periodic tasking of collectors in a way that uses increasingly scarce resources for the most important needs. There is a major dilemma involved here. If all the specific questions that the intelligence officer (and the policy maker) would like answered are put into a list, it would be so voluminous as to offer little practical guidance. At the other extreme, a short general list provides little real guidance to anyone. What is necessary is a continuous surveying of what is known to the intelligence community, what it is ignorant of, and what elements of ignorance can be reasonably eliminated. Then—most difficult of all—it is important to establish a priority regarding the importance of the facts that need to be known and how much it would cost to learn about them. A particular fact may be only of moderate importance, but if it can be learned at a low cost it may warrant a high priority. Decisions must also be made about the degree of certainty required. For example, are the intelligence community and the

policy maker willing to accept 90 per cent certainty of knowing a particular set of facts? The cost of acquiring such facts will be far less than if 99 per cent certainty is required, for in many cases it is the most sophisticated and expensive technology that must be used to eliminate the last elements of uncertainty. Clearly these are decisions that should be made jointly by the intelligence community and the policy makers. An effectively operating National Security Council Intelligence Committee should be able to provide some guidance on such matters.

Major questions arise about why requirements have been a general weakness of the intelligence community and what is being done to overcome this deficiency. There are a variety of reasons for past shortcomings. Some of them involve the inherent difficulties and complexities of the problem. The problems can never be "solved"; the most that can be hoped for is that they are minimized. Requirements staffs often have had little prestige in the intelligence community, and few of the best people have wanted to work in this area. The requirements staffs have little authority over the collectors, and must obtain high-level support on an *ad hoc* basis when they are confronted with unsatisfactory collector performance. Collection is to some degree an opportunistic affair with an element of luck involved, and collectors in the field are tempted to work on the easiest rather than the most important tasks. Moreover, the collectors themselves have a valid complaint in that they are often not given adequate lead time by the intelligence officers and the policy makers, who sometimes fail to anticipate their needs—a difficult task in an uncertain and fast-changing world.

One other structural weakness needs to be pointed out before discussing efforts that are under way to improve the situation. Requirements at present come under the general jurisdiction of a variety of committees of the U.S. Intelligence Board. Each of these committees—such as those dealing with human collection resources, communications intelligence, and overhead reconnaisance—try to collect what is possible with the technology available to them. What is needed is a more rigorous effort to organize and integrate requirements in their entirety rather than only by individual techniques.

A number of efforts are under way to improve the collection guidance process under the leadership of the DCI, who now has direct authority over the chairmen of the USIB committees. One of these efforts involves the development of the Key Intelligence Questions (KIQs), which are worked out by the intelligence community in cooperation with the USIB committees, and are revised annually. Since this method has only been recently adopted, it is too early to evaluate its usefulness. Secure telephone lines have been established between a growing number of U.S. embassies and Washington agencies, which enable the intelligence analysts and the collectors to be in direct communication. Efforts are also under way to make sure that policy makers as well as intelligence analysts and collectors understand each other better. One of the tasks of the National Intelligence Officers is to facilitate this dialogue. These efforts to short-circuit bureaucratic hierarchies are being supplemented by attempts to link collection needs and performance more closely to budgetary and fiscal planning. Finally, an effort is under way to mesh tactical and national collection capabilities and needs. All of these activities should be continued and institutionalized.

Guiding and Evaluating the Reporting of U.S. Embassies

Some of the most important information to reach the intelligence community in Washington grows out of the reporting activities of U.S. embassies around the world. This includes not only the extensive reporting by Foreign Service Officers (FSOs) on political, economic, and social developments in their respective countries and on the foreign policy of the governments they deal with, but also reports by American attachés responsible for agricultural, financial, labor, and military affairs. Other important information arises out of the reports of AID Missions, USIS posts, and Military Assistance and Advisory Groups (MAAG).

Several obstacles exist to making this reporting more useful and responsive to the needs of the intelligence community. The first is simply a problem of understanding. To the typical FSO, intelligence is basically what is collected clandestinely by an agent—or, at the other end of the technological spectrum—by advanced technological methods. The FSO seldom looks upon *his* reports as a part of the intelligence collection activities. He often points out that if he were regarded simply as an intelligence collector by the local government, many of his sources of information would dry up. Yet to an intelligence analyst the conversations of a U.S. diplomat with his foreign counterparts are a very important type of raw intelligence, just as are the studies done by the embassy personnel on conditions and trends within a particular country. There is no point in trying to obtain an agreed definition of what is or is not raw intelligence. What is needed on the part of the embassy personnel is an awareness that these reports do enter the intelligence process, and more systematic training and evaluation of such personnel in view of their inescapable role.

At the same time, intelligence organizations need

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to remain aware that the activities and purposes of the U.S. embassy personnel and intelligence officers only partially overlap. Embassy reporting must serve many masters. Much of the work of the embassy official will be directed toward managing routine relationships between governments or—if he is a senior official—negotiating important agreements and making foreign policy recommendations.

Even increased understanding of these points would still leave unresolved the responsibility for guiding and evaluating the efforts of U.S. embassies regarding reporting for intelligence purposes. One obvious improvement involves devising a better and more meaningful requirement system, a subject discussed in the previous section. According to many people who have served in embassies abroad, requirements lists are either so general as to be meaningless or so detailed as to impose impossible tasks. In either case, they receive little consideration.

The DCI is examining various methods designed to foster closer links between the intelligence community and U.S. embassy personnel as part of his responsibility for coordinating the intelligence collection activities of the government. He is considering the idea of sending an annual letter to each embassy evaluating its reporting in an effort to provide guidance and stimulate improvement. This is obviously a matter that raises some delicate issues concerning the relationships between the DCI and the Secretary of State. A letter stating that an embassy had done a good job in most areas but needs to improve its performance on a few matters probably would not create many difficulties. However, a really critical letter would in effect be an indirect criticism of the Secretary of State. For such a system to be acceptable to any Secretary of State, such letters probably would have to be coordinated with him—in effect, with INR—before they were sent.

If this system is adopted, it might also be useful to require embassies to make a systematic appraisal of the quality of intelligence produced on the countries to which they are accredited. Such a practice, if handled in a constructive manner, would provide one element of evaluation of intelligence production from the viewpoint of those "on the ground" and could encourage a useful Washington dialogue with the field.

Policy Guidance to the Intelligence Community

One of the striking deficiencies affecting the role of intelligence production is the inadequacy of guidance by policy makers as to their needs. This is a broad statement, and exceptions are easy to find. Nonetheless, complaints on this point are heard too often to be ignored. Requests for particular studies are made from time to time by virtually every policy maker, and regular reports (such as the National Intelligence Daily and National Intelligence Estimates) are read—at least partially. One of the responsibilities of the National Intelligence Officers is to solicit guidance. Nevertheless, guidance is too often *ad hoc* rather than systematic. The National Security Council Intelligence Committee (NSCIC), which was to provide systematic guidance by consumers to producers, has been a paper organization with no discernible impact. The busy high-level officials on this committee could hardly spare the time for detailed work in this area, but without their drive and support any task force or working group of people more directly involved can make very little progress.

(The problem of inadequate guidance, it should be emphasized, is *not* something that developed in recent years. It has been a problem ever since the regularized system of policy making through reliance on the NSC system was abolished by the Kennedy Administration. Previously, the NSC meetings began with an intelligence briefing, usually by the DCI; he then learned of the concerns of the policy makers as they discussed issues, and was tasked by the NSC if further work was required. The major flaw in the system was the attempt to present a consensus on policy to the President, which led to a muting of differences and an emphasis on the lowest common denominator. Had options or alternatives been presented to the President, the system might not have been largely ignored since 1960.)

A key factor in whether or not there is adequate guidance is likely to be the attitude of the President. If he makes a reasonable effort to provide guidance—and if he encourages the NSC staff to do the same—his example is likely to spur others to take this responsibility more seriously. The President's Foreign Intelligence Advisory Board (PFIAB) should make this subject one of its regular concerns.

Evaluating Intelligence Production

A major weakness in the field of intelligence over the years has been the lack of systematic evaluation of intelligence production by the intelligence community as well as the policy maker. Individual analysts evaluated their own performance on an informal basis, and their immediate supervisors also did so. Occasionally, major studies of the record on a particular problem or area were undertaken. At times intelligence officers

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received comments about their reports from senior policy makers, but this usually involved specific complaints when a mistake was made or specific praise for a particularly good report. (More frequent comments come from middle-level officials. These are helpful, but no substitute for awareness of high-level reactions.) What has been lacking is a systematic effort to evaluate performance. The various parts of the intelligence community need to evaluate their own production, not so much so that they will know what their scorecard is, but in order to devote serious study to the basic reasons why they did some things well and others poorly. The intelligence officer also needs feedback from the policy maker so that he knows when he is answering the questions the latter needs answered and when he has misdirected his effort, when he has been persuasive and when the policy maker remains unconvinced. Criticism is as important as praise, if not more so.

In the past year, a beginning has been made by the Intelligence Community (IC) staff in this area. A small evaluations staff has been established to assemble the production on certain major issues, to appraise the record, and to see what lessons can be learned. Several points need to be made about this. Evaluation is a difficult and time-consuming business when one not only looks at which forecasts were correct and which were wrong, but tries to discover the underlying reasons and the lessons to be learned. It is more difficult to judge whether intelligence was relevant than if it was correct. Some intelligence judgments are conveyed orally at high-level meetings, and even when these are recorded it is difficult to get their full flavor.

The present IC staff effort should be continued and a body of case studies built up as part of an ongoing process of training and research. More people from the policy-making parts of governments should become involved in this effort. The NSCIC could play a useful role in this process if its members would occasionally consider which types of intelligence have been least—as well as most—satisfactory, on what issues and areas intelligence has been helpful, and thus provide some guidance to the IC staff as to what matters it should study.

The area of evaluation is also one in which the President's Foreign Intelligence Advisory Board (PFIAB) can play a helpful role. There is a tendency for such outside groups to focus their efforts on intelligence "failures." Yet one of the most important contributions such a group—which, despite their part-time status, need not operate under the twin pressures of time and crisis—can make is periodically to appraise *important* parts of the record of the intelligence community when there is no immediate crisis. People are less defensive and more open to constructive suggestions at such points, and an outside body is often well-suited to taking a long view.

Coordination or Competition in Intelligence Activities

One question that often arises is the extent to which there should be competition—or duplication—in the work of the various parts of the intelligence community. This is an important question, but it is a much narrower one than is often assumed. There is general agreement that collection efforts should be centralized to the extent possible and coordinated to the extent that centralization is not feasible. There is also general agreement that where extensive processing of raw data is required—in photographic read-outs, telemetry, and communications intelligence processing, etc.—it need only be done once and should normally be done in one place. (This refers to routine data, not the occasional crucial piece of information which will be checked and rechecked.)

A strong case can also be made for establishing a central data base within the intelligence community—and to a degree within the government as a whole. However, there is considerable wariness about moving rapidly in this difficult area. Much can be done through the use of computers, but no analyst wants to give up his own filing system until he is confident that he will have fast and reliable access to a centralized data bank. The initial equipment and training costs of this are considerable. A more fundamental problem is the cataloguing of information in the system. A decision as to what category a particular piece of information falls into is often a matter of judgment, and the judgments of analysts and cataloguers may differ. A particular report may touch on many subjects, and it is important that it be retrievable by a request for any one of them.

This leaves two broad types of intelligence production to be considered. The first is current intelligence reporting, and the second is research and analysis—including the estimative function. The costs of competition or duplication are of a quite different magnitude and nature regarding intelligence production than they are for intelligence collection and processing. In the latter case, the costs are primarily measured in terms of large amounts of money, but in the former they often involve claims on the limited time of high-level leaders.

It is somewhat misleading to describe the current intelligence functions as "reporting" as if current

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intelligence publications do no more than report the facts about the most important events in other countries as quickly as possible after they occur. The collection of items to be reported requires judgments as to what is important. More basically, current intelligence publications include interpretation, analysis, and projection as well as reporting, although such forecasts are normally of a short-term nature. Very little duplication exists any longer in the current intelligence reporting field. DIA still publishes its own weekly intelligence report. However, DIA has phased out its daily intelligence publication as such. Current international reports are now issued item by item as the information is received in DIA. One reason for this is that the appropriateness of a single daily deadline is questionable for an organization whose consumers are not only officials in the national capital but also military commanders located in different time zones around the world. A second reason is the fact that DIA leaders are satisfied with the National Intelligence Daily published by CIA. Items in this publication are normally coordinated within the intelligence community, and those in disagreement with CIA views are permitted to express their dissents. (It is not always possible to coordinate last-minute items, but these are designated as being uncoordinated.)

Despite the statements of some senior officers that they want facts rather than opinions, they are generally desirous of having a variety of views (opinions) sent to them on basic analytical and estimative matters. Theoretically, it is not necessary to have different organizations dealing with the same issues to surface conflicting judgments. A single well-managed organization which encourages debate and open expression of differences can do so. Yet the reality, at least in many cases, is less satisfactory. Quite apart from the danger of stifling dissent, there would be periodic conflicts about which subjects were to receive top priorities for research and analysis. These considerations have repeatedly led those who have studied this issue to conclude that: (1) a reasonable amount of duplication (or competition) in terms of research and analysis is desirable and (2) that on major questions (especially those involving national intelligence estimates) the various parts of the intelligence community should coordinate their efforts by presenting them in a single document so that the agreements *and disagreements* are readily apparent to the reader. Despite the attraction of attacking the conventional wisdom, in this case it seems wise as well as conventional. It should be emphasized, however, that effective decentralization of analysis depends upon having a critical mass of specialists (which varies in number with the type of work involved) necessary to do high quality work.

The National Intelligence Officer (NIO) System

During the 1950s and the 1960s, one of the key organizations in the intelligence community was the Office of National Estimates (ONE), which was responsible for producing the National Intelligence Estimates. This covered a wide range of topics. There were short "reaction" estimates requested by the White House—How will Moscow react to the mining of Haiphong harbor?—written in a few days. There were studies of likely trends in countries or areas over the next few years, sometimes written because policy decisions were to be made, and sometimes because the previous NIE on the subject was outdated. There was also—and this was one of the most important—an annual series of NIEs dealing with various aspects of Soviet military and strategic developments. Estimates were drafted by the small regional or functional staffs of ONE (who drew on specialists throughout the government) and reviewed by the Board of National Estimates, a group composed of both generalists and specialists. All were coordinated at meetings with representatives from the intelligence community before being sent to USIB for final consideration and approval. In some cases, agreement came quickly and easily. In other cases—especially the estimates of Soviet military capabilities and plans, upon which hinged important policy decisions and budgetary allocations—there were long and sometimes acrimonious disputes between different agencies. The pace of ONE was occasionally frantic, but an effort was made to provide time for reflection as well as production.

It was seldom easy to know how much impact the NIEs had on policy decisions. This varied considerably with the topic under consideration, the other sources of information available to the policy maker, the persuasiveness of the particular document, and the extent to which the minds of top officials were opened or closed on a particular subject. NIEs were sometimes not read, sometimes read but ignored, sometimes used by those whose views they buttressed (as witness George Ball's unsuccessful use of the NIEs on Vietnam to argue against U.S. involvement there), and sometimes had a clearly discernible effect on U.S. policy.

The NIEs were originally designed to fit into the orderly processes of the NSC under Truman and Eisenhower. The more informal style of the Kennedy and Johnson Administrations somewhat reduced the status of the NIEs, though more in the political than in the military area. NIEs faced more competition from ideas generated by columnists, professors, and others outside the government. The influence they had stemmed more from the

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persuasiveness of their arguments than from their status as NIEs.

The Nixon Administration was not happy with the NIE process or with ONE. Its leading figures claimed that ONE was unwilling or unable to grapple with the issues that concerned it, and looked upon the NIEs as too bland and lacking in intellectual rigor. People in the Office of National Estimates felt that the Administration's displeasure arose largely because ONE was unwilling to tailor its views on developments abroad—such as on Vietnam or Soviet weapons developments—to the preconceived views of the Administration. It would probably be unfair to the Administration to dismiss the first reason, but it would be naive to exclude the second one.

The replacement of ONE by the NIO system in 1973 was an attempt to do several things. The DCI wanted a group of high-level advisors on particular areas. These were to be generalists in terms of covering all intelligence functions—collection, analysis, operations, and relations with policy makers—for their particular areas rather than generalists on world affairs. Thus the NIOs are responsible for advising the DCI on collection needs and proposed covert operations, as well as supervising the production of NIEs. The NIO seldom draft the NIEs, but assign that task to specialists on the particular topic elsewhere in CIA or the intelligence community.

It is too early to appraise the effectiveness of the NIO system in terms of the quality of NIE production. However, one can point to potential strengths and weaknesses of the new system. It probably is more responsive to consumer needs since the NIOs are in closer touch with policy makers, and this should make it possible to give the NIEs a sharper focus on the issues under consideration. The production process is more flexible; bureaucratic lines can be crossed and the most knowledgeable specialist can be given the assignment to draft an NIE.

There are also several problems and potential dangers to the new system. One involves quality control; the most knowledgeable specialist is not always an adept drafter, and the drafts are reviewed only by the individual NIO before being sent to other agencies for consideration. Another is the decline in intellectual interchange across area or functional responsibilities. This was a strong point of ONE, but the press of time and the multiple responsibilities of the NIO reduce the opportunities for this. However, the greatest potential danger —and there is no evidence that it is more than potential so far—is that the present system is inherently more vulnerable to pressure than was the old. ONE was not only fiercely proud of its independence of judgment, but as a corporate body was able to protect it. This will be more difficult for an individual NIO, and will require occasional doggedness on the part of both the NIO and the DCI. A more subtle variation of this is that responsibility for drafting some NIEs will be assigned to other agencies where the analysts are subject to more intense policy pressures. This may affect the tone more than the key judgments—which will remain the DCI's—but tone can have an effect on the impression left with the reader. It would be useful to explore ways to give the NIOs as a group more of a corporate existence so as to minimize these dangers without damaging the flexibility of the present arrangements.

Intelligence Support for U.S. Foreign Economic Policy

The growing importance of international economic affairs during recent years has brought to the fore many difficult questions regarding U.S. foreign economic policy. (In reality the U.S. does not have *a* foreign economic policy, but a series of policies dealing with trade, energy, finance, food, transportation, etc.) Key issues include not only the appropriate policies to be pursued but also what departments should have what responsibilities, how their efforts should be coordinated, and where the responsibility should be placed for providing economic intelligence support.

The formulation and execution of foreign economic policy are extremely complex and difficult matters. A large number of departments are involved—State, Treasury, Commerce, Agriculture, Labor, Interior—as well as organizations of various types dealing with resources, aviation, shipping, central banking, communications, and environmental issues. There is a growing awareness that many economic problems transcend national boundaries, and that the international institutions and procedures established at the end of World War II need major restructuring. Coordination within the U.S. government, which would be needed in any case, is doubly important in such circumstances. Moreover, foreign economic policy affects—and is affected by—domestic economic conditions and policies to a marked extent. Each agency and department involved has its domestic clientele, whose support gives it power and whose particular interests it strives to protect and advance. Finally, foreign economic policy is *foreign* as well as *economic,* and must be coordinated with U.S. military and diplomatic policies.

There are four broad choices available regarding the organization and coordination of foreign economic policy, and the appropriate organizational and procedural arrangements for economic intelli-

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gence are to some extent dependent upon which of the four is chosen. The first would involve the establishment of a Department of Foreign Economic Affairs, which would take over the foreign economic responsibilities of all departments. Such a change would provide a clear final point of responsibility, but would have the disadvantage of creating an artificial division between foreign and domestic economic activities at a time of increasing interdependence. (It probably would also be politically impossible to strip strong departments of part of their powers.)

A second possible arrangement would be to give the coordinating responsibility to a single department, along the lines of proposals periodically made to give the responsibility to the State Department for foreign policy. The difficulty here is that no one department has the combination of technical competence, breadth of vision, and political support necessary to play such a role.

This leaves two interdepartmental approaches. One involves the use of something like the Council of International Economic Policy with the responsibility for broad policy planning and coordination, with a small staff of its own but relying on interagency committees to deal with particular issues. Such a body would have to rely on individual departments to negotiate with foreign governments. The final possibility is to give the National Security Council responsibility in this area, with departments which are not in the NSC framework being brought into deliberations involving their areas of responsibility. A major drawback is the tremendously expanded workload this would create for the NSC. In the past, policy formulation and coordination have been undertaken partly by the CIEP and partly by the NSC—a system that satisfies virtually no one.

These difficulties raise several important questions regarding intelligence. First, which organizations within the U.S. government should have the responsibility for collecting economic information, and by what methods against which targets? Much of the information needed for foreign economic policy is either unclassified or available from normal government reports, but some useful material may be obtainable only by agents or as a by-product of sophisticated technological collection methods by such organizations as the National Security Agency. This poses a particular problem with regard to the economic activities of U.S. citizens or corporations. Is collection of information on such activities—when they have international implications—a reasonable function of intelligence organizations, or does this involve them in domestic affairs outside their jurisdictions?

Second, where should the analysis of foreign economic trends—and their implications for the United States—be carried out? At the present time, it is to some extent scattered throughout the government. Originally, CIA was responsible only for national economic intelligence on Communist countries (including their foreign economic activities). The State Department had responsibility for the non-Communist world, although other departments did some studies in their particular fields—departmental or tactical as against national intelligence. Over the years, however, State's role has diminished and that of CIA has increased. CIA's economic support is highly regarded throughout the government; its output appears to be of high quality and relevance. However, most of the departments with economic policy responsibilities are not members of USIB, and it is not clear how effectively their needs will be met by the intelligence community over the long term under the present arrangements.

A third question arises out of the need to share the results of economic research and analysis with other governments and international organizations on certain occasions. (Some of these reports are distributed by the State Department, which is a logical arrangement for the present.) But if foreigners become aware that some of these studies originate with CIA, will they fear they are being given distorted information, or is this no more of a problem at present than it would be if the reports originated elsewhere within the U.S. government? How much influence should any problems that develop along these lines have on organizational arrangements for economic intelligence production?

Fourth, how should information on the state of technology in foreign countries be made available on a systematic basis to those government agencies responsible for licensing the export of U.S. technology? Are there adequate procedures for allowing such agencies to ask the intelligence community what the security implications of such technology transfers are?

Finally, what standards and procedures should govern how commercially useful information obtained through intelligence collection efforts should be released to U.S. firms? Obviously, it should be done on a nondiscriminatory basis. But that is the easiest part of the answer. Does the intelligence community decide when security overrides possible economic advantage, or should those departments with a specific responsibility for furthering U.S. economic interests have a voice in these decisions?

In view of the uncertainties about the extent and likely duration of the turmoil in the international economy—and the lack of any consensus about the appropriate U.S. government organizational structure and procedural arrangements for dealing with

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foreign economic policy—it would be more sensible to build upon the present arrangements for economic intelligence than to make any major organizational changes. One procedural arrangement that might be appropriate, however, would be to make sure that there are adequate provisions for the DCI to report to the CIEP—and for the latter body (as well as departments outside the intelligence community) to have the authority to task the intelligence community. If the CIEP (or a similar organization) gradually acquires something approaching the status of the NSC, there will be time enough to decide whether it should have its own intelligence research unit.

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Comments on "Intelligence and Policymaking in an Institutional Context" (Barnds)

John W. Huizenga
November 1974

(NOTE: For ease of use, these comments, after the first paragraph, follow the order of treatment given various subjects in Mr. Barnds' paper.)

General—1) Both of Mr. Barnds' papers are well-informed and provide a useful survey of the present state of the Intelligence Community and some of its problems. 2) The papers contain a large amount of purely descriptive matter which the Commission may or may not need. This is on the whole reliable information, and issues of fact and formulation which might be argued are mainly omitted from these comments. 3) The papers devote considerable discussion to problems of internal management of the intelligence community on which the Commission probably does not need to focus. Examples will be given below. 4) On some larger policy issues with which the Commission could usefully be concerned, the treatment is something less than incisive, the author preferring instead to be even-handed and to avoid recommendations. The intention here is to sharpen some of these issues.

The first two sections are largely descriptive. As indicated, there are points here which could be argued, but this is probably not necessary for the Commission's purposes.

The Structure and Production of the Intelligence Community—Reference is made to "two weaknesses" of CIA. The first has to do with the problem of recruiting and retaining quality personnel. Though CIA officers will usually deny it, the problem is both real and broader than the paper puts it. Vietnam, unfavorable disclosures about CIA, and even "detente" have created a climate of opinion in which able young people are less attracted by careers in foreign affairs, let alone intelligence. There has also been some attrition of good and experienced people owing to internal organizational problems which have depressed morale. The impact is probably small now, but a price in the average quality of people will be paid in 10 or 20 years. National leaders who believe that an effective CIA will be needed for the long term should do what they can to make the intelligence career respectable once again; the argument is not at all difficult to make if the intelligence function is rightly understood. An incidental point: the implication in this section that the authority of the DCI to ignore Civil Service rules has made for higher personnel standards is incorrect; except for a much earlier retirement age, actual personnel practice has not been different from the Civil Service generally.

Reference to "distance from the policy-making process" as a weakness is ill-founded, at least for the reasons given here. Intelligence has been deliberately and for good reason organizationally structured to be *separate*. The location at Langley has not been a factor of consequence in impeding effective support by intelligence to policy. This matter has far more serious aspects which the paper takes up later.

The "serious problems" of the Defense Intelligence Agency (DIA) are by no means exaggerated. The larger questions implied but not stated, and which apply equally to service intelligence, are these: 1) whether serious and objective intelligence work can be done in the present organizational environment of the military establishment, and therefore 2) whether the military intelligence agencies should have the great, and lately increasing, weight they carry in the national intelligence effort. My answer to both questions is no.

The weaknesses and problems of INR are correctly though rather mildly stated. The conclusion which the paper should draw but does not is that

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INR needs considerably more money and people. "Wristonizing" was a mistake, and the Bureau should be manned in the main by Civil Service career people to provide professional continuity. A small complement of junior Foreign Service officers should be assigned for a training experience so that they will learn what intelligence is. The reason this matter is so important is that, if the confederal structure of the intelligence community is to be retained, which seems altogether likely and is probably desirable, INR should have strength and weight to represent effectively its own unique view of issues and to counterbalance Defense and CIA.

The Role of Intelligence in the Policymaking Process—This section deals in broad terms with how the relationship between intelligence producers and policy makers has worked, leaving particular issues for more detailed treatment in later sections. These comments are likewise general, intended to underline or qualify some points and to suggest additional ones.

1. The paper rightly conveys that the relationship between intelligence and policy has not been altogether satisfactory. Some of this is correctable, but only some of it. A natural tension between the two elements should be taken for granted; there would be reason for alarm if it were absent. This is so because if intelligence does its job well, i.e., with as much objectivity as possible, it will present a picture of the external world more intractable and less responsive to our view of our just interests than policy makers would have it; the latter, and especially political leaders, prefer lesser costs and simpler solutions than generally are possible. A good intelligence organization will frequently be a messenger bearing bad news.

2. In this connection, the paper does not clearly state that one of the functions of intelligence, perhaps its most important one, is to alert, i.e., to warn of developments which can generate policy problems before these become acute. This goes beyond "meeting the concerns" of policy makers of which the paper speaks, by which it means those they already have. Such intelligence contributions will not always be welcomed, but they are essential if policy is to be more than merely reactive and short-term.

3. The paper invokes a false problem, the alleged difference between a traditional or arms-length view of the intelligence-policy relationship and an apparently newer view which argues for a close embrace and continuous contact. For effective support by intelligence to policy, there must be *both* a functional separation *and* continuous, two-way dialogue. The effect of overemphasizing the latter and dowplaying the former, which is now in vogue, is to risk turning intelligence into a pliant team-player. It has been advocated in recent years, in fact, that intelligence should "get on the policy team", "play on our side," etc. When this comes to mean that intelligence should not bring bad news or should not undertake analyses which appear to question the operating premises of political leadership, it ceases to do its job.

4. The right balance of independence and communication will never be easy to maintain, especially when the foreign policy consensus in the country breaks down and issues become sharply controversial. There are probably only two sustaining factors: 1) a strong tradition of professional commitment among intelligence people which their leaders should articulate and constantly nourish, and 2) leadership at high levels on the policy side which insists on objectivity and high quality in intelligence products and actively encourages feedback from policy officers to intelligence analysts. The paper is correct in stating that in recent years the policy side has not been helpful in these ways. Morale and commitment on the intelligence side have suffered in consequence. As the paper rightly states, a sound intelligence-policy relationship "depends as much if not more on the *attitudes* of the officials involved toward each other's role as on *organizational* arrangements."

5. While the Nixon Administration did manifest unusual mistrust of the intelligence bureaucracy, this was not the first time that a change of administration caused problems in the intelligence-policy relationship. Two ways of dealing with this can be suggested. Political leadership should acquire a better understanding of intelligence as a professional service, whose reputation and usefulness depend entirely on its freedom from partisan or policy bias. Most intelligence career people do understand this. Secondly, the Commission may wish to consider whether the DCI should not be a qualified political appointee who can vouch for the performance of the Intelligence Community to his political colleagues in an administration. This arrangement would have the added advantage of making more likely ready and regular access by the DCI to the President, something which has not obtained for a long time and which can be extremely useful to both.

6. The characterization of the NSCIC as a "paper organization" is fair in the sense that the main body became moribund at once, but this did not prevent its "working" level from generating much paper. There are a number of lessons to be derived from this episode. It was a classic illustration that attitude and not organizational proliferation are the key to sound intelligence-policy relations. It also showed that, when organization as such proliferates, nonsubstantive "managers" multiply and get in the way of substantive producers. Finally, the case shows that "Administration complaints that the analytic quality of intelligence production and its relevance

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to policy requirements" were not necessarily straight-forward: it may simply have been saying that its policy problems were terribly difficult and that it did not trust the intelligence people to give disinterested help.

Establishing Requirements for the Collectors—The section gives a good idea of the problems associated with "requirements", but I believe this subject is an example of an internal management concern which the Commission would be well advised not to pursue. This has been the most over-bureaucratized aspect of intelligence management, and the latest reorganizing effort under the heading of "Key Intelligence Questions" has built a still larger paper mill and caused greater waste of time by substantive officers. I take a simplistic view: the larger the requirements apparatus, the less meaningful collection guidance will be; well-trained collectors mostly know what to collect; arrangements should be made for as much direct exchange as possible between collectors and analysts.

Guiding and Evaluating the Reporting of US Embassies—Here again is a matter which is an internal management problem of the intelligence community and which probably need not concern the Commission. In any case, the paper makes more of an issue of the inadequacies of mission reporting from the intelligence point of view than seems justified. Intelligence analysts generally find much value in such reporting, though this varies somewhat by country and the quality of a particular mission's work at a given period. It is true that the FSO does not, and does not like to, think of himself as an intelligence collector. Part of his problem is imagery and semantics: he does not mind reporting "information", but he does not think of it as "intelligence", though in fact it is. Also, some missions tend to emphasize reporting on operational diplomacy and neglect in-depth study of forces behind the politics and policies of their host countries. One proposal the DCI could consider would be to assign substantive analysts to stations in key countries to supplement mission reporting. Such people would also be helpful to station personnel who are generally not well informed on the problems and needs of analysis.

Policy Guidance to the Intelligence Community—Little is added here that has not been said earlier. Of course, guidance is needed. Whether or not it is provided depends primarily, as implied before, on attitudes toward and understanding of intelligence by principal policy-makers.

Evaluating Intelligence Production—There is some tendency here, and this has marked the attitude of intelligence managers also, to over-formalize and bureaucratize evaluation. What happens then is that some largely non-substantive apparatus, which cannot possibly get at how the product was really made and really used, begins to generate useless "studies". There is an analogy to the bureaucratization of the requirements effort. Effective evaluation of product, and corrective action if indicated, depends primarily on 1) adequate feedback from high-level users, and 2) a systematic effort at product review within substantive production units. Finally, it should not be overlooked that self-criticism is built into the work of the conscientious analyst, since events regularly provide a test of the quality of his judgment; he also knows that his peers and superiors are aware of this fact.

Coordination or Competition in Intelligence Activities—As the paper says, the conventional wisdom stands up: for estimative product on major issues, there should be competing centers of analysis lodged in the community agencies. Community coordination works against product quality unless there is adequate competence in the analytical effort of the participating agencies.

The National Intelligence Officer (NIO) System—These comments should acknowledge that their author was intimately involved in the argument over the abolition of the Office of National Estimates (ONE) and the creation of the NIO system, opposed the change, and continues to believe that it was a retrograde step very damaging to the quality and integrity of estimative product, and indeed, to the role of the DCI and the national intelligence effort. Mr. Barnds, formerly in ONE, attempts a balanced treatment, though his preference for the previous system shows through in his account of comparative strengths and weaknesses and in his final suggestion that the NIOs be given "more of a corporate existence," a step leading back to the ONE system.

The viewpoint that ONE should not have been abolished can be summarized as follows: 1) The charges against ONE performance lacked substance. They were in fact based, not on product quality, but on what product said on key issues, or a distorted notion of it. The NIO system, giving greater play to specialists who are not effectively controlled by a review process involving senior generalists, stands every chance of delivering a *less* "relevant" product. 2) Quality of product has suffered from the dissolution of ONE's able and experienced staff. Estimative drafting is a skill which needs to be mastered in itself, and few specialists can do so. 3) The corporate responsibility of the Board of National Estimates for product protected objectivity. An individual NIO with too many varied duties and an obligation to "serve" his policy opposites is placed under strong and unfair pressures to please, i.e., to be a team player. 4) The assignment of drafting responsibility (this happens primarily on military subjects) to a department which has policy and budget interests of its own compromises objec-

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tivity. To this can be added that analytical and drafting competence in the military agencies is lower than in CIA and often poor. 5) The NIO system, and especially this latter feature of it, reduces the ability of the DCI to guarantee product quality and objectivity, something which having his own staff element (O/NE) did assure. Resulting from this is an ebbing of the DCI's authority over substantive work, at a time when (under the Presidential directive of November, 1971) he is enjoined to give more effective leadership to the Community. If the DCI is to "issue" NIEs under his own name and authority, and, if members of USIB are to be his advisors and not equals for this purpose, as originally conceived, he must have procedures and staff arrangements to make his authority effective.

Intelligence Support for US Foreign Economic Policy— The paper is correct that the demand for economic intelligence has burgeoned in recent years and that formal Community arrangements for producing it systematically are not yet adequate. Much of the work done in CIA has rested on informal contacts with research components in other departments, including some outside the intelligence community like Agriculture and Interior which have a marginal involvement in foreign relations. It would be a mistake to continue to concentrate so much of analysis in this field in CIA. It will also be extremely important to develop the analytical talent, so far lacking, which can deal with economic issues not merely in a technical way but also with the politics of economic issues in various countries. Research and intelligence units should be built up in State and Treasury (the latter has been on USIB since 1971 but has no independent research capability) so that there can be a true community product in this field as in others. As to the policy structure, given the range of departmental interests involved, there clearly must be an effective interdepartmental coordinating organ. The wisest course would be to provide such a body with strong chairmanship in the person of a Deputy Secretary of State for Economic Affairs; this could help to insure that foreign economic policy would be thought of as a coherent part of foreign policy and not, as has sometimes happened, allowed to be at cross purposes with foreign policy aims. The intelligence community could provide support for such an interdepartmental organ in the manner that it does now for the NSC.

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A New Role for the Intelligence Community

(A COMMENTARY ON BARNDS' "INTELLIGENCE AND POLICYMAKING IN AN INSTITUTIONAL CONTEXT")

Laurence E. Lynn, Jr.
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INTRODUCTION

How well does the intelligence community meet the needs for intelligence arising from the conduct of U.S. foreign policy? Are there changes in the organization of the intelligence community that would make the collection and production of intelligence more effective or more efficient? Are there changes in the institutions and procedures by which intelligence officers and foreign policy makers relate to one another that would significantly improve the usefulness of intelligence to the making of foreign policy?

The paper by William J. Barnds either implicitly or explicitly raises a number of important issues that must be faced in answering these three basic questions.

OVERALL PERFORMANCE

Barnds does not attempt to address the question of overall performance directly, and the amount of indirect evidence in the paper is limited. For example, he notes that "many of the tasks [of the intelligence officer and the policy maker] are being performed in an inadequate manner [, that] the situation is better than it was a few years ago [, and that] substantial improvements are possible. . . ." He also notes that "the quality of intelligence is often quite good," though "[t]here are weaknesses to be sure. . . ." Some specific complaints by policy makers about the non-responsiveness of the intelligence community to certain types of questions are also noted, and the difficulty of determining the impact of National Intelligence Estimates on policy decisions is mentioned as well.

INTERNAL ORGANIZATION AND MANAGEMENT

Barnds notes and discusses several problems with the internal organization and management of the intelligence community, including:

- guidance and control of the collection process —he notes the problems of parochialism in outlook and of coordination associated with the growing sophistication and specialization of collection technology and the temptation for collectors to work on the easiest rather than the most important tasks;
- establishment of collection priorities—he stresses the difficulties of establishing priorities concerning what is to be collected, why, and how in an era of increasing demands on the intelligence community, growing complexity of foreign policy, an "explosion" of available information, and "unstable" objectives;
- achievement of a quality product by a large organization;
- significant weaknesses in the Defense Intelligence Agency and the Bureau of Intelligence and Research;
- inadequate internal evaluation of community performance;
- difficulties with obtaining coherent intelligence on international economic problems;
- problems with recruiting a quality staff created by the organizational propinquity of covert operations and intelligence research and analysis.

On the whole, however, Barnds believes that "the basic structure of the intelligence community at the present time *in the area of intelligence production*

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is sound." With respect to a problem he regards as serious—economic intelligence—he recommends that the government "build upon the present arrangements for economic intelligence [rather than] make any major organizational changes." He urges continuation and evaluation of community-initiated efforts to improve internal management, such as evaluation efforts by the Intelligence Community (IC) Staff, current attempts to improve collection guidance, and improvement and evaluation of the National Intelligence Officer (NIO) system, as well as use of the National Security Council Intelligence Committee (NSCIC) to assist in improving internal management.

RELATIONSHIPS TO POLICY AND POLICY MAKERS

Measured against his view of the responsibilities of policy makers and of intelligence officers, Barnds cites a number of problems with how well these responsibilities are being fulfilled. Though he fixes responsibility for what he believes is the present unsatisfactory state of affairs on both intelligence officers and policy makers, both the tone and the content of his paper point to policy makers as the more culpable. It is policy makers, therefore, who bear the greater burden for achieving improvements.

In this regard, Barnds notes several key problems:

- Policy makers have failed to provide systematic guidance to the intelligence community about goals, priorities, and issues of concern.
- Policy makers have too often failed to keep the intelligence community informed when they possess information of importance to the intelligence function.
- Policy makers serve too often as their own intelligence officers or as country desk officers.
- Policy makers provide insufficient feedback and evaluation to the intelligence community about its performance.

Barnds recommends no organizational changes to deal with these problems. Rather, he urges that policy makers, starting with the President, recognize in carrying out their responsibilities that more systematic guidance, evaluation, and communication will greatly improve the performance of the intelligence community. More specifically, he recommends that the NSCIC be actively used to perform the functions for which it was established, and that its activities be personally directed by the Chairman, the Assistant to the President for National Security Affairs, rather than being delegated to subordinates. Further, he suggests that the NIO system, the daily briefing of President Ford by the CIA, and the President's Foreign Intelligence Advisory Board (PFIAB) all can be used to remedy defects in policy maker-intelligence community relationships.

ANALYSIS AND ASSESSMENT OF BARNDS' CONCLUSIONS

Barnds is unquestionably right in what seems to me to be his central conclusion: the White House, through the NSCIC, must do a better job of guiding, directing, and "working with" the intelligence community. The DCI as a public official and the CIA as an organization have at present an extremely limited constituency: the President and a small number of top administration officials, mainly the President's key national security aide and the members of the National Security Council, to which the DCI by law reports.

The intelligence community is uniquely a staff to the Presidency. Like any staff, if they are not properly supervised, if their work is not appreciated, and, if they are kept in the dark, their morale will be low and they will probably not perform well.

However, Barnds has failed to unearth, or to analyze properly, a number of important issues relating to improving the usefulness of intelligence to policymaking. Moreover, in reaching the conclusion he did as to the need for improved White House guidance, he failed to diagnose some of the reasons for the present unsatisfactory state of affairs. Because of this, he has put forward some mistaken ideas about what guidance should consist of and about what can be expected from improved intelligence community-policy maker relationships.

The problem with Barnds' treatment of the issues stems from a difference of opinion about how to conceptualize the role of the intelligence community in foreign policymaking.

"Intelligence," in Barnds' view, seems to have the same characteristics as the military's "completed staff work." The responsibility of the intelligence analyst is to give the policy maker "judgments," their "implications," and the "degree of uncertainty" the intelligence analyst attaches to them, thereby reducing "the uncertainties and risks facing the policy maker." In arriving at these judgments, the intelligence analyst must gather and "interpret" the facts, a process which itself requires "judgments" or "decisions" as to what is "important." To perform this role, he must weave "judgments on political, economic, sociological, military, and scientific matters into an integrated and complete view of an area or issue." The results of this comprehensive effort must be conveyed to policy officials "in a persuasive manner" if it is to have "the impact it warrants", or if it is to convince the policy maker. The intelligence analyst must recog-

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nize that the way facts are presented "can make a particular policy look sensible or silly," and that "tone" can influence the "impression left with the reader."

Hopefully, the results, i.e., the intelligence analyst's judgments, will be "correct" rather than "wrong." Hopefully, too, the analysts will not be "vulnerable" to "pressure" to "tailor" their views to "the preconceived views of the Administration." [1]

If intelligence analysts fulfilled this responsibility they would be by far the wisest and best informed men in government. In fact, they cannot realistically hope to fulfill it, and therein lies the source of many of the recent problems and frustrations of the intelligence community.

Consider the following argument.

1. By Barnds' own estimates, 50–60 percent of intelligence material comes from open sources and from U.S. civilian and military personnel abroad, i.e., from sources over which the intelligence community has little or no control, and access to which is not limited to or restricted by the intelligence community. As Barnds points out, should the DCI attempt to deal directly with U.S. embassy personnel concerning their role as intelligence sources, serious bureaucratic problems with the Secretary of State could result.

2. The material needed to analyze a problem is, as Barnds points out, as diverse as human knowledge itself, encompassing every area of human affairs. The competence needed to analyze and interpret these materials in a truly expert manner is scattered among a great many government agencies, offices, institutions, and individuals inside and outside of government.

3. Foreign policy goals and priorities are not established solely by the President, nor, to the extent such priorities exist, are they stable for very long. Moreover, elected, appointed, and other officials with different values, perceptions, access to information, and skills are involved in policymaking. As Barnds notes "the policy maker gathers facts and ideas from many sources. . . ."

4. The foreign policy of the U.S. is, as Barnds also notes, becoming increasingly complex as the number of nations and the number and types of issues affecting international relations multiply and change. New demands on the intelligence community and on policy makers are being created constantly; yet older missions seldom can be abandoned.

In a world this complex, I think it is foolish for the intelligence community to aspire to a comprehensive and all-encompassing grasp of the policy problems facing the policy maker and to insist upon special dominion over the necessary sources of information, including the policy maker himself. It is the President who is held accountable for making "correct judgments," not the intelligence community. The intelligence community is one, but only one, source of information, ideas, analyses, and insights that will be of help to the policy maker.

A NEW VIEW OF THE INTELLIGENCE COMMUNITY'S ROLE

What, then, is the intelligence community's role, and what are its organizational and procedural implications? [2]

The intelligence community has a valuable asset —special knowledge. The DCI, as leader of the intelligence community, has a valuable bureaucratic attribute as far as the President is concerned—objectivity or, to put it differently, a loyalty to the President relatively uncompromised by the need to satisfy special constituencies. Using these advantages, the DCI and, under his leadership, the intelligence community can create for themselves a unique opportunity: the opportunity to educate the President and his national security aides on important facts bearing on significant national security problems and on the possible implications of these facts for presidential decisions from an objective and impartial perspective. The criteria for success of intelligence analysis, however, should be, can the President make better informed decisions about national policy because of the analysis, not, are judgments "correct"?

The intelligence community got a black eye with Dr. Kissinger and President Nixon in the early days, for example, by offering as the result of its labors the judgments that the Soviets would have x ICBMs by 1974, that the United States could verify arms control agreements by national means, that the Soviets were not testing a MIRV, and so on. When questioned about these judgments, especially by analysts in the Office of Defense Research and Engineering and the NSC staff, many in the intelligence community reacted as if their professional integrity had been questioned, and as if close questioning by non-experts was improper. Moreover, the community, and especially the CIA, acquired the reputation among many of having its own preconceived notions, particularly since other smart people could reach different conclusions based on the same evidence. The resulting conflicts over *who* was right served neither the inter-

[1] In creating this construct of Barnds' view, some phases have been taken out of context. I do not intend to distort his view, and I hope I have not done so.

[2] The remarks here are addressed to the types of functions Barnds refers to as "estimating" and not to "reporting" and "monitoring," which are relatively more straightforward, though difficult, tasks.

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ests of the President nor of the intelligence community.

The objective of the intelligence community should be good analysis, not carefully hedged, persuasively stated summary judgments. The MIRV case illustrates this point.

It was the intelligence community's judgment, expressed with some dissenting views in National Intelligence Estimates (NIEs), that the Soviets were not testing a MIRV in 1969. Analysts in DOD, with access to the same information, believed that they were. The President's NSC staff could not tell from reading the NIE what the basis for the disagreement was. They were reluctant to choose the DCI's view over that of Pentagon officials simply on the grounds that DOD analysts had a vested interest in believing the worst about the Soviet threat. They wanted to know the basis for the two views.

Dr. Kissinger convened a MIRV panel composed of experts from State, CIA, DIA, and OSD (chosen, incidentally, for their expertise and not for their rank or status). After a series of lengthy meetings and much drafting and redrafting, the MIRV Panel produced an excellent report that precisely and in detail described the evidence, the areas of agreement about its implications, and the points of disagreement. (A similar but much more extensive process took place concerning the U.S. capability to verify arms control agreements.)

What was valuable to policy makers was the thorough and precise analysis that the community in the end provided. Yet, despite the success of this and similar analyses, it always seemed to be unreasonably difficult to get the community to produce them. If the community sets as its objective the production of analysis that is thorough, objective, and well presented, the President and his key aides cannot help but rely on it, ask for more, and invite its purveyors to be close at hand in time of need.

While this is a different view of the intelligence community's role than that offered by Barnds, it will probably lead to a much more productive and sustainable relationship between intelligence analysts and policy makers.

ORGANIZATIONAL ISSUES

The Commission on the Organization of the Government for the Conduct of Foreign Policy should begin its consideration of issues relating to the organization of the intelligence community by formulating a view on the proper role of the intelligence community in the policymaking process. The Commission should then address the following questions:

1. Does the intelligence community have the capacity to fulfill its role in the policymaking process?

In all likelihood the planning, analysis, and evaluation capacities of CIA, and DIA and INR as well, need to be strengthened substantially and linked much more closely to the processes for allocating collection resources.

2. Does the continuation of the present role of the United States Intelligence Board (USIB) make sense?

This is an important question whether intelligence output consists of judgments, analysis, or both.

The drafting, coordination, and USIB approval of NIEs seems to be a cumbersome process that sacrifices rigor and precision to committee-created blandness. Affording the individual military services a right to express views equal to that of CIA doesn't seem to serve any useful purpose; it can be quite misleading to policy makers trying to interpret the meaning of disagreements and trying to figure out the meaning of USIB approval when disagreements have been noted. If we have a DCI, do we really need a USIB (or do we need it for all the functions it now performs)? Is there overemphasis on the concept of community?

3. Should DIA and INR continue in their present roles and capabilities?

Barnds makes telling criticisms of both organizations, yet recommends no changes. The matter should be further analyzed.

4. What should be the role of the White House? Should the NSCIC be continued and, if so, with what specific responsibilities and with what resources to carry them out?

It must be recognized that the success of the NSCIC depends to a large extent on whether the President's national security aide is a powerful adviser, on his attitude toward committee arrangements, and on the President's own style of management and leadership.

The important point for the Commission to stress is the necessity for active White House guidance and evaluation of the intelligence community, whatever management system the President chooses to adopt.

Finally, the question of the proper relationship with Congress is important and sensitive. Close congressional examination of intelligence resource allocations and intelligence production could significantly change the incentives affecting the intelligence community and the community's value to the President. I would recommend no changes in present arrangements until the issues and alternatives are examined with great care.

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Evaluation of Papers on "Intelligence Functions" and "Intelligence and Policymaking" (Barnds)

Harry Howe Ransom
December 1974

INTRODUCTION

This commentary deals with both papers by William Barnds as a single unit. The basic issues are identified, and each issue is discussed in terms of Barnds' analysis and opinions and my own judgments and opinions when they differ from those of Barnds. A summary follows the discussion of these issues.

Barnds has identified the major issues, and there are no major gaps in his analysis. It is on matters of judgment and his acceptance of the *status quo* that I find myself in some disagreement with his analysis. His analysis displays a tendency to support the *status quo* and to be sympathetic to existing structure and doctrine.

BASIC STRUCTURE

1. It is probably true as Barnds suggests that the basic concept of a Central Intelligence Agency (CIA) was to insure an intelligence analysis institution "with no direct policy responsibilities and thus no departmental positions to defend." But it may also be true that the anti-Communist ideology of Allen Dulles dominated the agency in its formative years, leaving an indelible mark on its structure and functions. The OSS wartime mentality was shifted from the World War II scene to the Cold War. Thus the CIA tends to remain a war agency—a sentinel on duty guarding against surprise military attack and making its analyses in a friend-enemy atmosphere. In other words the CIA was militarized at an early age and perhaps has never adequately recovered a balanced perspective.

The problem may be symbolized in terms of the most recent choice of Directors of Central Intelligence. The current Director is a person whose primary background has been in covert operations; the appointment was made at a time when quite a different symbolic gesture was needed.

Ten years ago, I wrote, "Perhaps nothing is more important to world peace today than to close the gap between the distorted image and reality in both the White House and the Kremlin." [1] My point then, as now, is that a distorted image may result from the war-like, sentinel mentality in the CIA, resulting in selective perceptions that have magnified dangers and intensified Cold War tensions. In the process this perpetuates a similar attitude on the Soviet side, escalating the secret war.

As Barnds puts it, "Even today the U.S. intelligence community's efforts are focused heavily upon military considerations and towards discovering and evaluating potential military threats." Perhaps it is possible to "discover" military threats that do not really exist. Put another way, a paranoid search for threats usually finds the anticipated threats by distorted or selective perception.

Barnds concedes that the changed American foreign policy of new relationships with Russia and China "have increased the difficulties facing intelligence analysts in recent years." This would seem to confirm the condition in which the CIA is uncomfortable in a non-war situation. In the process, true dangers—resources, energy, food, population, technology—are overlooked.

To clarify the main point here: basic assumptions about world political relationships will fix the purpose and then guide the organization and functions of the intelligence system. If a war system is assumed, one organizational result follows. If a peace system is assumed, another. Barnds does not give sufficient emphasis to this basic problem.

[1] Harry Howe Ransom, *Can American Democracy Survive Cold War?* Garden City, N.Y.: Doubleday, 1963, p. 135.

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INTELLIGENCE REQUIREMENTS

2. The requirements/collection of data issue can be stated simply. There appears to have been a tendency since the early 1950s for the intelligence system to engage in a vast, world-wide "vacuum cleaner" operation, sucking in facts indiscriminately from all parts of the world. These data or facts have, figuratively, been stored in vast government warehouses, classified as TOP SECRET, and, by their great volume, have overwhelmed efforts at analysis.

Thus the issue: whether this is so and whether a more efficient requirements and collection strategy needs to be developed. It is likely that the vast over collection of information is the result of proliferation and duplication of intelligence agencies, particularly in the military.

More thoughtful effort, at very high administrative levels, needs to be given to requirements/collection strategies or to the simple question: What do we need to know for the future? Here is a place where greater use might be made of the academic community. Perhaps a greater investment needs to be made in research on the future. And possibly this can best be done outside.

This is the point at which to suggest the idea that deserves serious consideration: towards the goal of better requirements/collection/research strategy, 10% of the total annual budget of the Intelligence Community should be allocated *outside* the government—to research institutes and University Centers—to fund intelligence related research. Such research initially might be devoted to the question: What does the U.S. Government need to know about the external world in order to cope with the future? Particular emphasis should be placed on basic research towards predicting and coping with probable futures that will confront the United States in world politics. The annual sum that might be devoted to this might exceed $500 million—a very substantial amount. But this 10% of funds allocated for strategic intelligence research outside of government might help insure genuine national security in the uncertain world of the future. Surely 10% would be wasted if spent in traditional ways within the government. An outsider like myself cannot make specific suggestions in this regard. But it is hoped that the general idea will receive serious attention.

PROLIFERATION OF FUNCTIONS

3. The next issue is whether there has been too great a proliferation of intelligence agencies and functions and whether, in essence, the CIA has become "just one more intelligence agency" instead of the *central* coordinating and digesting organization as originally conceived, independent of the bureaucratic empires of the regular line departments.

Related to this question of basic organization are several corollary points:

(a) Barnds underplays the degree of damage done to CIA's image by its involvement with covert operations. I have just received a letter from a former student enrolled in a major graduate program in the east. He reports that, in informal conversation with his peers, he learns that a possible future association with CIA (even for a summer internship) is regarded by some as a professional "kiss of death." I believe this overstates the problem, but it exists as a deterrent to the development of first-rate analytical talent in the CIA's professional staff.

(b) Some see as a second problem the "distance (both organizationally and physically in view of its location at Langley) from the policy-making process." Yet this distance is part of the original concept of a Central Intelligence Agency. On balance I believe that the advantages of this outweigh the disadvantages. *But,* in order that this concept work according to the ideal model, policy makers must give adequate guidance for intelligence requirements and they must know how to use intelligence wisely.

(c) The existing system, a compromise between centralization and independent autonomy, is probably too much of a compromise, producing a confederation allowing too much freelancing, "end-running" and manipulation of the separation-of-powers system (by side plays to various Congressional committees).

Essentially the issue is: how much diversity of intelligence agencies is desirable? I believe that Barnds overvalues the advantages of diversity. Greater centralization may be desirable, with built-in devices insuring against any tendencies towards over-centralization. I doubt that Barnds is correct when he suggests that the intelligence community is a reality rather than an aspiration.

THE LIMITS OF INTELLIGENCE

4. The next issue centers on the question of the distinction between the knowable and the unknowable. Perhaps the central problem here, to be understood by intelligence producers as well as users, is the need for clearer consensus about what can be empirically *known* and about what can only be *estimated* or speculated about. Furthermore it needs to be better understood that, even if one could know "all the relevant facts" prior to a decision, this would not necessarily eliminate the need for hard choices. There may be a tendency of intelligence professionals to over-rate their estimating capacities. And there probably is a tendency for intelligence users to act as their own intelligence men. Barnds' sound analysis of this part of the problem

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may not make sufficiently sharp distinctions among basic intelligence/current intelligence/estimates.

It is important to keep in mind what Admiral Roscoe Hillenkoetter, an early Director of Central Intelligence, once described as the main limitation of intelligence:

> Its job requires the systematic and critical examination of intelligence information, the synthesis of that information and the determination of the probable significance of evaluated intelligence. [But] to *predict* the intentions of the enemy, you would need a crystal ball.

Finally it should be recognized that there is the constant danger that policy makers will want to use intelligence staff and intelligence professionals for their own policy preference or even partisan ends. The system should be organized so that the dangers of distance from policy makers, creating a tendency to irrelevance, are weighed against the dangerous use of intelligence for partisan political ends. There may be a fine point between too much policy guidance and too little.

In general, I have a negative reaction to the abolition of the Office of National Estimates. While the creation of National Intelligence Officers may solve the problem of gap between producer and user, it is likely to be ultimately at a cost in objectivity. Knowledge is power, and power tends to be used by "men of power" for their own ends. Barnds probably underrates the dangers of policy makers using intelligence for their own subjective or partisan purposes.

DEALING WITH THE UNFAMILIAR

5. In returning to the issue of establishing requirements for collectors, Barnds' analysis is generally sound. It may be, however, that his analysis is marred by insufficient attention to the tendency of the intelligence system to deal with the *familiar* dangers or events and in the process ignore the *likely* (but unfamiliar) events. Here again I return to the suggestion that, in determining intelligence requirements, a greater input from intellectual resources outside the government would be beneficial. This might be good insurance against the danger of ignoring the likely in favor of the familiar.

INDEPENDENT AUDIT AND CONTROL

6. Barnds notes in passing the role of the President's Foreign Intelligence Advisory Board. The functions of this Board have not been fully discussed in the Barnds paper. But its composition, function and effectiveness could be a major factor in the functioning of the intelligence community and in its coping successfully with many of the issues raised above. But the PFIAB has not seemed to be an effective force for an improved intelligence community. The important, vital point here is the President's personal interest in the composition of PFIAB and most important his close working relationship with the chairman of PFIAB. Most Presidents have seemed to neglect this important relationship. A reconceptualized, reconstituted, and refurbished PFIAB may be one effective way of dealing with the sensitive problem of external controls over the intelligence system.

CONCLUSIONS

The most basic issue of all is how one conceives the problems that face the decision process. Put very simply, if the problem is seen to be a perpetual war to contain world Communism, particularly the U.S.S.R., one organizes a certain kind of agency for intelligence and covert operations and stipulates a certain set of intelligence requirements. One price of this conception may be the permanent perpetuation of a wartime organization. On the other hand, if one conceives a peace rather than a war system, with economic and social problems transcending big power competition, one organizes a different kind of intelligence system, with different requirements, and perhaps abolishes or reassigns covert political functions.

The major organizational weaknesses of the intelligence system of the past twenty years have resulted from lack of clarity of purpose and a strong tendency to operate on a war system concept.

Finally, in response to the two papers as a whole, I set forth my own views of some basic issues:

(a) Covert political operations and clandestine para-military operations should be removed from the operational jurisdiction of the Central Intelligence Agency.

(b) Congress should establish a Joint Committee on Foreign Intelligence Activities.

(c) The President's Foreign Intelligence Advisory Board should be reconstituted and strengthened in concept, organization, and functions.

(d) Few of the basic problems of the intelligence system can be solved without more rational and coherent organization in Congress and the Executive Branch for the formulation and implementation of foreign policy.

Issues on Intelligence Resource Management

Robert M. Macy
November 1974

SUMMARY

The Commission has several important opportunities to contribute to better management of intelligence resources, as follows:

1. Recommend ways to strengthen the hand of the DCI in allocating intelligence resources, particularly by extending the present shared responsibility of the DCI with DOD for technical reconnaissance intelligence programs to other DOD intelligence programs.

2. Endorse the moves already made toward multiyear planning and budgeting by the Executive Branch and the Congress and encourage further moves in this direction.

3. Recommend that the DCI take steps to strengthen further the collection of economic intelligence, without waiting for settlement of the issues regarding top management for economic policy within the Executive Branch. Such steps would focus on raising the priority accorded economic intelligence relative to military-political intelligence (a) in staffing top positions in the Community and the Office of the DCI, (b) in preparing Congressional presentations, (c) in allocation of resources, and (d) through more centralization of collection activities for economic intelligence in CIA.

4. Endorse certain discussions and moves now taking place within the Community that point toward developing a national strategy for intelligence. An annual report presenting the options for such a strategy would replace the present annual Consolidated Budget for the Intelligence Community.

INTRODUCTION

This paper is concerned with issues in the management of foreign intelligence collection activities for purposes of supporting U.S. foreign policy, particularly those activities carried on by the Central Intelligence Agency (CIA), the Department of Defense (DOD), and U.S. Embassies. There have been a number of significant changes and improvements in the management of the Intelligence Community in recent years, so that in preparing this paper it was necessary to rely primarily on interviews for background, not on published documents which are usually dated. The Community has a number of minor management problems which could have been identified in this paper, but it was considered more constructive to concentrate on a few major issues. If these important issues can be resolved, most of the others will probably fall into place.

I have also been asked to consider alternative roles for intelligence consumers in determining intelligence expenditures or in funding the acquisition of special intelligence products. This proposal arises from the fact that, for consumers within the U.S. Government, most finished intelligence is essentially a "free good." To illustrate its importance, suppose an Assistant Secretary of State needed certain intelligence that could be obtained by very expensive reconnaissance photography, and that only an inferior product could be obtained from overt sources. He might be unwilling to pay for the more expensive photography, if the money to pay for it had to come out of his own budget.

The basic idea of making the intelligence consumer more cost conscious through requiring him to pay for the intelligence has merit. However, there appears to be no practical way to achieve such a result. For example, suppose certain finished intelligence were produced from raw data collected by the National Security Agency (NSA) and from certain agents, and partially confirmed by overt sources. 200 persons were involved in its preparation. Dr. Kissinger was then briefed for 30 minutes on this intelligence. How much should he pay for it? He did not know in advance what the intelligence included. He may already have known most of it through personal conversations with foreign diplomats. Or, if Dr. Kissinger received 10 telephone calls last week, each including some intelligence,

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would he have to pay some pro-rata amount for such information? How much? How would such payments affect the allocation of intelligence resources?

Suppose NSA has tried very hard for 5 years to crack the top codes of three countries, but with no success so far. However, if such codes could be broken, the results would probably be dramatic and five U.S. Departments would be very much affected. Should these five departments share the cost of this part of the NSA operation even though no finished intelligence was produced? If the amounts each agreed to pay did not cover the total cost of the NSA operation, would it be terminated?

How far would you go with the above idea? Would CIA have to pay for all Embassy cables? Would AID have to pay for all foreign agricultural reports of the Department of Agriculture? Imagine just the paperwork involved.

Suppose the State Department was unwilling to pay for reconnaissance photography. Would that mean that State would not be permitted to see any of the results of this photography in the future?

If the payments by consumers were restricted to intelligence consumers within the Department or Agency now producing the intelligence, at least some of the problems mentioned above would be avoided. However, the intelligence collected by DOD, for example, now includes a lot of economic intelligence of use only to other Departments and Agencies. Who within DOD would pay for it? The reconnaissance photography is of vital importance to the Secretary of Defense and the Joint Chiefs of Staff. Does it make sense to give the Air Force the choice of spending a given amount of money on the reconnaissance program or on other Air Force activities? If the Army refuses to pay for reconnaissance photography, does this mean the Army will not be permitted to see the results of this intelligence activity?

I do not think this whole idea will stand close examination, and have not discussed it in this report.

I. BACKGROUND

The following notes are presented as background information for a review of the issues and options presented in this report. It is assumed that the reader has some knowledge of the structure and operation of the Central Intelligence Agency, and the intelligence activities of the Department of Defense.

1. THE SCHLESINGER REPORT

The intelligence situation was reviewed by the Schlesinger Study Group at the Office of Management and Budget (OMB) in 1971. It was found that there was virtually no policy level guidance to the Intelligence Community on substantive intelligence needs. It was also concluded that the review of the quality, scope and timeliness of the Intelligence Community product was neither systematic nor continuing. The President instructed Dr. Kissinger to set up the National Security Council Intelligence Committee (NSCIC) (a) to provide guidance on national substantive intelligence needs, and (b) to provide continuing evaluation of intelligence products.

The NSCIC was established in late 1971, and had one 30 minute meeting a month later. Over two and a half years elapsed before the next meeting, which lasted for a little over an hour. The working group of the Committee met once in April 1973, and was reactivated after the August 23 meeting in anticipation of another Committee meeting which was held in October, 1974.

The President's instruction to provide policy level guidance on intelligence needs through the NSCIC was not met, but the DCI attempted to provide a substitute in the form of Key Intelligence Questions (KIQs), which were developed by collectors and processors, *not* consumers at the policy level. The KIQs were sent to the various members of the NSCIC for guidance, and useful reactions were obtained, particularly from the DOD.

The President's request for continuing evaluation of intelligence products also has not been met. Several "crises" studies were conducted by the Intelligence Community. No formal evaluations have been completed, and there is no mechanism so far for continuing review. The past crises studies did provide some guidance for refining and strengthening the KIQs.

The President also requested Dr. Kissinger as Assistant to the President for National Security Affairs to establish a Net Assessment Group in the NSC staff for product review and production of net assessments. A small group was established, but no net assessments were produced, and the group was transferred to the Pentagon in the summer of 1973.

The Schlesinger Report included an evaluation of the DCI. He was considered too absorbed in the day-to-day operations of the CIA. The involvement of his personal staff in the management of the Intelligence Community was regarded as minimal and generally ineffective. The limited management of the Community that did take place was handled largely by the U.S. Intelligence Board (USIB) and its many subcommittees that operated largely through consensus and a lot of log-rolling between agencies.

The Intelligence Community Staff

President Nixon directed the DCI in November 1971 to exercise positive leadership in planning, reviewing and evaluating intelligence programs; and to restructure and strengthen his personal staff to accomplish this. Since that time, the DCI's personal staff—the Intelligence Community (IC) Staff—has been very substantially expanded and has become much more involved in Community management and planning.

The IC staff introduced the KIQs program as an annual guide for collection of intelligence. The most recent KIQs are too general and insufficiently selective. They do not clearly define which collection resources should be used for answering the various questions.

The difficulties involved in compiling the KIQs are formidable. If you ask the intelligence processors and consumers what they need from the collectors, they may ask for everything they can think of because it is "free." In theory some arrangement ought to be feasible for having the consumer pay for intelligence and thus restrict his demands to his priority needs, but there appears to be no practical way to introduce this "user charge" principle into the intelligence collection process.

"Crises" studies have been used to analyze the adequacy of intelligence for a past crisis and thus to obtain useful guidance for refining the KIQs. Members of the NSCIC have been asked to review the KIQs, and useful comments were received, particularly from DOD.

The KIQs appear to be one of those management tools that cannot be administered through the routine institutionalized consensus approach. The experienced collectors of intelligence know which collection resources are really worthwhile and which are not, but they are not going to jeopardize their own programs by volunteering the information. In situations like this, and in the absence of helpful guidance from the NSCIC, the DCI must rely on the IC Staff to make the KIQs realistic and useful.

In the Presidential directive of November, 1971, the DCI was also instructed to prepare and submit through OMB a consolidated intelligence program budget, including technical intelligence, and to "allocate all intelligence resources." That assignment is particularly difficult for an official who has only a Presidential directive, whereas DOD, which has 85% of intelligence resources, has a statutory base for allocating them. This whole subject will be discussed later in this report.

The Intelligence Resources Advisory Committee

The Presidential directive included instructions to establish an Intelligence Resources Advisory Committee (IRAC) to advise on the consolidated budget and the allocation of resources. IRAC was designed to advise the DCI on intelligence collection resources in much the same way that USIB advises him on finished intelligence production. IRAC meets regularly and has active working groups, but the DCI, who is Chairman of IRAC, regularly runs into resistance from DOD whenever he tries to use IRAC to look into all of the DOD intelligence programs other than the technical reconnaissance programs, which are jointly managed by DOD and the DCI.

IRAC has been controversial. Its members have certainly benefited by gaining a much deeper understanding of the collection activities and problems of other members of the Community. The Committee has been helpful to the DCI in identifying some of the major collection resource issues. However, each member tends to be so defensive about his own organization's resources that IRAC has great difficulty obtaining a consensus on collection priorities or on shifts of resources between agencies.

On-going Programs

If IRAC has serious shortcomings, just how will the DCI maintain effective surveillance over on-going programs? There is a natural tendency to concentrate on proposals for new projects. In preparing the annual budget, it is a great temptation to accept 80% to 90% of the budget items uncritically because they are about the same size as last year, or within budget guidelines for increases, and to concentrate nearly all of the budget review on new proposals. The end result is that a substantial part of the various programs of the U.S. Government may be continued for a number of years without critical review. Fifty percent or more of today's product line of a well managed U.S. industrial company may not even have existed 5 years ago. We need an aggressive policy of keeping the "product line" of the U.S. Intelligence Community up to date.

It is certainly reasonable to expect a heavy turnover of intelligence collection methods and kinds of material collected. There has been a technological revolution in collection techniques during the past 15 years that is still going on. The increased sophistication of local internal security and counterintelligence programs around the world is obviously affecting the collection techniques that will work in a given country, e.g., in cracking codes and recruiting high level agents in many countries. Additionally, it is becoming much easier to collect useful information overtly, as developing countries build highways, remove travel restrictions, introduce greatly improved national statistical systems, expand their technical publications, etc. Last but not

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least, U.S. intelligence needs for supporting U.S. foreign policy change over time. For example, there is a growing need for economic intelligence, part of which can be obtained by more thorough exploitation of information in U.S. domestic agencies.

One way to force a review of the "base"—of the ongoing programs—is to maintain a very tight budget, or even to cut the budget, as has happened in the Intelligence Community during the past few years. Experience shows, however, that too often a tight budget results in a delay in introducing improvements rather than drastic cuts in low priority items. Alternatively, management may take the easy way out and introduce a horizontal cut. A somewhat more sophisticated approach is to introduce performance budgeting that helps to identify activities that are not measuring up. In any event, it seems clear that a tight or reduced budget by itself does not guarantee a careful review of ongoing projects.

The sharply reduced budget of the Intelligence Community in recent years has undoubtedly forced the elimination of a lot of overstaffing in some on-going programs and a much harder look at some on-going and proposed new technical collection programs that were formerly examined almost wholly from the standpoint of technical feasibility. We need more sophisticated approaches, however, for continuing future reviews of on-going programs by DCI.

IRAC and the ICS should be able to identify those on-going collection programs that are not working well or are obsolete. For example, a review of scientific journals from around the world is proving to be more rewarding than scientific espionage activities. It is well known that espionage activities in general are becoming less and less effective in many countries. There was not time during this study to investigate how much of a lag may exist in weeding out collection activities that have outlived their usefulness, but the DCI's hand may be too weak to force the termination of low-priority collection programs on a timely basis. Indeed, the DCI apparently must use military officers on active duty to head up the IC staff so that this staff is acceptable to DOD.

Another aspect of updating on-going programs is the need to insure that, when new techniques are accepted, old techniques that they replace are dropped. The IRAC is in a good position to propose such action, particularly because high level research officials of DOD have been tapped for IRAC meetings. Also, the DCI has the IC staff and the CIA's Office of Research and Development available for such purposes. It has been suggested that the termination of old techniques be a condition for using new techniques after the latter have been thoroughly field-tested.

The really difficult part of the review of on-going collection programs involves the impact of changing U.S. foreign policy on collection requirements. This leads us back to the lack of policy level guidance on substantive intelligence needs discussed earlier in this paper.

In summary, the DCI has been handicapped in keeping a tight rein on on-going collection programs of the Community because of his lack of authority, certain fundamental weaknesses of IRAC for such purposes, an IC staff dominated by military officers (and only one Foreign Service Officer), and an inactive NSCIC. This matter will be discussed further in connection with program guidance by the DCI for the consolidated intelligence budget.

Department of Defense

The Schlesinger Study concluded that the Secretary of Defense did not exercise strong leadership over DOD intelligence resources, that his staff support was diffused, and that programs were not well coordinated. The Presidential Directive provided for (1) a broadening of the DCI's responsibilities to include tactical intelligence (referred to by some on the ICS as "military forces support"), (2) the establishment of a National Cryptological Command for Signals Intelligence (SIGINT), (3) the establishment of a single Office of Defense Investigations, and (4) the estabalishment of a Defense Map Agency.

The Presidential instruction to include tactical intelligence in the coordination responsibilities of the DCI has been implemented. For years there had been a recognition that the historic distinction between tactical intelligence and national intelligence would not stand close scrutiny. For example, the sighting of a submarine may be initially classified as tactical intelligence but a few days later become national intelligence. This broadening of the DCI's collection coordination responsibilities is a significant improvement.

The Presidential instruction to establish a unified National Cryptological Command for SIGINT under the Director of NSA has not been fully implemented. This move was opposed by the OSD staff, the JCS, and CIA, and so very little was done about it. It might be added that the Consolidated Cryptological Program (CCP), operated by the Director of NSA, appears to be more controversial than the other DOD intelligence programs. The collection activities in the field have been cut back sharply as part of the intelligence budget cuts in recent years. The intercept stations overseas have been heavy users of expensive manpower, but are now being more fully automated.

The Presidential instruction to establish a single Office of Defense Investigations out of the investigative agencies of the three military services has

been implemented. The investigators handle counterintelligence and security checks on DOD personnel.

Action has also been taken to implement the President's directive to merge the mapping agencies of the three military services into one Defense Mapping Agency. These mappers make important use of reconnaissance photographs and have mapped the entire globe.

In 1972 another promising step was taken: the establishment of the Office of Assistant Secretary of Defense for Intelligence. Its impact has been less than had been expected, but over time it should make an important contribution, particularly in terms of coordinating collection resources.

The largest intelligence program is the technical reconnaissance program. Its output is widely regarded as the most valuable in the Intelligence Community, and it has enjoyed top priority for available intelligence funds. This program is run according to a joint DOD-DCI management plan. Both DOD and the DCI spend large sums for research on this program.

Over the years, the introduction of technical intelligence collection methods by DOD (and to a lesser extent by CIA) has led to the necessity for obtaining rights to install technical collection equipment such as CCP intercept stations in other countries. Some form of "bribery," such as military and economic assistance programs of unusual size or duration, are usually involved. Thus, the true cost of technical intelligence programs may be substantially higher than indicated by their budgets. It is proposed that the DCI seek policy guidance from the NSCIC on this whole matter, and then conduct a joint study with DOD of the true cost of technical intelligence equipment and staff located overseas to determine if we are not paying too high a price for their use in some countries. It is recognized that the analysis will be complicated in some countries by the presence also of military base rights.

2. CONSOLIDATED INTELLIGENCE COMMUNITY BUDGET

As a result of the President's November 1971 directive, the DCI has pulled together Consolidated Community Budgets for two years, and is now working on the third one. This Consolidated Budget is prepared with the help of the IRAC, sent to the President through the OMB, and defended before the Congressional Subcommittees on intelligence matters. (There has never been a leak of information from these Congressional Subcommittees.) The budgets of some of the Intelligence Community members were reduced sharply over a three year period, and the Consolidated Budget is now being held at approximately a stable total dollar amount which is not expected to increase significantly during the next several years. This fiscal policy is forcing further decreases in numbers of personnel and procurement of hardware because of inflation.

Since there can only be one President's budget, the figures in the Consolidated Community Budget must agree exactly with the figures in the individual budgets of Community members. Thus, the preparation of the individual budgets and the consolidated budget must be very closely coordinated. The first year there was not much time for the DCI to prepare the Consolidated Community Budget, and it consisted largely of a summary statistical compilation of the various member budgets plus some thoughtful discussions of considerations involved in such an exercise. The second year the DCI had more time to prepare the Consolidated Budget, and made a start toward influencing the budget substantively, but the DCI's impact was not very great. Both the OMB and DCI felt that the timing of the DOD budget cycle was such that there was almost no time to consider any major issues that might be raised through the Consolidated Budget process.

Although the DCI may have had less impact than was hoped for in the size and contents of the Consolidated Budget, it is understood that the Congressional Subcommittees of the appropriation committees reviewing this Budget found it very helpful in giving them a better perspective on the activities of the whole Community, and were pleased with the presentations by the DCI. Attention is now focused on next year's budget preparation.

The problems faced by the DCI in preparing a consolidated budget include the following:

a. IRAC may raise budgetary problems, but it is not a suitable committee in which to obtain a consensus on collection priorities or on shifts of resources between agencies, because each member feels defensive about his own budget.

b. The DOD has legislative authority to prepare its budget, but the DCI has only a Presidential directive to prepare the consolidated budget, including the intelligence categories of the DOD budget. In a showdown the DOD would probably win.

c. If the DCI has difficulty in prevailing on a substantive issue in the DOD's intelligence budget, such issues could be taken to the NSCIC for decision, but the NSCIC has not been meeting regularly. The DCI also has the option of sending recommendations to the President with the Consolidated Budget.

d. It is not clear whether the DCI should be concerned only about substantive issues, or also

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play an active role in determining fiscal policy controlling the preparation of the consolidated budget. The DOD budget has fiscal guidelines which were worked out with the Military Division of OMB that presumably cover all of the DOD budget. The International Affairs Division of OMB is responsible for intelligence programs of the Community. The working relationship between the two divisions of OMB, the DCI, and the Controller in DOD are understandably complex and unique and still appear to leave something to be desired.

e. It was probably assumed when the DCI was asked to prepare a Consolidated Intelligence Budget that it would be sent to the OMB in the Fall at the same time OMB received the individual budget submission from the members of the Intelligence Community. Thus, the OMB could review the intelligence categories in the members' budgets and the DCI's proposals in the latter's Consolidated Budget at the same time. Unfortunately, the DOD budget submission is on a different time schedule. Many years ago, the Military Division of OMB adopted the unorthodox procedure of holding joint hearings with the Controller's office of DOD on the DOD budget, lasting into December each year. Thus, the usual time interval between the submission of a departmental or agency budget to the OMB and the completion of the Presidential budget in late December does not exist, so the DCI has to sit in on the regular budget hearings in order to get his views presented to OMB in time to be considered.

f. Ideally, the DCI would work out substantive program guidelines early in the budget cycle for the guidance of those preparing the various individual budgets included in the consolidated Intelligence Community. At this time it is doubtful if the IC staff has a sufficiently detailed knowledge of all of the intelligence programs in DOD to prepare comprehensive guidelines. Concentration on a few priority issues is one answer.

Experience to date suggests the need to take a hard look at the President's directive of November 1971 regarding a Consolidated Intelligence Budget. The Secretary of Defense, for example, has statutory responsibilities for keeping a close watch on military capabilities and actions around the world. It is difficult to see how you can build a fence around his intelligence activities and assign authority to the DCI to "allocate all intelligence resources" without in effect assigning responsibility to the Secretary of Defense for activities over which he does not have authority.

On the other hand, it is suggested that the basic idea behind the President's November 1971 directive providing for the DCI to send to him through the OMB a consolidated budget with his recommendations is basically sound. The DCI is in much the best position to take a broad look at where the Community has been and where it ought to go, and recommend to the President the key actions that should be taken and incorporated into the consolidated budget. The DCI cannot achieve such an objective, however, by making suggestions in joint OMB/DOD budget hearings in the Pentagon where he has little more than an observer status (except for the technical reconnaissance programs).

It has been suggested that the solution lies in the direction of giving the DCI statutory authority over the Consolidated Intelligence Budget. This would be a mistake, not only because of the position in which it would leave the Secretary of Defense, with his responsibility for activities over which he did not have authority, but also because of the risks involved in exposing the DCI's and CIA's basic authorities to amendment in the Congress. Intelligence activities are unusually controversial at this time, and some very undesirable amendments might be initiated and approved by the Congress.

A more promising approach would appear to be as follows. The DCI would not get involved in budget details. He would not be concerned with "whether they should buy 9 or 12 airplanes, but whether there should be any airplanes in the budget." He would select perhaps not more than six very major issues in the DOD intelligence programs. Careful studies of these issues would be made by the IC staff, and there would be discussion in IRAC. The DCI's recommendations on these six items would be sent to the President for approval via the NSCIC (or perhaps the Council on International Economic Policy where appropriate), fairly early in the budget cycle. Decisions by the President would be forwarded not later than perhaps 1 August by the DCI to DOD for incorporation in its intelligence budget.

In addition to the Presidentially approved decisions, the DCI would also forward to the DOD at about the same time a list of important programs or projects that should be sharply reduced or eliminated. Such a listing would not only help promote a more intensive look at on-going programs during the joint OMB/DOD review but would help to blunt an effort to get the intelligence budget total raised if the Presidential decisions proposed above involved a net increase in expenditures.

DCI representatives should still attend OMB/DOD joint budget reviews, but largely for purposes of background information.

Looking to the future, the staff of the DCI is well aware of the shortcomings of the management information systems of the Intelligence Community which are addressed primarily to accounting and

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fiscal criteria. These systems are not designed to relate resources allocations to substantive tasks and information, and they are not a good management tool today to measure the effectiveness with which revenues meet requirements. There is a need for a better system for tying the budget and program review together.

3. ECONOMIC INTELLIGENCE

The CIA and most of the rest of the Intelligence Community were designed and staffed for the Cold War period of the 1950s. Since then we have entered a period of détente and lessened tensions overseas. Today we need an Intelligence Community capable of meeting not only the continuing requirement for secret intelligence in the interests of national security, but also the overriding challenges of providing solid intelligence on worldwide inflation, food shortages, energy crises, narcotics control, and so on. Can this challenge be met as additional tasks by the Community? Or does the situation call for a more fundamental reorientation?

This issue is important not just in terms of helping our President to meet his priority concerns. It is also important in terms of continuing Congressional and public support of CIA. Political action programs to fight Communism no longer have unqualified support. Support of military actions seems to be at an all-time low. If, however, the CIA could clearly identify itself as one of those working toward solutions to our domestic and world-wide economic problems, its image might be significantly improved.

Let us consider the environment within which the DCI works today. The basic authority for the DCI and CIA is the National Security Act and a related piece of legislation, enacted in the late 1940s and concerned with the Cold War. The personal staff of the DCI for coordinating the Intelligence Community, known as the IC staff, is directed by military officers on active duty. About 85% of the Community Budget is for the Department of Defense. Policy guidance is supposed to be supplied by the NSCIC, which is chaired by an Assistant to the President who in the past has shown little interest in the field of economics, plus the Deputy Secretary of State, the Deputy Secretary of Defense, and the Chairman of the Joint Chiefs of Staff, the DCI, and the Under Secretary of the Treasury for Monetary Affairs. The CIA chiefs of station overseas are preoccupied with such responsibilities as recruiting agents, and it is reported that few of them have any capabilities or interest in the field of economic intelligence. This does not appear to be an ideal environment for grappling with many, perhaps most, of the crucial intelligence needs of the next decade.

It is true that CIA has the best group of economic intelligence analysts in Washington, that a subcommittee of USIB is concerned with economic intelligence, and that one of the 11 National Intelligence Officers (NIOs) is concerned with economic matters.

However, until the past few years economic intelligence was largely focused on Russia and China, and was often collected for purposes of estimating the war making potential of a given country, not for support of programs to cure the economic ills of the United States and elsewhere.

More recently there have been some very significant developments in the management of U.S. economic policy, both foreign and domestic, which took place outside the well known "Nixon-Kissinger orbit." At the top was the Committee on International Economic Policy (CIEP), run by senior officials in the White House and the Treasury Department. In addition, several "problem-oriented" committees were established to grapple with such matters as trade, monetary policy, and oil. CIA officials concerned with intelligence on such matters quickly established working relationships with these committees and have been very responsive to their needs for economic intelligence on a worldwide basis. Relationships have been very flexible up to this time with commendable initiative being shown by both consumers and producers of intelligence. A very high percentage of the intelligence provided these committees has been based on specific requests, such as for international negotiations. In some cases this flow of intelligence has been facilitated by "brokers" attached to committees who are knowledgeable about both intelligence production and intelligence needs.

Four Treasury officials, either on loan from or with backgrounds in the Intelligence Community, brief the Secretary of the Treasury and his Deputy on current intelligence early each morning, and then brief the Secretaries and other high officials of domestic departments such as Commerce and Agriculture later each morning. These briefings are done with the full knowledge and support of the DCI. It might be added that, during the past two years, collection agencies have had their priority requirements extended beyond the military area to cover world-wide economic intelligence, through the KIQs, and CIA has recently produced excellent weekly summaries on such topics as trade and energy.

The various ramifications of the world's economic ills are still being sorted out, and Mr. Rush's departure from the White House staff has left the top guidance for our economic policy making temporarily in a fluid state. It seems clear, however, that much progress has been made at high levels in coming to grips with our world-wide economic

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problems, and that economic intelligence is not an important limiting factor at this time.

Looking to the future, there appear to be several issues that will have to be resolved. Should these problem-oriented committees dealing with worldwide economic problems eventually be drawn into the NSC orbit? Or should CIA's present orientation to the NSC be broadened to encompass a separate complex of high level economic committees as major consumers? Should the KIQs be screened by these new committees? Should the NSCIC's mandate to provide policy level substantive intelligence requirements guidance be shared with the CIEP? If the old Board of Requirements is revived, should it be attached to the NSCIC or to the CIEP? Should the DCI present the Consolidated Intelligence Budget not only to the Armed Services Committee on the Hill but also to appropriate economic-oriented committees? Should CIA publish more unclassified economic intelligence digests? And so on.

4. U.S. EMBASSIES

The DCI and CIA have a large stake today in the operation of U.S. Embassies because they provide cover for most of CIA activities overseas. The DCI in his role as coordinator of collection activities overseas is also intensely interested in "collection" activities of others in the form of Embassy political and economic reports, data collected by agricultural and treasury attaches, military attaches, etc. No matter what this overtly collected information is called, it is raw intelligence to the producers of finished intelligence in Washington.

The DCI has become very interested in the quality of reporting by the various personnel attached to U.S. Embassies, and may initiate a policy of sending U.S. Ambassadors a letter once a year in which the Embassy reporting is evaluated. It is anticipated that such letters will stimulate improvements before the next letters of evaluation are sent out.

Such a letter makes sense if properly coordinated with the Secretary of State, and provides a more formal recognition that the DCI's responsibilities for coordinating collection of intelligence include various reporting activities of U.S. Embassies. If a given Ambassador receives "poor marks" for his reporting, one approach might be to have the Ambassador ask the CIA station chief to prepare a collection plan for all personnel attached to the Embassy which would identify the role to be played by each individual or office, taking into account instructions received by such individuals or offices from their headquarters in Washington. The CIA chief of station would also advise the U.S. Ambassador on a collection program that would identify priority collection requirements and restrict clandestine collection to those items that could not be obtained overtly. The chief of station would also be held responsible for evaluating the effectiveness and efficiency of the implementation of the collection program as a whole. In carrying out these duties, the CIA chief of station would not attempt to exercise line authority over other than CIA personnel, but would act as an advisor to the U.S. Ambassador.

Progress reports on this comprehensive collection program would be sent via the Ambassador to State and to the DCI. Where major conflicts arose between the collection planning and the program desired by the U.S. Ambassador, and instructions received from their Washington headquarters by individuals and offices attached to the Embassy, the DCI would attempt to seek a reconciliation.

The above proposal is considered impractical at this time because CIA station chiefs typically have little proficiency or interest in economic and political reporting. Their training is aimed at such activities as recruiting agents. Nevertheless, the DCI's collection responsibilities would seemingly call for a long term program for maximizing the number of chiefs of station who could serve as the Ambassador's principal advisor on promoting the efficiency of all kinds of reporting. In the meantime, CIA regional specialists on such matters might be used.

II. PRINCIPAL ISSUES

The review of intelligence resource management indicates that there are a number of major issues on which the Commission on the Organization of the Government for the Conduct of Foreign Policy could make an important contribution. All of these issues are well known to senior members of the Intelligence Community, and most of them are under active discussion. In this paper an attempt is made to identify these issues and present several options for consideration.

The *first* issue is concerned with Presidential directives to impose the DCI between the Department of Defense and the President with respect to the programming and budgeting of intelligence resources. Such a move was first attempted back in 1961. It did not work. A second attempt was made in 1971 through President Nixon's directive (reaffirmed by President Ford in October 1974) implementing the recommendations of the Schlesinger study. Although there was considerable enthusiasm for this DCI "leadership" role in allocating intelligence resources during 1972 and 1973, today there is much disillusionment among key officials, and the time is ripe to consider the options.

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The *second* issue is concerned with the future cost implications of budget decisions involving intelligence resources. This issue raises questions about multi-year budgets, five year plans, etc. Options on this issue are under current discussion in the Executive Branch and some actions have been taken. The Congressional budget reform legislation included provisions bearing directly on this issue.

The *third* issue is concerned with the rather disorganized, ad hoc situation prevailing today with respect to economic intelligence. Although the major problems involve top management of economic policy and the dispersal around Washington of economic intelligence analysts, there is also an economic intelligence resource aspect worth discussing.

The *fourth* issue is concerned with what action should be taken to provide a better substantive frame of reference for the operation of the intelligence community. More specifically, should there be a more conscious national strategy for the allocation and use of intelligence resources? How will such a strategy be developed?

III. ROLE OF DCI VIS-À-VIS THE DOD

Issue #1: *What steps should be taken to strengthen the hand of the DCI in fulfilling his responsibilities regarding the allocation of intelligence resources?*

Option A. The DCI would support a policy of collecting all of the raw intelligence that was technically feasible with a minimum of budgetary restraints; and would restrict his budgetary activities largely to (1) providing a forum (IRAC) for acquainting each member of the Intelligence Community with the others' programming and budgetary activities and problems, (2) obtaining a consensus when possible on issues brought before IRAC, and (3) preparing a compilation of various members' annual budgets for Congressional presentation.

For:

1. It is rather naive to think that the DCI could have much direct impact on the DOD budget when (a) the DOD budget includes 4/5 of the funds for foreign intelligence activities; (b) the Secretary of Defense has statutory authority for programming and budgeting intelligence activities, whereas the DCI has only a Presidential directive; (c) the strong intelligence policy guidance and support from Dr. Kissinger and his NSCIC, as contemplated in the Presidential Directive of November 1971, has not materialized; and (d) above all, it has always been true that only the OMB stands between the President and Departments and Agencies on budgetary matters.

2. Experience has shown that IRAC has real value for educational purposes, acquainting each member with each other's budgetary and programming problems, airing opposing points of view on various issues, and seeking a consensus where possible.

3. It would make sense to adopt a policy guideline of technical feasibility, with a minimum of fiscal and programming restraints, rather than rely on consumer requests in programming collection activities. It is not realistic to wait for users of intelligence to tell collectors what they need. Sometimes procurement and operational lead times of as much as two years or more are necessary for collecting certain kinds of intelligence. Furthermore, in this highly volatile world situation, it is just not feasible to set detailed priorities for intelligence collection needs.

4. Collectors are in a much better position than consumers to assess trends in collection needs and to make highly technical choices of alternative means for collecting raw intelligence.

Against:

1. Officials favoring this Option (and there are many) are saying in effect, "Just give us the money we need and leave us alone; we are the experts; we know best." The U.S. Government went through an extended period when there was comparatively little in the way of budget restraints or policy guidance, and the result was not only an overextended Intelligence Community but also a number of intelligence activities with excessive funding. The record clearly shows that an option similar to Option A leads to too many wasteful practices to be acceptable.

2. More specifically, periods in the past with conditions approximating those in Option A appeared to lead to (a) excessive preoccupation with technical innovations and technical challenges for collecting raw intelligence almost without regard to cost/benefit consideration, (b) the accumulation of a large amount of "fat" in intelligence expenditures, and (c) an environment which discouraged the DCI from exercising strong leadership in achieving coordinated and efficient operations within the Community.

3. The sharp cuts in intelligence budgets during the past few years, initiated largely by the OMB, do not seem to have resulted in significant shortages of raw intelligence, a clear indication that wasteful practices had been in effect.

4. IRAC, established by the Presidential Directive of November 1971, has been of value as noted above, but each member tends to be very defensive about his own organization's resources, so this Committee is not a good manage-

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ment tool for obtaining a consensus on collection priorities.

Option B: The DCI would make every effort to carry out the Presidential Directive of November 1971 to "allocate all intelligence resources" through making maximum use of IRAC, building up his IC staff, and preparing each year a Consolidated Intelligence Community Budget with his recommendations, for review by the President.

For:

1. Since the needs for foreign intelligence have expanded to many parts of the U.S. Government for an ever-widening number of purposes and since the collection resources are concentrated in DOD, and to a lesser extent in CIA, it stands to reason that there must be some neutral central point, such as the office of the DCI, responsible for allocating these resources in an objective and fair manner. Stated more bluntly, just because over 4/5 of the money is in the DOD budget, the allocation of collection resources should not necessarily be dominated by military-political requirements.

2. Although on the surface the problems faced by the DCI in injecting himself into the DOD budget process appear to be most formidable, in practice it is difficult to recall any major issue on which the DCI and the Secretary of Defense did not reach agreement. As long as there is a will to cooperate among the top officials, administrative difficulties tend to disappear.

3. If the DCI submits his proposed Consolidated Intelligence Community Budget to the President with his recommendations several months in advance of the deadline for completing the President's Budget (end of December of each year), then there will be time to give proper consideration to the DCI's recommendations, and through a channel that does not involve the DCI in a direct confrontation with DOD on a major issue.

Against:

1. Although it may appear on the surface that the DCI is making real progress in asserting his authority over the allocation of collection resources, indicating that Option B is feasible, in fact this Option is *not* working. The DCI has *not* reached agreement with the Secretary of Defense on many major issues as they arose, because the DCI has *not been in a position* to raise the tough questions and take a firm stand. The well known weaknesses of IRAC as a channel for allocating resources were mentioned above. The IC staff, which is the DCI's principal staff resource to turn up the tough questions, is dominated at the top by military officers on active duty. One of them told me that "if the IC staff was not run by a military officer it would not be acceptable to DOD." Finally, the DCI has been waiting for the members of the Community to complete their budgets before he prepared the Consolidated Community Budget. The Consolidated Budget thus arrives at OMB at the end of the budget season when it is too late to consider major revisions. In effect, the DCI is only second guessing members' budgets, not exercising leadership in presenting in advance his views on what should be in the members' budgets.

2. We must find better ways to take advantage of the great potential value of the DCI's office. However, the Secretary of Defense has a fundamental responsibility to keep a constant watch on military and potentially explosive political developments around the world, and, if you attempt to transfer at least some aspects of his authority over such surveillance activities to the DCI, you are putting the Secretary of Defense in the untenable position of being held responsible for activities over which he does not have full authority.

Option C: The management of all of the technical intelligence collection programs financed by the DOD budget would become a shared responsibility, just as the reconnaissance program is today; and the DCI, in carrying out his leadership role in allocating intelligence resources, would not "scatter his shots" but would concentrate each year on perhaps not more than six major issues, studying them in depth, including an analysis of their cost implications for future years.

For:

1. The joint management of the technical reconnaissance program is reported to be working very well and appears to avoid at least most of the difficulties encountered by the DCI in his efforts to influence the program and budgets for the rest of the DOD intelligence activities. It is recognized that the predecessor of the present technical reconnaissance program (the U-2 program) was started by CIA, so that the administrative and jurisdictional problems involved in extending this joint management approach to other DOD activities would probably be more difficult than those encountered in establishing joint management for the technical reconnaissance program.

2. By concentrating on a few major issues, presenting the options to the President for decision, and forwarding the decisions to the DOD several months before the end of the budget cycle, the timing problems faced by the DCI in influencing the present DOD budget process would be reduced, and the issue of the DCI getting between the President and the DOD would not have to arise.

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Against:

1. If the DCI jointly managed all of the very expensive technical collection programs, he could lose some of his objectivity in allocating resources, in enforcing the principle of using only clandestine sources when overt sources were not available, and so on. In other words, he might tend to get a vested interest in these technical collection programs.

2. If the DCI concentrated on studies of a few major issues, and decisions on these issues involved a net increase in expenditures, the DOD might thereby have a lever with which to insist on an increase in the planned total expenditures for the year in question.

Discussion: It seems pretty clear that the DCI would be unable to exercise the kind of positive leadership envisioned by the Office of the President unless the joint management role he now has for the reconnaissance program was extended to the other technical collection organizations in DOD. This may appear to be a rather drastic measure, but the alternatives have been tried over the years with very disappointing results.

There is considerable support in the DCI's office and in the OMB for the proposal that the DCI should focus on studies of a few major issues each year. These studies should include analyses of the future cost implications of the various options.

IV. MULTI-YEAR PROGRAMMING AND BUDGETING

Issue #2: *What steps should the DCI take in order to insure that adequate recognition is taken of the future cost implications of budget decisions?*

Option A. Adopt a 2-year budget for intelligence programs.

For:

1. With today's intelligence budgets dominated by long lead items, it makes sense to prepare budgets for a 2-year period in order to reflect more fully the future costs of budget decisions.

2. Intelligence resources program administrators can proceed in a more orderly, positive way if they know what they can count on for the next 2 years, rather than for just one year.

3. The disclosure of future expenditure implications of proposed major budget decisions is often the most effective way to keep future budgets within prescribed limits. A 2-year budget would disclose a substantial part of such future expenditures.

4. If the future cost implications of budget decisions are not carefully analyzed, the inevitable result would be that over the years a rapidly increasing part of the annual budget would be composed of mandatory expenditures based on past budget decisions. Thus there would be less and less flexibility in the budget to take care of high priority new programs, emergency developments, etc. unless sharp increases were permitted in total expenditures.

5. Budget officials in OMB and the office of the DCI are very much interested in the idea of the two-year budget.

Against:

1. A two year budget would have to be prepared each year.

2. Important budget decisions usually have cost implications extending far beyond two years.

Option B. The DCI would prepare a projection of collection requirements for the next five years, updating it annually, and calculate the budgetary implications for the next five years of major budget decisions currently under consideration.

For:

1. The DCI has already made a start toward this Option by preparing a projection of intelligence needs for the next five years, to be up-dated annually.

2. The Congress already requires the preparation of budgets for the next five years showing the changes in the President's budget for each year if no new programs are introduced. Such a calculation is one way of showing the future cost implications of budget decisions included in next years budget.

3. An annual budget can be quite misleading if the future budgetary implications of its long lead time items are not properly analyzed. For example, approval of a new $50,000 training program and $100,000 for the site of a new technical collection device might in effect be committing the DOD or CIA to a $50,000,000 expenditure during the next three years. Because of the "technological revolution" in the intelligence collection field during the past two decades, such considerations have become increasingly important.

Against:

1. The five year "perspective" of intelligence needs issued by the DCI is so all inclusive that it is not a good guide to high priority future needs or a restraint on low priority items. On the contrary, it is difficult to think of anything excluded from the list. Thus this five year perspective tends to place a stamp of approval for the next five years on anything the Community wants to collect.

2. The five year projection of the current budget is of limited value because it does not include

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anticipated budget decisions during the intervening period.

Option C. The DCI would prepare an Intelligence Community Plan for the next five years for major categories of items with long lead time; update it annually; secure approval of the plan by higher authority; and assume responsibility for insuring that the current annual budget proposals are consistent with the approved 5-year plan.

For:

1. This five year projection of budget decisions would include not just the budget decisions proposed in the current budget, but anticipated budget decisions for the intervening years.

2. This five year plan would not include those activities of an administrative nature which do not have any long lead time aspects and would remain about the same during the five year period (e.g. the controller's office).

3. Instead of relying primarily on analyses of a few major ad hoc decisions each year to keep the budget on the track, it would be much better to look ahead a few years, anticipate changes in the priority intelligence needs, and put together a mid-term plan that would anticipate the priority raw intelligence needs, would include necessary budget decisions for the entire period, and would be in line with anticipated limits on future annual budgets. This plan would be approved by higher authority, and the DCI would insure that it is used as an approved guide in preparing annual (or 2-year) budgets.

4. The preparation of this five year plan would provide an opportunity not only to take a look at proposed new projects for collecting intelligence, but also to identify those on-going projects that have outlived their usefulness. It is very difficult to get attention focused on low priority ongoing programs during the annual budget process if increased funding is not requested, attention usually being focused almost entirely on proposed new programs and above-average increases in on-going activities. It is probably much easier to get agreement to eliminate unproductive activities or duplications from a mid-term plan by arguing that "you surely are not going to continue *those* programs for the next five years."

5. Longer term plans are already being prepared for some intelligence programs.

Against:

1. The DOD already has a classified five year plan for its entire DOD budget (including intelligence) which is presented each year. Last year the DCI was officially permitted to see it for the first time. How would a Community-wide five-year plan be reconciled with the DOD plan? Is there any practical way other than a joint DOD-DCI management plan for DOD technical collection programs (Option C of Issue #1 above)?

2. Unless the authority of this five year plan is very clearly spelled out, it would tend to be ignored during the rough and tumble of the annual budget hearings.

3. The existence of an official five year plan would raise important security problems. The plan would have to be highly classified and very closely held.

Discussion: Steps are already being taken in the direction of five year plans and serious consideration is being given in some quarters to a two year budget instead of an annual budget. Congress appears to favor moving in these directions, as indicated by some of the provisions of the recent Congressional budget reform legislation. Moves in these directions are desirable, and the Commission should give serious consideration to giving its blessing to these trends.

V. GROWING IMPORTANCE OF ECONOMIC INTELLIGENCE

Issue #3. *What steps should the DCI take to help overcome the rather ad hoc, disorganized way economic intelligence is being collected and processed today?*

Option A. Continue the present arrangements, CIA responding promptly to whatever requests it receives for economic intelligence from different parts of the U.S. Government, and including economic intelligence requirements in the KIQs.

For:

1. Informed officials indicate that the economic intelligence requirements of the U.S. Government are being met today in spite of rather loose organizational arrangements, and that relationships between CIA and consumers of such intelligence are excellent.

2. Until the "top management" arrangements of the U.S. Government for foreign and domestic economic policy matters are firmly established, and until the probable long-run pattern of economic committees for various major problem areas (food, trade, oil, etc.), and the assignment of economic responsibilities among different departments become clearer, it is not feasible to move toward more permanent, institutionalized arrangements for collecting and processing economic intelligence.

3. Since CIA is prohibited from engaging in intelligence activities within the United States, there appear to be limits on what leadership the DCI can exercise with reference to the many overt sources of economic intelligence in the Executive Branch.

4. Domestic and foreign economic matters are so important at this time, that we can afford to have rather loose arrangements with considerable duplication of effort to encourage initiative and fresh thinking and to provide the President with alternative sources of information for policy guidance during this crucial period.

Against:

1. There is so much at stake, that the collection and processing of economic intelligence should be thoroughly professionalized. Loose arrangements are bound to result in an unacceptable amount of erroneous or misleading economic information floating around Washington, and a lot of "shooting from the hip."

2. More specifically, all processing of economic intelligence should be carried out "under one roof." Those favoring such an arrangement point out that CIA is recognized as having by far the largest and most experienced group of professionals in Washington for analyzing economic intelligence, but unless a firm decision is made soon there will be a rapidly growing duplication of effort in several Departments in the near future.

3. Most of the U.S. intelligence resources and most top officials of the Community are oriented toward military-political intelligence collecting, and there are plans on the drawing board for a lot more investment in resources primarily oriented for such purposes. Even a superficial look at (a) the small percentage of the total intelligence budget earmarked for economic intelligence, (b) the few senior officials of the Community whose primary interest is in economic intelligence, and (c) the presentation of nearly all of the Community Budget only to the Armed Services Committees, suggests that a fresh look at the allocation of intelligence resources is in order, and need not wait for a firming up of the organization of the U.S. Government in the economic field. A point to remember: most military intelligence collected today is for possible future use; but most economic intelligence collected today is used every day for guidance on matters vitally important now.

Option B. Strengthen the DCI's control of economic intelligence collection through (1) more centralization of economic intelligence analysis in CIA; (2) restriction largely to CIA of economic intelligence collection from multinational corporations, on a classified basis; (3) assignment of CIA station chiefs as principal advisors to U.S. Ambassadors on all collection activities performed by persons attached to U.S. Embassies, including economic intelligence; (4) extension of DCI regular budget briefings to other than the Armed Services Committees of the Congress; and (5) creation of a better balance between military-political oriented and economics oriented senior officials in IRAC and the IC staff.

For:

1. For at least most economic intelligence, CIA is in a much better position than anyone else to fit the pieces together and make sophisticated analyses. CIA has the necessary experience, the access to many kinds of highly classified technical programs that collect economic as well as military-political raw intelligence, the extended relationships with corporations for collecting other kinds of intelligence, and the adequate research resources for developing techniques for extracting economic intelligence from reconnaissance photography, etc.

2. Multinational corporations are reluctant to divulge economic information about their companies that might reach their competitors. CIA is in the best position to gain access to such confidential information and protect its sources.

3. The DCI has plans to rate the performance of Embassies in intelligence collection, and many Embassies will need help in improving their effectiveness in collection activities, much of which is concerned with other than military or political matters. The CIA station chiefs could be very helpful to Ambassadors in advising on improved collection methods, focusing more on priority collection needs, limiting clandestine collection only to information not obtainable overtly, etc. Most station chiefs know very little about economics, but their advisory role would be concerned primarily with organization, procedures, and collection techniques, not substance. Future training programs for CIA station chiefs should cover this advisory role.

4. In seeking a better balance between military-political and economic collection resources, it might help for the DCI to offer to brief economic-oriented Congressional committees as well as the Armed Services Committees on the intelligence budget each year.

5. In view of the overriding concern of the Intelligence Community with military-political intelligence during most of the past two decades, it is to be expected that IRAC and the IC staff would be staffed primarily by officials with experience and a primary interest in such intelligence. The comparatively great increase in the importance of economic intelligence in recent years has not been accompanied by an appropriate increase in economic-intelligence-oriented officials at senior levels in IRAC and the IC staff.

Against:

1. There is a danger of over-organizing for economic intelligence collection, and particularly of spending too much money trying to adapt the very expensive techniques for collecting military-

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political intelligence to collecting economic intelligence. For example, there is much excitement about the use of reconnaissance photography as a source of agricultural intelligence. During the past ten or fifteen years, there has been a tremendous improvement in the domestic statistical programs of developing countries. U.S. agricultural attaches and AID agricultural technicians have learned a lot about interpreting these figures. In practice, of how much value will reconnaissance photography be as a supplement to what we already know? The cost of this photography would pay the salaries of a whole army of agricultural attaches. Or is the reconnaissance photography popular because the users look upon it as "free," i.e. costing them nothing?

2. With reference to using CIA station chiefs as advisors to U.S. Ambassadors, they are trained to recruit agents and seek military-political information. Very few of them have any interest in or knowledge of economic intelligence. At least for the near future, it might be better to think in terms of CIA regional advisors who would specialize in organizational and administrative problems of Embassies in collecting information. These advisors would visit Embassies in their area on a regular schedule, and would assist in laying out collection programs and improving collection techniques—overt as well as covert.

3. There is a danger in linking multinational corporations too closely with CIA.

Discussion: It seems clear that there are further steps the DCI could take to strengthen the collection of economic intelligence without waiting for all of the problems of top management for economic policy to be settled. It is recognized that much has been done during the past few years to broaden the geographic coverage of economic intelligence, and that CIA has done a commendable job during the last two years of meeting many new demands for such intelligence on short notice.

VI. THE ALLOCATION OF COLLECTION RESOURCES

Issue #4: *What steps should be taken to prepare a national strategy for the allocation and use of intelligence resources?*

Option A. Do nothing beyond continuing the preparation of the annual Consolidated Budget for the Intelligence Community, together with recommendations, and continuing to prepare an annual review of the progress of the Community for the President.

For:

1. The Community has been subjected to very sharp budget cuts in recent years, together with a tight budget for the near future in the face of inflation. It takes time to digest these cuts, and the Community should not be kept off balance by the prospect of major reallocations of resources in the near future. It deserves a breathing spell.

2. It is reasonable to assume that these budget cuts resulted in correction of some of the most serious misallocations of resources. Furthermore, there are some built-in corrections that take place over a period of time. If you cannot recruit high level agents in Europe any more, resources for such purposes are reduced. If you can get more good scientific intelligence out of foreign publications than from agents, you spend comparatively more on exploiting published sources. If you find it more and more difficult to crack codes in sophisticated countries, you reduce the number of intercept stations in those areas. Such changes are taking place all of the time behind the scenes.

3. There is no scientific, precise technique for allocating intelligence resources. Judgments by experienced people will always be involved.

4. Some of the evaluation procedures of the DCI are providing important guidance for better allocation of resources. For example, one of the Key Intelligence Questions will be selected for analysis. A study will be made to determine what raw intelligence is being collected and what collection gaps there are in answering this question; and also, to determine if there is proper coordination between the amount of intelligence collected and the amount used. Thus this study provides the "base line" information, against which the situation six months later is evaluated.

Against:

1. The Consolidated Budget for the Community with recommendations has not turned out to be a very dynamic management tool; and the annual progress report to the President is just that, a progress report, not a recommendation as to where we should go from here. The impression is that, to some extent, the DCI is moving along without any firm frame of reference or strategy. There is a good deal of professionalism in the handling of details and specific projects, but some of the major deficiencies seem to be something the Community just has to live with from year to year.

2. Some of those concerned with intelligence resource allocation (especially those who are probably not in full sympathy with the President's view that we should maintain a very strong military posture) believe that, since the DOD budget includes over 4/5 of the total intelligence funds, the DOD budget for intelligence is obviously too high. They think that a careful study of the allocation of resources will result in a recommendation

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to reduce the proportion of the total intelligence budget allocated to DOD for military-political intelligence. This is not necessarily so, but a study would be useful to help settle the sharp differences of opinion existing within the U.S. Government today on the equitable allocation of intelligence resources.

3. There have been many studies of the Intelligence Community, but nearly all of them seem to have been concerned with "moving the boxes around on the organization chart," and not with the allocation of resources or the general strategy for intelligence.

Option B. Organize a high level study group, composed primarily of individuals from outside the Intelligence Community, to make a detailed study of the allocation of collection resources within the Community, and submit options for taking corrective actions.

For:

1. A study made largely by individuals outside the Community would have more credibility than recommendations developed within the Community.

2. Many new technical collection devices and improved equipment are becoming available, and outside experts could be helpful in determining the best mix of these collection methods for the foreseeable future from a cost/benefit point of view.

3. The study group would require reports and make sample checks to determine what proportion of raw intelligence now collected is processed and used, and would attempt to make some rough checks of the comparative cost/benefit of alternative collection methods.

4. The issue of the proper allocation of collection resources appears to be sufficiently controversial that an outside look would be helpful at this time.

Against:

1. It would be difficult to recruit qualified persons for the outside study group who are not employed by companies selling the complex highly technical equipment used for intelligence purposes or selling research services to DOD. Would such outside experts be more objective than informed personnel employed by CIA or DOD?

2. Could such a study group produce meaningful recommendations in the absence of any approved national strategy for intelligence resources? Could it analyze budget figures for intelligence activities of DOD without reference to the overall budget policies of the Department of Defense? Is it realistic to ask outsiders to analyze budget data?

Option C. The DCI would prepare an annual report whose principal product would be a proposed national strategy for intelligence, with options. The input in preparing this report would be the various Community members' budgets; results of studies of major issues in depth (Option C of Issue #1); results of DCI evaluation studies (see, for example, item #4 under Option A of Issue #4); and near term budget data and longer term issues resulting from 5 year planning (see Option C of Issue #2), the planning being subdivided into three or four functional categories cutting across agency and departmental lines.

For:

1. This annual report would replace the Consolidated Intelligence Community Budget with recommendations prescribed in President Nixon's November 1971 Directive. The Consolidated Budget has not proved to be very successful.

2. This Option would provide a means of making maximum use of the various studies and analyses discussed earlier for purposes of securing Presidential policy guidance for intelligence activities.

3. An overall national strategy for intelligence would replace present intelligence guidelines, which tend to be little more than the summation of ad hoc decisions reached on individual projects. The DCI would have a firmer foundation on which to exercise his leadership role.

4. Certain major issues, such as whether *all* electronic transmissions taking place in a given part of the world should be recorded and analyzed, can only be raised effectively in a broad report structured as proposed in Option C.

Against:

1. Option C assumes there is enough stability in the world to justify making projections several years ahead with some confidence. This assumption is questionable.

2. It is possible to be overorganized, to have too precise policy guidelines that reduce flexibility and stifle initiative.

3. The preparation and clearance of this proposed report would require many hours of the time of very senior officials.

Discussion: The annual Consolidated Budget for the Community, together with recommendations for the President, has not been a success. Various improvements in forward planning, and analysis of stubborn problems, now under discussion or under way, would lay the groundwork for the development of a recommended national strategy for intelligence. A report setting forth such recommendations, with options, should replace the present annual Consolidated Budget.

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Clandestine Operations

Taylor G. Belcher
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I. SUMMARY

a. The term "covert action" involves the effort to influence the affairs of other nations by secret and unattributable means. The case for and against maintaining a capability for conducting covert action operations has been eloquently set forth by a number of observers, but it is extremely difficult to draw up a balance sheet comparing past successes and failures. Whatever the assessments may be, the United States will inevitably maintain a covert action capability and undertake operations when deemed necessary by the highest authorities.

b. The problem then becomes one of appropriate criteria for action, sufficient review in the process of seeking approval for proposed projects, appropriate monitoring of on-going operations, and ex post facto assessments of value gained or lost.

c. Covert action operations are generally believed to have been too widely used in the past, and they should be limited to those which are in the *vital* national interest as determined at the very highest level in government. Furthermore, the decision to act should include a recognition of what may be needed to follow up success or, in case of failure, to minimize the costs of disclosure. All overt alternatives must be thoroughly considered before opting for covert action.

d. The present image of the CIA's clandestine service is depressingly bad. Pejorative adjectives abound: omnipresent, powerful, operating under a debilitating cloud of suspicion. The CIA is widely believed to have too many of the resources and instruments of foreign policy under its control. Its successes have been as heralded as its failures. The CIA is too widely publicized for a secret service.

e. In addition to covert action, there are many other kinds of clandestine operations which are dangerous and politically risky. Some intelligence collection programs have involved the U.S. in extremely awkward situations, e.g., in Pakistan, Greece, and Turkey. Decision making for major collection activities should, therefore, be at least as exhaustive as for covert action, and responsibility should be carefully exercised by the 40 Committee, an interdepartmental review and coordination body for sensitive clandestine operations which is chaired by the Assistant to the President for National Security Affairs.

f. The clandestine collection and covert action functions should remain under the unified control and direction of the CIA, for otherwise too many wires would be crossed, and there would be considerable confusion and overlapping of operations. The problem of arranging appropriate cover for clandestine operators overseas would also be exacerbated if the U.S. had two clandestine services.

g. A good case can be made for separating the CIA's Directorates of Intelligence and Operations. The new research and analysis organization would not be associated in the public mind with clandestine operations, and, moreover, would have a role more closely approaching that of the CIA as described in the National Security Act of 1947. Nevertheless, there are certain advantages in having regular communication between collectors of intelligence information overseas and analysts in Washington, and it would be difficult to devise a more appropriate organizational alternative to having the clandestine service in the CIA. On balance, the advantages of separation do not appear to outweigh the disadvantages.

h. It is extremely important to have adequate control over covert action and other kinds of clandestine operations. The 40 Committee is an adequate control mechanism, but it must be properly used and staffed. The best course would be to tighten the existing procedures by widening the circle of people consulted during the review process and by broadening the membership of the 40 Committee and its staff.

i. The question of personality is vital in any system. If the people at the top do not care to use the machinery provided for them, or listen to the experts, then the system will not work. At the present time, the system is not functioning properly. In recent years, the 40 Committee has seldom met and has generally conducted its business on the tele-

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phone. We must give life to existing safeguards and require their use by key foreign policy makers insofar as possible.

j. Congressional oversight over clandestine operations can be considerably improved, especially if a joint Congressional committee on intelligence or national security is established. Since such a committee could write its own rules; tight security procedures could be devised. Congressmen, moreover, would have an appropriate forum for registering doubts and complaints about intelligence. The creation of a joint committee would also tend to counter the general assumption that the present Congressional oversight committees for intelligence are not performing adequately.

k. Ex post facto review by the President's Foreign Intelligence Advisory Board (PFIAB) should be improved, and Ambassadors and key country team members overseas should exercise greater vigilance over clandestine operations. Adequate control mechanisms exist, but they need to be revitalized and used. Their effectiveness depends largely on leadership by the President and Secretary of State, as well as on the vigilance of Congress and the media. Secret services are as effective or ineffective as the governmental entities that control them.

II. SHOULD THE UNITED STATES MAINTAIN A CAPABILITY FOR COVERT ACTION?

1. DEFINITION OF TERMS

It is generally accepted that "covert actions" overseas include (1) political advice and counsel; (2) subsidies to individuals; (3) financial support and technical assistance to political parties; (4) support of private organizations, including labor unions, business firms, and cooperatives; (5) covert propaganda; (6) private training of individuals and exchange of persons; (7) economic operations; and (8) para-military (or) political action operations designed to overthrow or to support a regime.[1]

2. SOME COMMENTS IN SUPPORT OF COVERT ACTION

Lord Chalfont has stated that "if the U.S. is disbarred from access to some of the less attractive instruments of secret diplomacy, while its enemies, unhampered by the pressures of public opinion, continue to use them, the power structures of the world might gradually but irreversibly be changed; and the change is not likely to be one to delight those who believe in an open society." [2]

William Colby, the present Director of Central Intelligence, has said: "It is advocated by some that the U.S. abandon covert action. In light of current American policy, as I have indicated, it would not have a major impact on our current activities or the current security of the U.S. However, I can envisage situations in which the U.S. might well need to conduct covert activity in the face of some new threat that developed in the world. There have also been, and are still, certain situations in the world in which some discreet support can assist America's friends against her adversaries in their contest for control of a foreign nation's political direction." [3]

President Ford has said publicly that the United States will not forego this option. Furthermore, it is significant that the Senate, on October 2, 1974, voted 68 to 17 not to prohibit further covert operations (the so-called Abourezk Amendment), and the House voted down a similar amendment.

3. SOME COMMENTS AGAINST COVERT ACTION

There is, however, a tenable position that covert political action is beneath the dignity of the United States and the moral standards of the American tradition. Indeed, former Under Secretary of State and Attorney General, Nicholas Katzenbach, has written: "Our foreign policy must be based on policy and factual premises which are accepted by the overwhelming majority of the American people . . . As one step toward reestablishing credibility, we should abandon publicly all covert operations designed to influence political results in foreign countries . . . We should confine our covert activities overseas to the gathering of intelligence information . . ." [4]

4. THE PROS AND CONS

It would be extremely difficult to produce a balance sheet with a bottom line showing a definite profit or loss resulting from covert action. Any such measurement must of necessity be subjective.

The failures have been widely publicized and subjected to hypercritical study, the successes much less so, even when known. The Iranian example is generally considered one of the successes, but how can the net gain be measured? In billions of dollars in oil and a seemingly promising future for an an-

[1]See speech by Richard M. Bissell, Jr. before the Discussion Group on Intelligence and Foreign Policy, run by the Council on Foreign Relations, Jan. 8, 1968; published as an appendix to Marchetti and Marks, *The CIA and the Cult of Intelligence*, Alfred A. Knopf, New York, 1974.

[2]*London Times*, Sept. 30, 1974.

[3]Speech by DCI Colby at "Conference on the CIA and Covert Action" sponsored by the Center for National Security Studies, Washington, D.C., September 13, 1974.

[4]Quoted from "Self-Inflicted Wounds" by Anthony Lewis, *New York Times*, September 23, 1974.

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cient state? The fact that the United States, in the early 1960s, helped to maintain a leftist liberal in power in one South American country is less well known. Did this covert action contribute to internal stability and hence to easy access to essential raw materials, an important export market, and not incidentally to the preservation of a liberal regime in Latin America? Could the U.S. have accomplished as much without using covert action?

Similarly, it is difficult to assess the long run advantages of giving discreet assistance to a trade union, a political party, or a rising political figure in an area of importance to the United States. Competition for influence in foreign countries is a fact of life in foreign affairs, and the United States must be in a position to act when acting is considered in the vital national interest. The crucial decision, therefore, involves some judgment of the likely risks of a given operation, followed by a determination whether a situation is of sufficient importance to warrant the risks involved.

The United States may not use the capability often, but to be without a capability even to attempt to influence events abroad through the use of covert contacts would be folly in today's world. Many operations have involved financial support of individuals or organizations already committed to a policy or a cause with which we are in agreement. U.S. support is often covert simply because overt aid would be unacceptable for political reasons. Recipients of this sort of assistance would be too open to criticism, their futures ruined by the facts becoming public. Covert support of this kind is neither immoral nor beneath the dignity of the United States.

Furthermore, just as the United States has impressive military forces short of our nuclear capability, the United States needs a covert action capability for those purposes not served by traditional diplomacy or military action.

There are also occasions when we can embarrass or damage our adversaries abroad simply by using covert action. The temptation to play games of this sort, however, is often greater than is warranted, given the risks of exposure. Some career intelligence operators prefer playing "dirty tricks" on our adversaries to the often humdrum and trying responsibilities of routine diplomacy. This kind of covert action is seldom worth the trouble involved.

Assuming that the United States stays in the business of covert operations, we must consider the deleterious effects of exposure on our credibility as a nation basically interested in promoting the rule of law internationally. It is perhaps too easy to shrug off the matter by reference to past and present practices of all great powers. Somehow the world accepts and even expects "dirty tricks" from our adversaries, but we must be "Mr. Clean" in this respect. Some say that the United States should set an example for the Soviets or others to follow, but in the process the United States would be abdicating the field to those who do not even suffer from a guilty conscience in this area.

Recently much has been written regarding the damage which knowledge of covert actions does to our overall credibility, especially in the diplomatic field. Ambassador Moynihan's now well known complaint about leaks in Washington and their damaging effect on his relations with senior government officials in India poses a serious problem. But it would not by any means be solved merely by doing away with covert action. The propensity to leak is great in Washington, and the usual leaks have little or nothing to do with covert action. This is not to say that the image of our covert action capabilities does not complicate both diplomatic relations and the domestic scene. The propensity to believe the worst is widespread. Normal diplomatic tasks, however, are not markedly more complicated by this attitude of mind, except in certain particularly touchy countries.

5. THE CIA'S IMAGE TODAY

A recent "New Yorker" cartoon showed two peasants in the foreground and a new volcano in the distance. One says to the other: "Pass it on—the CIA did it." Much, much more has been written or spoken in the same vein. The image, as Hilsman said almost ten years ago, is "of an omnipresent, pervasive CIA, ubiquitous, active, powerful, a finger in every pie." [5] The image has not improved! Ransom writes "that the CIA has become a foreign policy liability and its status at home remains under a serious and debilitating cloud of suspicion." [6]

While many people argue that the CIA does not merit such comment, there is a general feeling of unease regarding its power and influence. Hilsman and others have observed that the CIA has much going for it. It has a fast and secure communications systems of its own; it has more money and more people on station for long periods than other agencies; it can dispense more favors and has more opportunity for free-wheeling. A cogent case can be made for the contention that it is too powerful for its narrow function as set forth in the National Security Act of 1947. The CIA has too many of the resources and instruments of foreign policy under its one roof.

Much has been written about the CIA, and most of it has been hyper-critical. It has been suggested that the Agency itself has publicized its covert political action successes, perhaps to extract money

[5] Roger Hilsman, *To Move a Nation*, 1964.

[6] Harry Howe Ransom, *The Intelligence Establishment*, Harvard University Press, Cambridge, 1970.

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more easily from Congress. Most critics of the CIA, however, focus on such large scale operations as the Bay of Pigs disaster and CIA activities in Vietnam, Laos and Cambodia. Like the peasants mentioned above, Americans are ready to believe almost anything about the CIA, particularly if it is bad.

Special circumstances, however, pertain at this time. The public was not antagonistic toward clandestine operations in the 1950s, when there was an easily perceivable threat. In the sixties, the situation changed rapidly as the Communist monolith began to show cracks. The enemy was not so apparent or so frightening. Added to this was the debate sparked by our deep and tragic involvement in Indo-China, where the secrecy surrounding the CIA's actions led to accusations of abuse of Presidential powers. Add to this the impact of Watergate and the newspaper accounts of CIA activities both at home and abroad, and one can readily understand why the CIA's image is so poor. The spate of critical exposés has inevitably led to considerable public discussion about the advantages and disadvantages of maintaining a covert action capability.

III. CRITERIA FOR COVERT ACTION

1. SITUATIONS IN WHICH COVERT ACTION MIGHT BE CONSTRUCTIVE

Assuming a policy decision to maintain a covert action capability and given the means to do so, the criteria governing their use become critical.

One cannot delineate a rigid set of standards which must be adhered to before engaging in covert action. Each case is in a sense ad hoc, with advantages or disadvantages requiring expert evaluation. For example, third party "x", in a mainly two party system, might be seen as playing a vital balancing role in any marginal issue. Limited covert support of such a party could surely be defended, if the party were to vote on the side of moderation. Since such political organizations are usually without adequate resources, there is not only relatively easy access, but sometimes leaders begging for help.

The same can apply to individuals with leadership potential—indeed, they may not even need to know the true source of their support. Subsidizing a potential leader is no sure thing; he may even turn against the United States over the years, but, if such gambles pay off from time to time, the United States will have many influential advocates abroad.

What are some of the problems in the present era which might seem to require covert actions of some sort? It would not be difficult to justify action directed against terrorist groups or the international traffic in narcotics. Indeed foreign countries are usually cooperative in these areas. Covert action might also be justified to protect our supply of certain strategic raw materials or sources of energy. There can also be advantages in giving assistance to dissident intellectuals in totalitarian countries or in giving discreet support to certain individuals or parties struggling against totalitarian groups.

Many informed observers, such as Ransom, have taken the position that covert operations should only be undertaken to prevent a direct threat to our national security and as an alternative to military action. Senator Fulbright has said in support of his contention that covert action should be used only in emergencies: "We are compelled, therefore, to lay down a qualified rule, a rule to the effect that the end almost never justifies the means." [7] Nevertheless, there are many situations in which discreet covert action can be extremely useful in situations that do not involve life or death, and it would be a mistake to rule out covert action altogether as one of the ways to further U.S. foreign policy interests.

2. THE NEED FOR FOLLOW-UP ACTION

Covert action can rarely achieve an important objective alone. It can, however, buy time, forestall a coup, and create conditions more conducive to the use of overt means to achieve an objective. If, for instance, a coup d'état is averted and no additional step is taken to correct the abuses or the socio-economic conditions which brought on the unrest in the first place, then the effort will have been in vain and the risks run even less justifiable.

An example of failure to follow through is Guatemala, where the long term objective in overthrowing Arbenz twenty years ago is still to be realized. The United States bought time, but stability and social justice are still elusive and unrest is endemic. The same can be said of U.S. efforts in Chile under Allessandri and Frei. (Of course it was not just failure of the United States to follow through; the Chileans did little to take advantage of the time bought for them!)

Covert actions are, therefore, best suited for tactical situations, where success can bring quick, short term gains upon which overt, longer term programs can capitalize.

3. RISKS OF EXPOSURE

In the period of detente, the risks inherent in a given covert action program are much greater than during the cold war era. Furthermore, the U.S. Government finds it extremely difficult to keep secrets these days. An individual, a political party, or indeed a government could be seriously compro-

[7] *New York Times*, April 23, 1967.

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mised or damaged by a link to the CIA. Furthermore, disclosure is costly to the image of America that we wish to project. We are not only considered inept if caught but also immoral, even if successful. We also prejudice our efforts to promote a world in which respect for law is paramount. Important sectors of our society are, partly in consequence, alienated from the government.

Exposure of a given covert action operation may result in strained relations with the host country. Governments are usually extremely sensitive to outsiders tampering with their institutions or citizens. In addition, our adversaries are often quick to take advantage of U.S. fiascos. One must also consider what damage a subsidy may do to the very organization or individual the U.S. hopes to help and strengthen. Too often our help is a crutch which can only be thrown away with difficulty.

Once having determined that the risks are worth it, the United States must apply the same criteria on a continuing basis in order to insure that the situation still calls for the same sort of operation and that the costs are still worth the hoped for results. As Hilsman observes, most covert political action programs have "such a high potential for political disaster that every single program, no matter how innocuous it seems, should be the subject of the fullest coordination and consideration." [8]

4. CONSIDERATION OF ALTERNATIVES

There should also be a full consideration of all overt alternatives—whether the operation is a clandestine intelligence gathering project or a covert political action program. A decision to proceed should only be taken when all overt means have failed or are judged to be impossible to apply in the circumstances. The executive must pay more attention to reviewing on-going projects to determine whether they continue to be worth the money and the risk. Throughout all the studies of this subject, the question of control has been considered basic and indeed can and must be greatly improved.

Furthermore, despite constant remonstrances to the contrary, there is no doubt that the CIA proposes action programs and chooses the channels to be used in presenting the proposals for wider executive consideration. When Hilsman proposed that State's Bureau of Intelligence and Research (INR) be the clearing house for covert action programs, Allen Dulles blocked the idea. Hilsman alleges that the CIA has too much money and too many people and there is a consequent temptation to think up things to do just to keep busy. This may not be a current problem, in view of budgetary limitations, but it should be kept in mind.

[8]Hilsman, op. cit.

IV. OTHER CLANDESTINE ACTIVITY

Other clandestine operations, which are not defined as covert action, nevertheless have many of the characteristics and dangers of covert action. For instance, gathering intelligence by clandestine or secret means can be a risky process. A few examples suffice to prove the point: the U-2 incident in 1960, the Pueblo and Liberty actions later, the generally accepted (although not officially recognized) existence of secret communications facilities in various countries.

It has been suggested that our need for facilities at Peshawar in Pakistan may have influenced our policy decisions in the India-Pakistan conflict. Our facilities in Greece carried a very high price when it came time to reach decisions in Cyprus. The initial decision to establish these facilities led the United States to a potentially hostile situation that had not been envisaged at the time the decision was made. The decision process regarding sensitive collection programs should, therefore, be at least as exhaustive as that applied to covert action and should take place at the 40 Committee level.

Furthermore, in the field of clandestine collection of information, is it really worth the risk involved in keeping senior officials of foreign governments on the U.S. payroll? Is it worth the risk even to try to place electronic surveillance devices in places which may or may not provide intelligence? It has been said that we have a massive capability for determining capabilities, but what we need is a greater ability to assess intentions. It is doubtful that we can learn enough about intentions by this type of collection operation to warrant the risk of exposure. This type of operation requires the most thorough check-out before final approval.

In addition, clandestine operations may uncover information of great value which cannot be used openly because of the need to protect sources. Obviously we must protect our agents, yet this need must be balanced carefully against possible gains from usage. As Lockhart has noted: "There is no point in producing intelligence of any sort if it cannot be used. If the ultimate result of running an agent is to enable some staff officer to put another pin in a map and nobody takes any action, that does not do anybody any good—it must make some contribution to the national effort." [9] Here again we need a thorough review to determine usability—and by whom—by our services or by those of the host country. The CIA should have to present cogent reasons to prevent the use of information which the Ambassador or the Secretary of State believe to be in the national interest.

[9]John Bruce Lockhart, "The Relationship Between Secret Services and Government in a Modern State," *Journal of the Royal United Service Institute for Defence Studies*, England, June, 1974.

V. ORGANIZATIONAL ALTERNATIVES

1. THE SEPARATION OF THE COVERT ACTION APPARATUS FROM THE REST OF THE CIA'S CLANDESTINE SERVICE

The splitting off of the structure for covert action from the rest of the Clandestine Service would not be practical. All clandestine activity tends to involve the same personnel and techniques for recruiting and handling foreign agents. The same personnel must serve two functions, for otherwise there would be considerable confusion and overlapping of operations. The British and U.S. experiments at separation failed, as did the one in Germany during World War II. As one retired CIA official put it, "A single organization can groom and position abroad a standing force of trained intelligence officers whose basic skill is the recruitment and handling of foreign agents and can send directions down command channels as to whether agents are to be used for collection, for action or for both."

2. THE SEPARATION OF THE CIA'S DIRECTORATE OF INTELLIGENCE FROM THE REST OF THE CIA

One way to improve both image and functioning might be to place the CIA's Research and Analysis Directorate (DDI) in a new institution which might also include State's Bureau of Intelligence and Research (INR), leaving the clandestine services (DDO) separate. The new research and analysis organization, whether including INR or not, would have a role more closely approaching that of the CIA as envisaged in the National Security Act of 1947. The proponents of this change say that such an organization would command much greater cooperation from the now alienated academic community as well as other intellectual circles whose contributions to intelligence analysis are of some significance.

Furthermore, it is suggested that recruitment possibilities would be enhanced, since the stigma of working in an organization oriented in an important degree to clandestine operations would have been removed. The image of a truly central agency for coordination, collation, and dissemination of intelligence collected by all other agencies would be greatly enhanced. The functions of the Clandestine Service would be kept apart, either in an organization directly responsible to the President through the NSC or, as some suggest, still through the DCI, though physically separated from his other service organizations.

Halperin, after endorsing the concept of a split along the foregoing lines, suggests in addition that the Research and Analysis or intelligence evaluation organization have a role in decision-making on all covert operations, including especially an evaluation of the likelihood of success and the cost of failure. It should also provide an evaluation, ex-post facto, of the value of the information obtained through clandestine collection activities.[10] In other words, Halperin believes that the clandestine operations should be evaluated by the Research and Analysis group, and he recommends they be joined in this responsibility by policy-level review in State, DOD and the White House.

There are, however, cogent arguments in favor of the organizational status quo. DCI Colby has spoken of the many advantages of cross-fertilization between analysts and operators. Physical separation would render this virtually impossible. Agency representatives insist that there is a close and valuable association between the DDO and the DDI and that National Intelligence Officers capitalize on their physical proximity as well as the assessment of clandestine collection efforts made by the DDI.

Aside from the tremendous expense of separation, other important factors militate against such action. The Clandestine Service would hardly be less conspicuous, for organizational requirements would dictate that the administrative headquarters, mostly field and action oriented, plus the communications facilities, would be substantial. Furthermore, the proponents of the status quo claim that the academic and intellectual community would hardly be more receptive to what they would consider a mere change in facade. In addition it is alleged that, contrary to the statements of observers such as Halperin, the contacts with academics are effective and mutually appreciated, and that recruiting from this sector has not been a problem.

It would also be difficult to devise a more appropriate organizational alternative to keeping the Clandestine Service in the CIA. It could be turned into a semi-autonomous agency under the overall control of the DCI, much as the Agency for International Development is related to the Secretary of State, but critics of the CIA would consider this simply a change in facade. It could be placed under the Department of State or the Department of Defense, but neither Department would be overjoyed at this possibility. Finally, it could report directly to and take orders from the NSC or the President. Critics would complain that this shift would move clandestine-operations too close to the White House, and thus subject it to abuse reminiscent of Watergate.

The combining of INR with the CIA's Intelligence Directorate might produce minor budgetary

[10]Morton Halperin, "Implications of Decision-Making for Covert Operations," unpublished manuscript distributed at the "Conference on the CIA and Covert Action," *op. cit.*, September 1974.

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savings, but the loss of INR's independent status as a check and balance on the CIA would be costly in other respects.

On balance then, it seems that the arguments in favor of a structural status quo are persuasive, and efforts to improve the situation should concentrate on applying adequate criteria for action, controls, and review of on-going clandestine operations.

VI. COVER

In order to position abroad a standing force of trained intelligence officers, there must be a cover mechanism, usually inside the U.S. Embassy. This practice can on occasion be embarrassing. Not all CIA operations abroad, however, are located in Embassies and the more official cover can be avoided, the less risk to the official image.

A case has been made for the greater use of unofficial, or private, cover, and this would be most desirable. It is, however, difficult to conceive of a time when some degree of official cover, with the access and protection it provides, will not be necessary. The CIA presence can certainly be cut down but the requirement remains despite the disadvantages.

Bissell suggested in 1968 that the CIA would "have to make use of private institutions on an expanding scale, bearing in mind the need to operate under deeper cover, with increased attention to the use of cut-outs. CIA's interface with the rest of the world needs to be better protected." [11] Bissell suggested a long term program designed to build an apparatus of unofficial cover, using private organizations and many more non-U.S. nationals. The use of private U.S. organizations presents problems, given the temper of the times (and the Katzenbach Report) but there are possibilities in enlarging the number of non-U.S. nationals. On balance, however, some official cover in U.S. Embassies will inevitably be required, no matter how much progress is made in arranging additional unofficial cover.

VII. CONTROL OVER CLANDESTINE ACTIVITY

1. IS IT ADEQUATE?

Who should consider and decide upon clandestine operations (both collection and action programs)? The system in existence looks reasonably good on paper, but close examination reveals certain faults. Benjamin Welles observed that "Control over the CIA, which the Agency touts endlessly in self-justification, is a fiction." [12] While he overstates the case, Welles shares a generally held belief that the oversight function leaves much to be desired.

Roger Morris shares Welles' preoccupation and recommends that all covert action programs be certified by the President as in the *vital* national interest and be subject to prior consultation with the Congress. He suggests:

1. The Secretary of State should have supervisory role over *all* foreign intelligence activities.
2. All Chiefs of Station should have Congressional approval.
3. The 40 Committee should have a special independent staff to provide all members with a full review of all aspects and implications of a given covert action proposal.
4. A *fully* staffed Congressional Joint Committee for Intelligence Supervision should be created.
5. The 40 Committee should include two members from each house, and minutes should be read in executive session.[13]

Morris goes too far in several of his suggestions. Presidential certification and *prior* consultation with Congress would put both the President and Congress on the spot, in case any covert action operations are blown. The idea that chiefs of station should have Congressional approval is hardly feasible, if only for security and other reasons. The suggestion that the 40 Committee include Congressional Members raises constitutional problems.

Most critics at least recognize the fact that there are mechanisms for control in being. They are justified in calling for more effective use of these mechanisms.

2. BETTER USE OF EXISTING PROVISIONS

Let us now examine control in the sense of initiation and approval of projects. The existing system provides a means for review which, though limited as to input by interested and above all knowledgeable officers, should function well enough to protect the interests of the United States. Nevertheless, with some relatively minor changes, the system can be much improved.

The present system of initiatives, prepared and reviewed in the field (usually by the Ambassador and CIA Station Chief, but sometimes by the operations group of the Country Team) or through CIA/State agreement at the Bureau level, sounds fine in theory and in actuality provides a relatively good review prior to consideration by the 40 Com-

[11] Bissell as quoted in Marchetti and Marks, *op cit.*

[12] *Christian Science Monitor*, September 12, 1974.

[13] Roger Morris, "Following the Scenario: Reflections on Five Case Histories in the Mode and Aftermath of CIA Intervention," unpublished manuscript circulated at "Conference on CIA and Covert Action," *op. cit.*, September, 1974.

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mittee. The weakness in this facet of the system is largely a function of the knowledge and experience of those who are cleared to receive such information or to be consulted on the subject.

Chiefs of Station can often wield a lot of influence over new Ambassadors, particularly political appointees. The same can be said of CIA counterparts to Assistant Secretaries or Deputy Assistant Secretaries in Washington. In other words, there exists the possibility, if not the probability, that the cards are stacked to favor the views of the CIA whenever a particular covert action is proposed.

To mitigate these difficulties, the need-to-know circle should be extended to include those officers with special knowledge and experience, e.g., the Deputy Chief of Mission, the Chief of the Political or Economic Section and Defense representatives as appropriate in the field, and country directors or desk officers in Washington. Obviously such a move increases the problem of security, but the value of input from these individuals would far outweigh any risk of an increase in the probability of leaks.

3. 40 COMMITTEE—WEAKNESSES AND SUGGESTIONS

In addition, the procedures of the 40 Committee should be revised. The fact that it, as well as the PFIAB, is served by Secretariats headed by present or former CIA officers may present more of a cosmetic than a substantive problem. Nevertheless, a change in this aspect of the system would provide additional protection. The fact that the now-defunct "Special Group-Counter Insurgency" had a State Department representative on the Secretariat served as an early warning system within the bureaucracy. An experienced Foreign Service Officer on loan to the staff could play a devil's advocate role, removed as he would be from parochial enthusiasms or even bemusements. Members of the committee as now constituted, however, are powerful and often egocentric men, and there are too many instances when they have silenced or ignored informed and experienced officers who foretold the problems involved in a given course of action.

It has been pointed out that, contrary to the procedures of its predecessors and of the Special Group, the Committee seldom meets, and most of its business is transacted by phone. Such a system is inherently weak. The fact of prior consultation among deputies or discussion at working group or expert levels may or may not insure adequate review. The present system certainly does not provide the insurance of substantive discussion among principals, perhaps leavened, if not enlightened, by the observations of two or three trustworthy, prestigious, and experienced individuals other than the interested parties who now participate in the telephone polls and rare meetings.

The 40 Committee itself should be enlarged through the addition of two or three prestigious ex-users of intelligence or ex-coordinators of covert operations (ex-Assistant Secretaries of State, ex-ambassadors, retired senior military or even ex-Cabinet members such as Melvin Laird).

Better use of the present machinery could go a long way toward the goal of adequate control before the fact. The same can be said of ex-post facto review or oversight. The Congress and Executive bodies such as PFIAB provide for a means of, but do not necessarily deliver, adequate control. In addition, the present, somewhat desultory annual review system should be improved by more rigorous requirements for review by Embassy Country Teams, Ambassadors' and Station Chiefs, as well as in the Washington Bureaus.

4. CONGRESSIONAL OVERSIGHT

DCI Colby's official position on Congressional oversight is that anything Congress wants will be provided. The Agency has worked with the specified subcommittees in the past and forcefully asserts that appropriate members have been appropriately briefed. Nevertheless, doubts have been expressed both in Congress and elsewhere as to the efficacy of this system of briefings.

The DCI notes that the CIA is responsible to the Armed Services and Appropriations Committees of Congress and that they, along with other interested Members of Congress, are briefed about covert action programs. While he has declined to offer suggestions for improvements in the oversight system, there is considerable support within the CIA and elsewhere in the Executive Branch and in Congress for a Joint Committee on Intelligence or National Security, similar to the Joint Committee on Atomic Energy.

Since such a Committee would write its own rules, security would be better than under the existing system whereby standing committee rules apply, and, therefore, briefings could be more detailed and candid. This view is strongly supported, inter alia, by Senators Humphrey and Baker, Congressman Zablocki and by Ray Cline, former Director of INR in the State Department.

Such a change would ease congressional and public concern over CIA activities. It would also provide a better "forum for registering Congressional doubts and/or complaints and the initiation of advisory action with respect to any errors which might become apparent." [14] It would also tend to counter the rather general belief that the present committees are not doing the job adequately.

On the other hand there may be opposition to

[14] Ransom, *op. cit.*

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such change from within the existing oversight committees since a Joint Committee on Intelligence or National Security would probably want to oversee all Departmental Intelligence work, including military intelligence, which is now the responsibility of the Armed Services Committees. It has been suggested that an alternative to a new committee would be the revision of the House and Senate rules to preclude access by other members to papers or transcripts concerning intelligence.

In his dissenting view on Senator Mansfield's resolution in 1955 for a Joint Committee on Intelligence, Senator Hayden (Arizona) said that the existing system was adequate, that close studies of much secret "executive" acts might better be left to the FBI, and that the creation of the Joint Committee would raise constitutional questions. Only the latter point deserves a full study.

5. PFIAB

PFIAB's role in ex-post facto oversight is minimal. This fact is not a result of anything other than choice by the Chairman and other members of the Board and the limitations placed on their activities by other demands on members' time. PFIAB meets only once every two months for two days. It has conducted ex-post facto, hit or miss reviews of some covert action programs. It could do much more, particularly in reviewing the viability of ongoing projects in sensitive areas. Its membership of prestigious individuals from many different professions provides a unique, critical, and disinterested forum for airing the potential for danger of ongoing actions.

Its post mortem studies should also result in more objective observations than would be expected of a politically or bureaucratically oriented body. The group may take on new vitality and value in this important task. In doing so, however, PFIAB needs a somewhat less parochial staff.

Various observers have suggested alternatives for improved control mechanisms. Benjamin Welles proposes an *independent* review panel of retired judges, academics, industrialists, scientists, and ex-consumers of intelligence such as Ambassadors, Admirals, and Generals—the latter preferably recently retired.[15] It should be a simple matter to modify the PFIAB to include this meritorious suggestion. The Killian Committee, established as a result of recommendations by the Hoover Commission (1953–55), was a similar body and acted as an early PFIAB. Such men as Robert Lovett, Benjamin Fairless, J. P. Kennedy, E. L. Reyerson, and senior military representatives reportedly did well in this role. This vital function is not being adequately performed now.

[15] *Christian Science Monitor, op. cit.*

6. THE NEED FOR LEADERSHIP AND VIGILANCE

A serious control problem is inherent in the system. The efficient functioning of any or all of these control mechanisms depends *almost wholly* on the interests, wishes, and personality of the Very Important Persons who are in control. First, top policy makers must have the energy and determination to make control effective. Do they have the time or the attention span to carry out this essential leadership task? Second, the information or intelligence they receive is mainly supplied by the system they are supposed to be controlling. Can they be completely objective in such matters? Do they have the inclination to call upon knowledgeable members of their staffs for dissenting views, or do they consider themselves already adequately informed?

As long as key policy makers lack the time and inclination to use the expertise of the bureaucracy, control is not adequate. To insure against this weakness, we can only count on Presidential and Cabinet leadership, plus continued vigilance and questions by members of the control groups, by the Congress and the media.

Obviously, exhortation to a President or a Cabinet member is not sufficient by itself. But members of the various oversight and control groups can insist on special staff assistance and then present expert views to their colleagues.

John Bruce Lockhart commented as follows on the problem of control: "I believe the weaknesses in the whole intelligence set-up is that those in charge are inadequately educated about the whole problem of control . . . Secret Services are as competent or incompetent as the governments that control them." [16] Perhaps the word "effective" is a better choice than competent, but the point is crucial to any consideration of the problem of clandestine operations.

VIII. PROTECTION OF SOURCES AND METHODS

The overall question of security, whether in the Congress or in the Executive, is one which has received much attention, particularly since the Ellsberg-Pentagon Papers incident and the exposé by Congressman Harrington concerning CIA activities in Chile. There is no doubt that present provisions are inadequate. Given the virtual impossibility of obtaining any legislation as far-reaching as the British Official Secrets Act, the U.S. must try for something less, but more adequate than the protection (or lack of it) afforded by our present laws. Director Colby has made certain proposals which

[16] John Bruce Lockhart, *op. cit.*

should be thoroughly considered by the Congress, though there would seem to be constitutional problems involved. His position is that it is necessary "to impose penalties on those who take upon themselves the choice of which secrets to reveal, rather than relying on the established declassification procedures of our government." [17] This would not apply to news media or others who have not consciously assumed an obligation to respect secrecy. Colby argues cogently that even agricultural production statistics, census information, and tax returns are better guarded than many more significant government secrets.

IX. RECOMMENDATIONS

1. Limit covert operations to those certified by the Secretary of State and the President (as respresented on NSC) as of great importance to the national security.

2. Provide by regulation and regular reminders from INR for periodic review of all clandestine operations and covert actions and their respective disaster plans in the respective Embassies—with problems, if any referred to Washington for decision.

3. Action proposals from the field should have more than high Bureau clearance in State—desk officers, office directors, and INR should have the task of mandatory review, but without veto power.

4. Require by law and regulation that particularly sensitive operations be reviewed at specified intervals (i.e. more frequently than the present annual review) by the Ambassador and Chief of Station in the field and by the 40 Committee and that the President, through the NSC, report to the appropriate Congressional authority the results of these reviews.

5. Provide by law and regulation for systematic review of all other on-going programs—both in the field and in Washington, with the requirement of certification by the Ambassador and Chief of Station, as well as appropriate Washington entities; e.g., PFIAB for certain categories and the Under Secretary of State for Political Affairs for lesser categories.

6. Strengthen the control and approval mechanism in the 40 Committee. The President and Secretary of State should be required by law (amend the 1947 act as necessary) to monitor adequately the 40 Committee functioning. This requires an enlarged staff—which should have representatives of other agencies than CIA, e.g., senior representatives of INR and DIA.

The privileged circle in CIA, State, DIA, etc., must be enlarged to include more of the experts on a given subject being readied for presentation to the Committee. Seniority or position cannot insure either substance or security. Provide by regulation for regular meetings and discussions, and include a provision that any agency or non-government representative may object at cabinet level if the meetings are not held.

Provide by regulation that the 40 Committee include representatives from outside the bureaucracy (not from the Congress), perhaps retired former users of intelligence; i.e., ex-military, ex-Assistant Secretaries of State, or ex-ambassadors. Require that each covert action recommendation include a thorough examination of follow-up requirements to be provided by overt means to capitalize on successful operations, not just a disaster plan in the event of failure or disclosure.

7. Through Presidential initiative, revitalize the PFIAB. Include in its terms of reference a requirement to impress upon members their *independent* responsibilities and urge them to use the resignation weapon if not satisfied with the attitude of the chairman or reactions by NSC, State, or the White House. Provide for a secretariat which is not solely run by former CIA officers but which includes (as in the modified 40 Committee) officials from State and Defense.

8. Establish a Joint Congressional Committee for Intelligence or National Security or, failing that, modify House and Senate rules concerning access to intelligence matters.

9. Maintain the present link between clandestine intelligence collection and covert operations in its present form within the CIA.

10. Request a thorough Congressional consideration of DCI Colby's suggestions for the revision of laws covering disclosure of secrets.

11. Every effort must be made, perhaps through numerical limitations, to lessen CIA presence on Embassy rosters.

12. Intelligence information should be used wherever possible and when deemed appropriate by the Ambassadors in the field. The CIA should have to present cogent arguments to prevent the use of information which the Ambassadors or Secretary of State believe to be in the national interest.

13. While it may only be a gesture, the Commission should emphasize the fact that the best system will not work without Presidential and Cabinet interest, vigilance, and monitoring.

[17] Colby, *op. cit.*

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Intelligence Support For Foreign Policy in the Future

Russell Jack Smith
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SUMMARY

It is widely agreed that United States foreign policy will focus with greater intensity than before on economic and technological problems in the remaining 1970's and the 1980's. This new emphasis will require a corresponding change in intelligence support. In organizing resources to provide this support for foreign policy, one should look at existing capabilities scattered throughout the government, not only at those in the intelligence organizations.

Optimum use of U.S. intelligence agencies will require some caution not to overburden them with tasks lying outside their primary role: warning against external military and political threat to the security of the United States. On some problems now becoming urgent—like the Soviet and Chinese economies, world trade patterns, world oil production—intelligence can make a special contribution; others—like environmental studies and world food grain production—may better be assigned to departments with policy responsibilities.

Economic issues in foreign policy have great urgency at present and will retain front rank in the future. Support for economic foreign policy can be better provided in the future by organizing and coordinating those information and research facilities which now exist but are dispersed throughout the government. The creation of a central economic information authority could bring these scattered means together into "the mainstream of US international policy-making."

Research on world food and agricultural problems has been conducted intensively by commercial organizations and academic institutions as well as government departments. Like support for broader economic policy, this research can be made more responsive to policy needs through central direction.

Innovations in modes of intelligence support are at hand. Although "real-time" transmission of information directly to the desks of high level policy people, and similar futuristic concepts, appear to have limited utility, the use of electronic data processing machines can greatly improve the speed and efficiency of desk officers and intelligence analysts. Changes in format and presentation of intelligence reporting can be most effective when an active dialogue is sustained between producer and user.

INTRODUCTION

Conventional wisdom has it that, in the remaining years of the 1970's and in the 1980's, the United States will confront an array of problems in foreign policy fundamentally different from those which dominated the previous thirty years. The emphasis on military threat and related concerns will give way increasingly to policy issues centering around economic and technological problems.

There can be no serious quarrel with this contention. Indeed, the "future" as perceived here is already upon us. The great problems of energy allocation, global food supplies, and international monetary stability—to name three prime examples—have already taken the center stage away from our former main concern: the Soviet military threat against the security of the United States.

It is important to remember, however, that what is envisaged is a shift in emphasis, not an absolute change in basic U.S. foreign policy. This caveat is particularly important when considering how to focus and structure intelligence support for foreign policy in the future. It is not uncommon for those who cite the future dominance of economic and technological problems to suggest at the same time that great expansion of the intelligence establishment will be needed to explore the innumerable facets of these problems. No one can argue against the growing need for well-grounded, sophisticated studies which array the abundant economic and

technical data in meaningful patterns and which guide policy toward identifying significant elements. But issue can be joined with the automatic assumption that this task should be assumed primarily by the intelligence organizations, even though a trend has already been established for intelligence to expand broadly in these fields.

Several considerations should serve as restraints. First, national security against external military threat will remain a major, if not dominant, concern for US foreign policy in the future. US intelligence has a heavy investment in guarding against this threat, and a substantial share of its energies and resources must continue to provide this protection. Second, the intelligence agencies do not invariably have something special to contribute on economic or technological problems, either in information or methodology. Instead, what they have is a tradition of service and the capacity to coordinate judgments and perform disciplined, responsive analysis. Third, greater expertise and much of the essential information are often available outside intelligence channels, in those agencies which have line responsibilities. What is chiefly needed to bring these capabilities into the effective support of US foreign policy is machinery for coordinating and properly directing their work.

THE OPTIMUM ROLE FOR INTELLIGENCE

In surveying how US foreign policy can best be supported in the future, it is useful to consider how the intelligence organizations contribute to this support at present. It is also useful to consider briefly the forces which have pushed intelligence toward handling matters peripheral to their primary concerns, to cite constraints against furthering this trend, and to identify sample problems which are best addressed either by intelligence or by experts in Departments such as the Treasury, Justice, Agriculture, or Interior.

Intelligence organizations have steadily tended to reach further and further out from their primary tasks. In part, they have been encouraged to do so by people with policy responsibilities who desperately want help and who welcome staff studies from a source with demonstrated capability for objective study. More important, however, have been the impulses within the intelligence organizations to move outward toward recognized needs. They have frequently gone into new areas because it was clear that no one else was doing work which was useful, even essential. At the same time, they have often succumbed to the flattering notion that expertise achieved by intelligence analysis entitles them to an authoritative voice in matters related to their work chiefly by geography or academic discipline. Whatever the reasons, there is real risk that, by trying to make itself heard in a field already overcrowded by qualified experts, intelligence will seriously dilute its legitimate work.

There is a unique expertise pertaining to the use of intelligence materials. Like all evidence, these materials have their limitations and their special values, and these are not immediately apparent to every one using them. Except for the unusual instance—for example, a purloined document signed by a prime minister—intelligence evidence tends to be fragmentary, oblique, and mostly of uncertain validity. Only an art forged by prolonged, daily work in intelligence can provide the needed tool to fashion them properly into meaning and value. Intelligence analysts, examining daily the various kinds of collected information flowing through their channels, do acquire this art. Looking at the reports one by one, noting establishable connections between an item of intercepted communication, let us say, and a clandestine agent report, recalling that a recent report from this agent was verified by a frame of overhead photography, checking an embassy political officer's comments on this matter—these daily activities do, in the course of months and years, produce sharper insights and sounder judgments. They also reduce errors which result from undue reliance on a single and sometimes uncertain source. Few policy desk officers and fewer high level policy people have this essential experience. They need guidance in threading their way through a dense maze of information and misinformation. Here, the intelligence worker can make a unique contribution.

When intelligence analysts produce reports and studies bearing a rich lode of material unique to intelligence, then they can most legitimately claim a right to be heard by policy people. They are then doing what they can do better than anyone else, and they are not basing their claim upon credentials no different from others. The exact degree of intelligence content required to establish this legitimacy is not easy to state but it becomes evident when the policy officer realizes that he is reading material pertinent to his concerns which has not been available to him in his own daily traffic. On occasion, this information may consist of a single intelligence report skilfully used to illuminate a mass of other information. More often, it will consist of several bits, or even a large number of fragments, which have been interwoven into the account in such a way as to provide greater meaning to the material surrounding it.

Intelligence organizations are able to collect uniquely valuable information and to perform special analytic tasks on many subjects of concern to

policy people but certainly not on all. Traditional subjects, like military weaponry and weapons deployments or subversive political movements, come quickly to mind as their province. Others, like economic trends or international trade, have become recognized as legitimate areas for intelligence work even though the bulk of the evidence is readily and overtly available. The closed economic societies of the Communist countries, our political opponents and potential military antagonists, have made it necessary for the intelligence organizations in the years since 1945 to delve deeply into the economic underpinnings of Communist national strength. Having established expertise in advanced economic research on Eastern Europe and Communist China, it has been inevitable that intelligence would also look intensively at international economic activities where the Communist countries have important interests: food grain production and trade, gold production, international monetary transactions, and oil production.

The success intelligence has had in producing illuminating studies in these areas has gone far to persuade their clientele that the intelligence role should be broadened without much concern over the special contribution intelligence material can make. This impulse represents both opportunity and threat to the intelligence agencies: opportunity to work fruitfully on direct demand from policy people; and threat to their concentration of effort on primary tasks.

Clearly, no precise line of demarcation can—or should—be drawn between those economic studies most effectively done by intelligence and those best done by outside experts or policy staff people. What should be uppermost is how can maximum service be provided in support of foreign policy. Moreover, there are several special circumstances which give sanction to intelligence involvement in fields outside those normally their own. Having judicially determined what draining away of resources and manpower from primary tasks will be entailed by the pursuit of studies outside their top priorities, intelligence organizations will certainly be justified when those studies represent an urgent and precise need and when no other qualified group is available to do the work. This will be all the more true when unusual methodologies have been developed in intelligence studies, which have applicability to problems at hand. An example of this is the intensive work done by the Office of Economic Research in CIA on the analysis of world trade patterns, work which was originally centered on Soviet and Chinese trade but necessarily broadened in scope in order to place them in context and perspective.

Another range of studies where intelligence will be justified in directing its effort will be those which touch on the interests and concerns of several policy groups but are the primary responsibility of no single department. A good example of this is the work CIA has done—and probably in the future should concentrate even greater effort—on international production, marketing, and consumption of petroleum. Sound, objective analysis in this field is so clearly needed now and in the future that intelligence is fully justified in broadening its focus from the Soviet and Chinese fraction to the global totality.

The special objectivity which intelligence organizations can bring to policy support studies provides another justification for their involvement on problems outside their usual beat. This is delicate ground: no policy officer finds it easy to identify, let alone admit to, any persistent bias in his analysis of the problems his work addresses. Moreover, intelligence officers are frequently not aware of the distortions and bias their intelligence materials sometimes introduce into their analysis. Yet, there can be no doubt that freedom from the urgencies of solving a problem does permit a more dispassionate examination of its underlying strands and factors. Intelligence has often demonstrated that its freer perspective can provide insights and sound judgments with which to attack the problem.

Two essential elements must be present to make studies of this kind effective. First, the policy reader must be persuaded that the intelligence paper deserves his attention and earns his respect. This may be achieved by the use of unique intelligence material which enhances information otherwise available. Or, it may be obtained with fresh perspectives or new approaches to a familiar problem. Second, to be effective such studies must be pertinent to the tractable and manipulable phases of the policy problem, not merely an account of its history and prospects. Policy readers have a right to expect a high degree of pertinence to the manageable aspects of their problems. They have an accompanying responsibility to guide the intelligence officer toward those phases of the problem where their potential leverage is greatest.

Besides the traditional and established-by-custom subjects for intelligence, there are a number of others in which intelligence organizations have worked in the past or are being urged to do so in the future. These range from international narcotics traffic to climate forecasting and control. For some of these, the need to allocate intelligence resources toward them, at least for a time, has been urgent and obvious. For others, it is more difficult to find such justification.

Over the past few years, the United States has confronted urgent problems which gravely affected the lives of its citizens although they did not directly imperil the security of the nation. Two examples of

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these are traffic in narcotics and international terrorism. Both are areas in which intelligence organizations have been able to make immediate and valuable contributions, albeit at the cost of diverting considerable effort from their primary tasks. By turning their established agent networks overseas toward locating primary sources, main channels, and modus operandi of narcotics traffickers in foreign countries, intelligence has been highly effective in getting timely information to policy people and enforcement agencies. Similar success has been obtained in getting timely information about international terrorist organizations.

High level concern and the time urgency of these two problems provided the initial impetus to involve the intelligence agencies, but it is doubtful whether they ought to retain responsibility in the future. In the field, intelligence activity against these targets distorts their primary mission in two significant ways. First, they deflect espionage from top priority tasks: the worldwide activities and objectives of the Soviet Union and Communist China. An agent who is spending his time developing sources of information about narcotics traffic cannot at the same time widen his access to Soviet nationals working in that country. Second, espionage work in both these fields, international terrorism and narcotics, leads almost immediately to police action and enforcement activity in the country involved. Here, the overseas intelligence people find it most difficult to be helpful. In many instances, they are inhibited from sharing their information with local police for cover reasons or because they risk exposing a valuable, indigenous source contributing to their priority collection programs. Lacking police powers of their own, or the organizational relationships in some countries to assist locally, they can do little more than report the information through their channels back to Washington where its practical value is slight. On matters related to police work in these fields, it would seem preferable in the future to assign the task to US agencies already charged with action and enforcement responsibilities, such as the Bureau of Narcotics or the FBI.

It is similarly dubious whether in the future intelligence organizations can usefully continue research in international terrorism and narcotics. Once the basic papers had been done to establish broad patterns and prospects, the work that remains is highly tactical, chiefly requiring rapid communication of reports and sound arrangement with enforcement agencies for action. Like the overseas collection and action phases, the supporting staff studies essential to this work—preparation of dossiers, organization charts, and the like—are best assigned to US government organizations which have action responsibilities.

US intelligence has developed several collection techniques which have turned out to have broad utility in other fields. The most spectacular example of this, of course, is overhead photography. After the well publicized success of the U-2 in identifying Soviet missiles in Cuba, the NASA program of the past decade has probably done the most to bring attention to this new capability. Publication of photographs taken in orbit by the astronauts—hand-held shots by small cameras of vast areas of the earth, such as the entire Nile Basin—have done as much as anything to set off a scramble among government agencies and private corporations to discover ways to exploit this collection tool.

The experience of the past several years has sharpened and narrowed perceptions of the applicability and utility of reconnaissance photography. At the same time, it has become abundantly clear that this imagery can be effectively used by researchers in almost any field where rigidly controlled photographs of the earth's surface have value and where intelligence photo-interpreters are not needed. Certain mechanical phases of the exploitation of photography, such as image-enhancing or precise mensuration, have been developed to a high art by intelligence people, but these can be passed along and tailored to the specific discipline involved: meteorology, agricultural research, or mineral exploitation. Aside from that, the techniques essential for effective use of reconnaissance photography are largely peculiar to the particular area of investigation.

Historically, US intelligence agencies have put overhead photography to military uses: target identification and analysis, detecting new weapon development, locating newly deployed weapons systems. These subjects demand highly specialized backgrounds on the characteristics of weapon systems, military construction techniques, and other arcane details. Few of these have application to such subjects as weather formation or crop prospects. On the other hand, these more peaceful areas of study have their own highly specialized data bases which are already familiar to researchers in these fields.

New lines of research in environmental fields touching on foreign policy issues will certainly need to use data collected by a broad spectrum of sensors. What is being suggested here is that intelligence does not for the most part have anything special to contribute to research based on this data. Each of these fields can best be covered by experts already immersed in the study, the nature of reconnaissance imagery being such that it is most effectively used by people intensively trained and experienced, who can perceive the special, and usually supplementary, contribution photography makes to the information already in hand. Research facilities in US agencies already at work in these

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fields—the Departments of Agriculture and Interior among others—can be directed to pursue advanced research incorporating data from overhead sensors. Where these analyses have application to foreign policy problems, appropriate relationships with the Department of State already exist and can be expanded and extended to other departments if necessary.

SUPPORT FOR ECONOMIC PHASES OF FOREIGN POLICY

International economic developments have great urgency and significance at present and will certainly remain in the front rank of foreign policy problems in the future. The means for providing effective close support for economic policy appears to exist already within the US government, but these means, both in terms of expert personnel and research facilities, are scattered throughout various departments. The precise mechanisms essential for effective direction and coordination are lacking. Support for economic foreign policy with hard information and sound analysis represents the most urgent need for the future. At the same time, the opportunity is great to respond to that need.

Attention has been effectively focused on the need for improved support of US international economic policy by Mr. Peter G. Peterson, Assistant to the President for Economic Affairs, in a memorandum dated 31 January 1973. Mr. Peterson pointed out a number of deficiencies in current economic intelligence support and proposed new procedures for correcting those deficiencies. Among the shortcomings cited by the Peterson memorandum are the following: (a) collection of international economic data is dispersed throughout the government and both within intelligence organizations (CIA and Department of State) and outside (Treasury, Commerce, Labor, Federal Reserve, and others); (b) both data collection and analysis tend to be parochial and departmental in scope and emphasis, not "in the mainstream of US international economic policy-making;" (c) no "early warning" capability exists in economic intelligence work, thus leaving US policy people inadequately informed of forthcoming developments and "forced to react on an ad hoc basis;" and (d) proper mechanisms and procedures are lacking for bringing data and judgments together in format and scope appropriate for top-level policy people.

The deficiencies noted by the Peterson memorandum are just, and Mr. Peterson has performed timely service by focusing attention upon them just when questions of international economic interdependence have surged to the fore and every problem of foreign policy presents an economic face. It is noteworthy that aside from a reference to "important holes" in the information available, little stress is put upon a shortage of data. No only is this refreshing in a critique of government intelligence work, but it appears to be accurate. Close on the heels of the usual caveat—"we can always use more information on specifics"—the admission comes generally that by and large there is more than enough data available. The greater need is for sound, well-conceived and directed analysis, closely keyed to the immediate needs of policy people.

The existence of the "holes" ought not to be dismissed entirely, however, because they sometimes come at vital points. Some of these gaps offer good possibilities for being filled; others present problems of great and enduring difficulty. Gaps in economic information essential to sound analysis come for the most part in the following three categories: (a) national economic data of countries who deny public access to such data as a matter of national policy—the U.S.S.R., the Warsaw Pact countries, Communist China, and the other Asian Communist countries; (b) economic data of those underdeveloped countries which lack adequate bureaucratic facilities for collecting and generating such data; and (c) information about individual economic decisions or intended actions which is deliberately concealed in order to assure success for such actions.

The first of these categories, economic data for "denied areas," has been vigorously and systematically addressed by US intelligence, especially the Office of Economic Research in CIA, for more than a decade. The performance record is good, and the methodology and expertise well established. If economic policy people find significant gaps of information in this area, either now or in the future, it is fair to say that the means for filling those gaps do exist and only precise direction is needed for mounting a highly professional effort against them.

The second category, national economic data for underdeveloped and inept governments, obviously presents problems of greater difficulty. CIA and the State Department's Bureau of Intelligence and Research (INR) have done intensive work on individual problems of this kind from time to time in response to specific requests, but the results have been sometimes skimpy. When data do not exist it cannot be created, but frequently analog models and constructs can be provided which offer considerable assistance. Here again, the means exists for dealing with a shortage in a professional manner.

The third category, deliberately concealed information about individual decisions, presents the greatest difficulty. Unfortunately, it also includes information which often has most direct value for policy people, particularly for "early warning" as

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cited by Mr. Peterson. Clearly, when information is withheld about a specific decision for tactical advantage, the persons involved will do their best to protect that information. In the living world of human beings, however, this ability is uneven. Leaks or inspired confidences do occur. The intelligence organizations and the Department of State are already charged with responsibility for getting this kind of information by clandestine means or otherwise. What can be done further is to consolidate and streamline the mechanism by which policy people make known their exact requirements for specific information.

It will be noted that each of the categories cited above concerns information already being sought by intelligence organizations. It ought also to be noted that these categories represent a relatively small percentage of the total volume of economic data needed for a solid informational and analytic base in support of international economic policy. This becomes significant when considering how best to structure a new economic analytic effort to meet the urgent needs of the future.

The distinction is sometimes drawn between economic intelligence and economic information. Like all distinctions, it shatters when pressed too hard, but it has some utility for thinking about this particular matter. Taking as a point of departure the view that intelligence people ought to concentrate on those tasks they alone can do, or at least can do best, and accepting the need for some counterpart among the policy agencies to the established intelligence coordination mechanisms, then a basis for allocating future economic research effort and for assigning roles in a national economic support apparatus does emerge.

The Departments of State, Treasury, Commerce, Agriculture, and Labor, as well as the Federal Reserve Board and elements of other agencies, all acquire volumes of data pertaining to the economic phases of foreign policy. Most of these agencies also have analytic elements. Nearly all problems of economic policy fall within the purview of one or more of these agencies, but their natural tendency is to address only those aspects of the problem which fall within the jurisdiction of their department. Seldom is an economic issue of foreign policy analyzed and displayed in all its national policy ramifications. It is rare that an economic problem is treated with the thorough coordination of information and judgment that characterizes the national intelligence estimates process under the direction of the United States Intelligence Board (USIB). What is needed to make this kind of procedure routine and systematic is the creation of an authority in the economic information and policy area analogous to the USIB in intelligence.

There are two distinct but interrelated functions to be undertaken under the aegis of an economic information and policy authority: (a) the gathering, collating, and storing in one central storehouse of economic and related data bearing on economic foreign policy; and (b) the preparation of analytic studies and estimates which explore basic factors and dynamics of international economic issues in a manner appropriate for high level consideration.

A model for the first of these functions may exist in the Legislative Reference Service. An Economic Reference Service, staffed by economic analysts, could centrally perform the task of storing economic data and could respond to requests throughout the government for collated data and reports. The main requirements for the creation of such an Economic Reference Service are the assembling of a top flight corps of analysts and issuance of a directive ensuring that all information pertinent to their mission would be systematically provided by all government agencies.

Some provision would need to be made for handling materials which carry security classification by reason of their clandestine source. This could be accomplished with a special section within the Economic Reference Service, possibly an outpost office of CIA. Alternatively, CIA could be directed to store and collate the classified material and to make it available upon request. This is roughly what happens in actual practice now. Although such a procedure can continue to work and would be greatly improved if there were a central economic reference facility with which it could cooperate, the establishment of a special classified section with the Reference Service has several advantages, including a tighter meshing of classified and open materials and firmer responsiveness through the spectrum of economic foreign policy.

It is important to recognize that what is envisaged is not merely a reference library but an economic information and analysis production center. Such a facility would ease the difficulty policy people now have in locating economic analysts to provide staff studies. In particular, by providing a central place for such work it would clarify the confusion which sometimes arises as to the role appropriately played by the intelligence agencies. A good example of this might be the work needed to support US trade and monetary policy, such as the construction of models which display the effect that changes in German or Japanese exchange rates produce on US international trade and how this effect in turn would impact upon US balance of payments. Such a task would logically fall to the Economic Reference Center for primary responsibility, while CIA's Office of Economic Research, which has done intensive work on such models, could assist with methodology and supplementary analysis.

The second function which a national economic information and policy authority would oversee would be the preparation of high level economic

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estimates and studies. Two approaches are suggested. The first would be to create a high level board within the authority, somewhat on the model of the former Board of National Estimates in CIA, and charge it with responsibility for coordinating staff contributions from each agency with an economic policy mission. The second would be to use the already existing mechanisms of the National Security Council for assembling and presenting such policy support papers. Such work would be considerably improved over the present by the participation of the Economic Reference Service. Both these suggestions have drawbacks and merits, and further study would be required to make an informed choice between them.

What remains is to determine just where in the executive branch of the US government such a national economic authority could best be placed. If the authority is to centralize activities now dispersed throughout the government, it would seem wise to make it independent of the line agencies. The Council on International Economic Policy comes immediately to mind as a natural choice. A presidential directive could assign it the missions and authorities described above. On the other hand, if other considerations militate against this choice, a wholly new authority could be created, again by presidential directive. The chief requirement is that the economic information and policy authority be supra-departmental.

SUPPORT FOR FOOD AND AGRICULTURE PROBLEMS

The availability of food world-wide and a host of related problems involving distribution, marketing, and financing, loom large among the foreign policy issues awaiting the US over the next decade. Policy people will need sound data and expert judgment to guide them in dealing with these issues.

Thanks to some pioneer work over the past seven or eight years, the US government can readily assemble resources and expertise for providing a solid informational and analytic base to support foreign policy formulation in this field. In the Department of Agriculture, the Economic Research Service has invested intensive effort in developing techniques for estimating forthcoming yields of food grain crops. Data for these estimates were derived largely from foreign national statistics, current planning reports, long range weather forecasts, and records of previous crop yields. The accuracy and predictive value of this array of information was greatly enhanced when overhead photography and other sensor data became available over the past half dozen years. The Department of Agriculture did considerable early work which was helpful in determining both the contribution and technical limitations of this medium.

The photographic interpretation and economic research shops of CIA were in this field at the outset, seeking to use overhead photography to penetrate the closed realms of agricultural production within the USSR and Communist China. CIA soon recognized the limitations of reconnaissance photography in identifying grain crops and their status and set to work on improving methodologies and models which would establish the correct interaction between the imagery, meteorological data, and status reports.

Outside government, interest in using overhead sensors for research in agriculture and other earth resources fields was greatly stimulated by the public availability of photography and other data from the Earth Resources Technology Satellite systems. A number of commercial aerial photography companies, already possessed of considerable experience and equipment, turned to this new field. An even larger number of academic institutions directed research and training activities toward exploiting this new and abundant data.

The consequence of the varied and broadly dispersed activity is that the US government can call upon a large number of organizations, both private and governmental, to provide technical services and data bases for work in food crop forecasting and related studies. The technology and expertise are now at hand to provide policy people with solid support in these fields.

As in the broader effort to support international economic policy, the key to success will lie largely in the organization and management of existing capabilities. Also, as in the support of the broad aspects of foreign policy, the nature of the data and its ready availability suggest that the role of the intelligence agencies can be largely supplementary, and the main burden can be carried by departments with line responsibilities: State and Agriculture.

A good case can be made for lodging primary responsibility for this support work in the Department of Agriculture, with the Economic Research Service providing the central storehouse for information and responding to policy requests for forecasts and studies. The Office of Economic Research in CIA, which already has highly effective working relationships with Agriculture, could continue to contribute both analysis and methodology pertaining to Soviet and Chinese Communist agricultural and food production activities, including weather data, much of which has applicability to other areas. Broad policy studies could be directed by INR, utilizing the information base provided by CIA and Agriculture.

Alternatively, this work could be viewed as merely a part of the whole, a significant segment of the broad field of international economic policy,

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and responsibility for information and analytic support could be assigned to the central economic authority described in the preceding section. Perhaps the chief advantage of this approach would be that the national economic information and policy authority could assume a commanding position in dealing with broad international economic policy in a fashion not easily available to the Department of Agriculture.

INNOVATIONS IN INTELLIGENCE SUPPORT

Both within the intelligence agencies and outside among their customers there is a constant desire to improve the ways in which intelligence information is transmitted. Intelligence people are constantly experimenting with new ways to convey the printed word, new uses for graphic displays, new devices for getting and holding the attention of the policy reader. On the other end, policy desk people are always looking for greater impact from intelligence reports; they ask for some means to alert them more fully or inform them more thoroughly. Because the techniques by which policy people ingest information are highly individualistic and because novelty in presentation has inherent appeal, albeit relatively short-lived, a continuous program of experiment and change seems both inevitable and desirable.

Among the avenues for improvement, the use of electronic data processors and video tube display devices have been most thoroughly explored. It has been expected by some that these modern machines will soon displace typewritten reports and the printed word. It has been urged that in this age of instant communication and high speed decision, policy people can no longer be served adequately with printed reports but must be provided with "real time" information relayed directly from the scene of action to their desks. It has also been suggested that government has been laggard in recognizing the advance of modern technology in this field.

The intelligence agencies, spurred both by this criticism and by their own recognition of the need for greater speed in handling their information, have been experimenting with a variety of machines for processing and transmitting information for over a decade and have been conducting intensive research and development for five years or so. Also, they have called in top experts from the national communications media to study ways of improving their procedures. By so doing they have established some guiding concepts for present and future applications, and they have reached the stage where pragmatic use of machine processing on a large scale can begin.

Among the guiding concepts that have emerged from these studies are these: (a) people currently in top policy positions are not prepared either by background or training to receive essential information by visual display or computer read-out instead of the printed word; (b) the information essential to the support of policy—intensively worked data, reasoned and modulated judgments, interlocking analyses of causes and dynamics—do not lend themselves to electronics and are better transmitted in printed paragraphs; and (c) tremendous advances can be made in the speed and efficiency with which information is processed by intelligence analysts using machines precisely designed to their needs.

Difficult as it is to generalize about the backgrounds of people in top foreign policy positions, it is still probably fair to say that generally their training has been more in economics, political science, and law than it has been in mathematics and the physical sciences. They have formed twin habits of acquiring information from the printed page and expressing themselves in written papers. Although they may have had some experience with modern computers, they usually have not performed serious work directly with the machines, as have their counterparts in the hard sciences. The information they customarily handle consists largely of approximations, generalizations, and judgments—not the discrete, quantitative data which adapts readily to digital expression. They have been trained to think in words, not numbers, and the policy work they do finds expression in words.

Moreover, except when they are dealing with a sharp crisis—say, an invasion of the Middle East—their work does not call for a steady series of high speed decisions. Most policy determinations require deliberate and intensive study before action. It is largely a myth that modern communications demand instant decisions and a twenty-four hourly readiness to react. Modern communications permit, or facilitate, quick response but they do not in themselves require it.

Crisis situations, on the other hand, do usually require rapid decision and response, and here the intelligence agencies must be prepared to use all the resources of modern technology to assist that process. For the most part, the technology already exists and what is needed is the investment of resources. Among future means of speeding the decision-making process will be video relays from television cameras on the site of crucial meetings or other key developments and televised briefings by intelligence experts who are interpreting information as fast as it arrives.

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But even here, only a little reflection is needed to realize that these situations will be the exception, not the rule. Top policy people seldom have the need, and even more seldom have the time, to follow a crisis step by step as it unfolds. They must instead rely on summarized and gisted information from assistants while they spend much of their time in policy meetings and discussions with their fellow policy makers.

Although the need is clear for occasional availability of "real time" service for top policy people, the greater need is for electronic passage of information to desk officers in policy organizations and for machine processing of information for intelligence analysts. It is here that the future looks most promising for effective work.

Over the past three years substantial progress has been made in identifying precisely which phases of analytic work are adaptable to machines and in designing machines to do that work. The key to this substantial progress has been that the machines have been patterned around the work analysts actually do, not the other way around. Very often the advocates for machine data processing have lacked any intimate understanding of the work being done. They have known that machines can perform a great variety of high speed operations and they have assumed that the work can be readily adapted to the specific requirements of the machines. Prolonged experimentation has demonstrated that this is not always true. Most of the materials which intelligence analysts handle resist strict codification or digitalization. More often it is descriptive, approximative, or judgmental.

One task which intelligence analysts perform daily is to read "the traffic," the flow of cables, reports, and telegrams which reach their desk in staggering volume. A great deal of effort has been expended on speeding up this process with electronic machines, and it is now clear that in the future analysts will use text processing machines for this chore. One such system would display incoming cables on the analyst's desk, machine-sorted appropriately for his individual mission and coded by number. Scanning these cables on the video tube before him, the analyst could select those items he would like to have delivered to his desk for more intensive study and comparison with other material. This system will not only speed the process of moving innumerable bits of information around the organization, but it will also sharply reduce the consumption of paper and facilitate a corresponding reduction in the size of analysts' files.

Another system just coming into use which will be widely available for broad application in the future is a text searching machine. This system stores information in such a way that it is retrievable by key phrases punched on a console on an analyst's desk. It can provide the sentence in which the key phrase, or proper name, appears, and can provide sentences both immediately preceding and succeeding. This context enables the analyst to decide whether he needs to see the full report or can reject it. This system has the greatest utility for handling information which is easily codified, such as tabulated election results or lists of targets covered by photographic reconnaissance. Because material of this kind tends to have a high proportion of dross to metal and also comes in prodigious batches, this system will go a long way toward freeing the analyst for more useful work.

These are two examples of the adaptation of electronic machines to analytic intelligence work. Their number could be added to now and certainly will be multiplied in the future. It is fair to say that automatic data processing, appropriately designed for the specific tasks and specialized materials of intelligence work, can be a widespread reality in the next five years.

Other innovations in intelligence support are most likely to come in new formats and new conceptual approaches. Aside from those employing electronics, however, it is difficult to predict their exact shape. There has always been a steady series of adjustments and accommodations by intelligence to the expressed desires of the policy readers. The morning current intelligence report for President Kennedy moved through a steady progression from a simple listing of new reports to a highly literate account of the developments interspersed with analytic judgments, all changes being made in response to direct suggestion by the President. Similarly, the daily report was made a late afternoon publication for President Johnson who liked his ready at the end of the day. Again, the daily summary was returned to a morning timing for President Nixon, and a sharp line was drawn between fact and judgment in response to his request.

National estimates have recently undergone redesign in response to criticism by high level readers. There has been a move away from the broad consensus approach and treatment which was developed to meet the needs of the National Security Council under President Eisenhower. In its place has developed a national intelligence estimate more directed toward the delineations of issues and options, a change largely responsive to current modes and procedures introduced by Secretary of State Kissinger to the National Security Council.

As suggested above, the outlook is for a continuing series of such changes, made in response to the changing shape and texture of problems policy confronts. What will be required to ensure that intelligence provides optimum support for policy in the future is the sustaining of a dialogue which will

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permit precise tailoring of intelligence to needs. Both parties need to take an aggressive posture in this respect. The experience of the past, which has sound application for the future, is that policy people are often unaware that intelligence has something highly pertinent to say about their current concerns, while intelligence is unwittingly pursuing strands and facets of lesser value. There is a remedy for this. It consists of regular, frequent, and frank discussion between intelligence and policy people about present and emergent policy problems and the available or obtainable information which can be brought to bear on those problems.

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Congress and American Secret Intelligence Agencies

Harry Howe Ransom
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INTRODUCTION

About ten years ago I published a book entitled "Can American Democracy Survive Cold War?" My book evidenced concern with the dilemma facing an American democracy confronting a perceived threat to national security. The threat of "World Communism" caused the creation of a vast arsenal of foreign policy instruments including espionage and covert political operations overseas. The management of this huge new national security apparatus required highly centralized executive control and in some cases deception and lying and usually deep secrecy. On the other hand, representative, democratic government continued to require information and disclosure if the people's representatives, particularly those in Congress, were to play a meaningful role in our governmental system. The problem was that the pursuit of national security threatened American democracy.

American wars have always required compromises with democratic principles. In wars, it often has been said, truth is the first casualty. Perhaps the second casualty is a meaningful role of the legislature in policy making. The Cold War produced a permanent apparatus veiled in secrecy. As long as substantial consensus prevailed about the nature of the threat and as long as the methods for containing the threat and preserving national security had general public support, widespread secrecy was tolerated. But the world has changed, perceptions of the threat have sharply altered, the national security consensus is evaporating and Americans are now debating the costs versus the benefits of secrecy and covert operations.

A new consensus is growing that the most secret parts of the Cold War apparatus, particularly the agencies for secret intelligence and covert political operations, require more firm and detailed legislative supervision. My purpose here is to analyze this problem of Congressional supervision of secret intelligence agencies. There appears to be no question about the ultimate Constitutional authority of Congress to determine and supervise intelligence policy, organization, and operations. The basic problem is how should Congress best organize itself to exercise its authority.

I approach this problem by asking several simple questions: What has been the role of Congress with regard to the intelligence system? What is that role now? And what ought to be its role?

In analyzing these simple questions, we confront at once several complex problems. Let me cite some of these: (1) definitional; (2) secrecy; and (3) the complexity and dynamism of the American system of separation of powers, a deliberately ambiguous system. The most fundamental problem, however, is embodied in the basic question of whether there exists any democratic way to manage and conduct secret warfare, espionage, and covert political operations.

A word on the definitional problem. This involves the word "Intelligence." Intelligence means *information.* There are many definitions but perhaps the best is the following: "Intelligence deals with all the things which should be known in advance of initiating a course of action."

The definitional problem is that intelligence in common usage as a term has come also to mean espionage, covert political intervention, paramilitary action and, often, counter-intelligence. The simple fact is that the term "intelligence" has, in common usage, lost any precise meaning. This, at the least, obscures communication or even rational discourse on the subject. Presidents (e.g., Ford and even Secretaries of Defense, e.g., Schlesinger and Directors of Central Intelligence, e.g., Colby) have exhibited the common, sloppy habit of referring to "intelligence" as meaning *both* information and secret political action.

It is pointless to discuss organization apart from purpose. The purpose of intelligence organizations

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must rest heavily upon clear conceptions. These conceptions, at least in part, will be reflected in definitional clarity. At the heart of the problem of organizing and managing American intelligence agencies is the careless manner in which the conceptual, and consequently the definitional, problems have been addressed. This definitional problem is not just a matter of semantics, for it goes to the heart of the question of what Congress intended to create in 1947 as a Central Intelligence Agency and the current question of what Congress is willing to authorize as coming under the heading of "intelligence activities." Perhaps intelligence is a term like "national security" that exists in an "Alice in Wonderland" world where words can mean what you pay them to mean: Intelligence as a term would seem to be a word that is used as "cover" for a variety of activities.

A second problem, *Secrecy* surrounds this subject —a fact that presents us with an inevitably partial view. For example, beyond the National Security Act of 1947 and the 1949 amendments dealing with the CIA, the public cannot see the National Security Council Intelligence Directives or the Director of Central Intelligence Directives that detail the roles, functions, and operational codes of the various intelligence agencies. Even on Capitol Hill, the matter of how Congress conducts its surveillance role over the intelligence community is a matter not willingly or candidly discussed. An aura of secrecy and security surrounds this subject. Employees of the intelligence system are indoctrinated in the need for secrecy. Congressmen and their staff members are scared nearly to death on the matter. The outside scholar confronts a high wall of secrecy. And yet America remains an open society; most secrets are ultimately poorly kept. The subject remains researchable to some degree. But part of the time we are guessing, or speculating. Yet isn't that what intelligence professionals do, a good part of the time?

The complexity of the American constitutional system was our *third* problem. The founding fathers created a deliberately ambiguous division of powers between President and Congress. They distrusted concentrated executive power, but knew that foreign affairs particularly required the central guiding hand of the Executive. Under the American system, it is the President's role to conduct foreign relations while Congress maintains a clear Constitutional role to share with the President the determination of policies and programs. And the Constitutional authority, if not always the political power, of Congress to fund any and all government programs is the linchpin of the legislature's superior position in the American system of government. The Founding Fathers intended that Congress be superior.

Another angle on the complexity problem is that, in reality, there is no such thing—except abstractly —as "President" or "Congress." Each institution—the Executive Branch and Congress—is a confederation of numerous sub-systems, often working at cross purposes one with the other. In the Executive Branch, the State Department, Pentagon or C.I.A. patently do not always speak with one voice. Just so, the committees and subcommittees of the House and Senate are rarely unified into a coherent entity that can be called "Congress."

Just as obviously, this subject is dynamic. Congress and President and CIA are in some current turmoil on this subject. As of late 1974, changes in the relationships seem to be in the making. This is, at the moment, a fast-moving subject.[1]

These general considerations aside—I will return to them in conclusion—let us now briefly analyze the subject before us. The question of "Congress and the Intelligence Establishment" breaks down into several elements: (1) the statutory authority for the CIA; (2) evolution of the Congressional watchdog function; (3) communicating the intelligence product to Congress; and (4) Congressional control of covert operations.

Perhaps the most important task is to discover what are the right questions. Putting the above topics as questions, we find these:

(1) What did Congress intend, and specifically authorize, in creating the CIA? (2) Does the Congressional "watchdog" system have either a bark, or teeth? (or is "oversight" the most accurate name?) (3) Should Congress have equal access with the Executive Branch to all intelligence estimates and reports, since it pays for them? (4) Should Congress participate in the authorization of covert political operations overseas?

STATUTORY AUTHORITY

The CIA was established by the National Security Act of 1947 (PL 80-253). The original Act specified in some detail the functions of this new Agency. Congress thought it was creating merely an intelligence agency, that is to say, an agency with an information function. Nothing in the public record suggests that Congress intended to create, or knew that it was creating, an agency for para-military operations or foreign political interventions. Some argue that the 1947 statute creating CIA was deliberately designed as a flexible charter, permitting the loose interpretations that have been made. Cited are these

[1]Ed. note: This paper was written just a few months before the creation of Select Committees on Intelligence in both the Senate and House of Representatives.

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phrases: "such additional services as the NSC determines" or "other functions and duties." But it seems clear that the Congressional intent was to have all such assigned functions, or in the words of the statute, "related to intelligence" or "for the benefit of intelligence agencies." Congress in fact insisted that the functions of CIA be specified in the 1947 statute. Speaking in 1974, Senator John Stennis, senior Senate CIA "watchdog," said: "I came to the Senate soon after the original CIA was passed, and there was nothing clearer around here, nor anything that sounded louder, than the fact that the CIA act was passed for the purpose of foreign intelligence." Stennis was later quoted as saying: "I . . . do not approve of such missions as 'destabilizing' the Allende government in Chile. That is not the primary mission of the CIA as I see it. . . . I am in favor of stopping all of them in the future."

As we consider this question, we must keep in mind what I said earlier about the many meanings in common usage of the word "intelligence."

When the legislation was amended in 1949 by the Central Intelligence Agency Act, no public hearings were held. The 1949 legislation expanded the powers of the Director of Central Intelligence, exempted the Agency from statutory limits on spending, and the Director was authorized to spend federal funds for "objects of a confidential, extraordinary, or emergency nature" on his personal voucher. The Director's existing authority to protect intelligence sources and methods from disclosure was strengthened. The CIA became expressly exempt from any legislative requirement for disclosure of details about organization, functions, or number of personnel employed. Its budgeted funds after 1949 were concealed in the general accounts of other agencies, particularly the Department of Defense. The effect of this was to remove the clandestine operations of the CIA even further from Congressional oversight. Congress agreed to this with no apparent protest.

The matter is summed up in Senator William Proxmire's comments in the Senate in June 1974 (during a discussion of an amendment limiting CIA's domestic functions): "Senators will notice that nowhere in the 1947 act is the CIA given authority to operate covertly overseas. Nowhere in the language is this spelled out. There is nothing about 'dirty tricks,' nothing about overthrowing governments or sabotage."

In September, 1974, I asked Director of Central Intelligence Colby whether he believed that adequate statutory authority existed for the conduct of covert operations. He replied that the flexible nature of the statute plus Congressional acquiescence (through its intelligence subcommittees) provided adequate authority.

GROWTH OF THE INTELLIGENCE COMMUNITY

When Congress established the CIA in 1947 and expanded the authority of its Director in 1949, other existing government intelligence units were by no means eliminated. These included Army, Navy and Air Force intelligence with many specialized sub-units (such as the Army Mapping Service). Also included are the State Department, the Atomic Energy Commission, and the Federal Bureau of Investigation (F.B.I.). During World War II the F.B.I. had extensive intelligence operations in Latin America, but, after 1947, its activities were confined to counter-intelligence within the United States.

In the quarter century of Cold War, existing intelligence agencies grew in size and several new ones were created. Notable among the new ones were the National Security Agency (NSA), created by Executive Order in 1952, and the Defense Intelligence Agency (DIA), created by Department of Defense Directive in 1961. Note that these two enormous institutions, NSA and DIA, were created by executive fiat rather than congressional statute. Meanwhile, technology constantly offered new tools for each step in the intelligence process, from collection through evaluation and interpretation to dissemination. And so additional giant bureaucracies arose, such as the Air Force-affiliated program for overhead reconnaissance and the National Photo Interpretation Center (NPIC). A proliferation of organizations, bureaus, mechanical apparatus, and personnel boosted the annual cost of foreign intelligence to the United States to a peak estimated at $6 billion.

The control which Congress has over this elaborate and extensive system will be discussed below. As a preview of the situation, the recent (Oct. 1974) comment of one U. S. Senator, Howard Baker (R., Tenn.), can be cited. He said: "I do not think there is a man in the legislative part of government who really knows what is going on in the intelligence community. . . ."

CONTROLS WITHIN CONGRESS

To the extent that Congress formally monitors the various intelligence agencies of the Executive Branch, such surveillance emanates from four separate units on Capitol Hill. In the Senate, the Armed Services and Appropriations Committees have designated specific members as intelligence "watchdogs." In both the House and Senate, there are separate subcommittees on intelligence of the Appropriations and Armed Services Committees. A total of nine members in the Senate and twelve in

the House has the formal responsibility for monitoring intelligence. The basic question is whether the work of these groups constitutes a thorough detailed monitoring of a multi-billion dollar intelligence system.

At the outset it should be made clear that adequate research has not been done to determine the complete facts about the processes for, and degree of, scrutiny given to the intelligence system by various units of Congress. One reason for this is that members of those units in Congress with this jurisdiction have been very reticent in revealing how they operate, and no systematic survey has been conducted on Capitol Hill.

From the evidence available, the impression is that formal congressional surveillance of the CIA and intelligence system over the years has been sporadic, spotty, and essentially uncritical. Furthermore, it is probably true that most members of Congress know very little about the intelligence community or about the Congressional structure for overseeing that community. At least a number of members in both houses have stated this to be so.

In their more active years the House subcommittees may have met around a half a dozen times annually. In other words, the House subcommittees may have spent as much as 15–20 hours per year on their surveillance assignment. And this would be in an active year. Also, the absence of a staff or of a record of the committees' hearings or reports may make even this amount of time less significant than it would seem to be. Exceptions would be special ad hoc investigations, including Watergate-related matters.

The Armed Services and the Appropriations intelligence subcommittees in the Senate have been similarly inactive. For a number of years they met separately. In the 1960s, however, because of overlapping membership, the two groups began to meet jointly. In fact, the late Senator Richard Russell was chairman of both subcommittees for several years; during this period there was in effect only one Senate Committee. Has it become more active in recent years? The subcommittee did not meet in 1971! One part-time staff member has served the Senate subcommittees. Three "visiting members" were added in 1966 from the Foreign Relations Committee, after a bitter controversy. Without adequate professional staff assistance, busy legislators are not likely to be prepared often to ask the right questions.

The basic criticism of the activities of the House and Senate intelligence subcommittees are these, in order of importance: first, they tend not so much to control or criticize the system as to protect it from its critics; they meet infrequently; they have little or no staff, and with rare exceptions publish no hearings or reports, do not communicate their findings to their colleagues in the House or Senate, or to the public; and they are inhibited in conversations with colleagues by being privy to some state secrets. In a word, they appear to have been co-opted by the intelligence system. Put another way, they do not seem to function as independent critics.

Members of the House and Senate subcommittees are selected by Armed Services and Appropriations Committee chairmen with apparent great care, guided normally by the seniority system. The Armed Services subcommittees review structure and some operations, but not the budgets, which come under Appropriations subcommittee jurisdiction.

Who are these watchdogs? *Congressional Quarterly* has reported the view that the oversight subcommittees are biased in favor of the agencies they monitor. The American Security Council, a private interest group that keeps score on members of Congress in terms of their support for a large defense establishment, "graded" these subcommittee members. In the House, 10 of the 12 oversight committee members were given 100 per cent favorable ratings on the ASC survey; one received 90 per cent; and one received zero (Lucien Nedzi). In the Senate group, of the nine Senators, three received 100 per cent ratings; four recieved ratings of 80 per cent or better; the remaining two received ratings of 33 and 10 (Pastore and Symington).

Defenders of the adequacy of present Congressional supervision of intelligence activities point to the existence of the previously mentioned four subcommittees created to review the activities of the CIA and other intelligence agencies.

The official stand of the CIA is that the Agency keeps the House and Senate subcommittees informed on every aspect of its operations, programs, budget, and personnel strength and that it provides periodic briefings on world events. The Agency also claims to be in continuing contact on virtually a daily basis with the chairman and staff members of the four subcommittees. The Agency also briefs a number of other Congressional committees on substantive issues on request. For the period 1967-72, the Agency says it averaged some 23 briefings of this type per year. Briefings for individual Congressmen are also given; in the same period, these averaged some 80 per year. Additionally, in the same period there were more than one thousand written communications, and 1,450 personal contacts per year between agency officials and individual Congressmen. As of September, 1974, CIA Director Colby reported that "the CIA has appeared before 18 committees on 28 occasions this year (Armed Services, Appropriations, Foreign Affairs, Atomic Energy, and Economics) testifying on a variety of subjects."

A strong move was made in the Senate in 1956,

under the leadership of Mike Mansfield, to create a Joint Congressional Committee on Intelligence Activities. After a substantial debate on the floor, the Mansfield resolution was defeated by a vote of 59 to 27. Among those voting for the Joint Committee was Senator John F. Kennedy; among those opposing was Senator Lyndon B. Johnson. In general, the Senate's "inner Club" killed the measure, feeling that the Senate's leaders could know all they needed to know at any time about the intelligence system. One well informed observer, plausibly explained Senate behavior as follows: "To be blunt about it, and perhaps to overstate it, neither the CIA nor the people who now watch over it [in the Senate] fully trust the people who want to watch over it; and the people who want to watch over it do not fully trust either the agency or its present watchers." At any rate, some of those with access to secrets felt that they had little "need to know" of details of the dirty business of espionage and underground political action overseas.

The issue was debated again in 1966 when Senator Eugene McCarthy, a member of the Senate Foreign Relations Committee, attempted to have that committee investigate United States Intelligence activities abroad. Failing that, McCarthy pushed for a watered-down compromise which no more than included several members of the Foreign Relations Committee on the Senate's intelligence surveillance committee (Armed Services). This mild measure failed in a Senate vote of 61 to 28.

In debates over such proposals the basic question has been: how thorough is congressional surveillance? Because the existing watchdog committees have no full-time staff, as such, and because they keep no records or minutes and because their membership tends to be reticent in discussing activities, it is difficult to judge precisely the extent to which these groups pay careful attention to details of the intelligence system. One gains the impression, however, that surveillance is very sporadic and timid. It would appear that the surveillance committees are particularly manipulable by the intelligence establishment.

A former Secretary of the Air Force and veteran member of the Armed Services Committee, Senator Stuart Symington, observed: "There is no federal agency in our government whose activities receive less scrutiny and control than the CIA." To supplement Symington's point, it should be noted that the House Armed Services Subcommittee for the CIA met only twice in 1970 and 1969. The Senate Armed Services CIA subcommittee held no sessions in 1973 prior to confirmation hearings for Colby; it met once in 1969 and twice in 1970. And recall that, with the exception of Watergate-related matters, in neither House has any of the four subcommittees on intelligence ever issued a report on its supervisory work. In November, 1971, Symington got only 30 votes when he proposed to create a Select Committee to oversee activities of the CIA. And so in 1956, 27 votes; 1966, 28 votes; and 1971, 30 votes. Until Watergate, the persuasive case could not be made in Congress that a more institutionalized and active surveillance of intelligence activities is a Congressional responsibility. Whether Watergate will effect permanent changes remains to be seen.

To summarize, Congress has a committee structure for monitoring the intelligence community. Knowledge of the workings of this structure is incomplete. It would appear that certain types of intelligence information are in fact given only to the chairman and ranking minority member of these committees; the other members appear to be both somewhat complacent and decidedly reticent. A sharp view of this situation has been expressed by Congressman Drinan, who asserted in 1973: "The senior members of the House and of the Senate have conspired to prevent the younger members of the House and of the Senate [from] knowing anything about the CIA." And the Director of Central Intelligence testified in 1973 that "the appropriations arrangements [for the intelligence budget] are in accordance with the wishes of the Appropriations Committees."

Over the years since 1947, the Congressional structure has been inactive, except on occasions of publicity about intelligence operations that have failed or covert operations that have been exposed. Since 1947, more than 200 bills have been introduced in Congress to expand the system for Congressional surveillance of the intelligence community. To date, none has been enacted. The responsibility for this inaction rests with Congress rather than the leaders of the Executive Branch or the intelligence community. However, Presidents and Directors of Central Intelligence have no doubt manipulated this issue to some extent over the years. The Director in 1974 has publicly stated his position that "the method by which Congress exercises its oversight of intelligence activity is a matter for Congress to decide." In making this decision, Congressional leaders no doubt are influenced by the judgments of intelligence professionals as to what should be disclosed. The adequacy of Congressional oversight will be discussed in the conclusions below.

THE "CONGRESSIONAL BACKDROP"

Those who focus on the formal structure of Congressional controls—and usually find them, as I do, inadequate—often overlook the "Congressional

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backdrop" role. Congress is a formidable presence in the minds of leaders of the Executive agencies. They know that no penny can be disbursed from the Federal Treasury until authorized and appropriated on Capitol Hill. They know of the potent investigative and publicity power of Congress. And they know that what Congress gave in the way of discretionary authority to, for example, the Director of CIA in 1947 and 1949, Congress can take back. They know, too, that the temper of the times can change, so that Congress may increasingly question the value or necessity of world-wide intelligence activities by the U.S. government. They know that Congress can demand information about secret operations that it has not sought in the past. And they now know that by leaks or by the acts of disaffected former employees, facts will come to light that may reveal that Congress and the public have been duped. The "Top Secret" or other higher secret classification labels are no longer guarantees of controlled secrecy. In various ways, then, the existence of Congress with its several roles and ultimate authority provides real pressures and constraints on the Executive. The ultimate constraint is an aroused public opinion demanding that Congress exert itself in a given realm.

In spite of a weak formal structure for systematic surveillance of intelligence activities, Congress has, over the years, probed the intelligence system from time to time in such a way that the Congressional presence is not likely ever to have been fully ignored by intelligence leaders in the Executive Branch. In the process, Congress, and its units, can of course be used as weapons in the internecine struggles from time to time among various parts of the intelligence establishment within the Executive Branch.

Without going into detail, examples of Congressional activity can be listed:

Hoover Commission Reports, 1949, 1955, in each case issuing reports critical of the intelligence system and proposing reforms.

Cuban Missile Crisis, 1962 in which the Senate Preparedness Investigating Subcommittee found that intelligence agencies had performed poorly in some areas and committed substantial errors.

The Pueblo Incident, 1968 in which a House Armed Services subcommittee found serious deficiencies in intelligence policy, organization and control.

Symington Investigation of the Secret War in Laos, 1970–71, in which a foreign relations subcommittee disclosed that the U. S. was fighting a CIA-managed "secret war" in Laos, (without Congressional authorization or knowledge).

Secret Funding of Radio Free Europe (RFE), in which the Senate, under the initiative of Senator Clifford Case and others, forced the end of the subsidy to RFE, and Radio Liberty, which had begun in secret in 1950.

Restraints on Foreign Aid Bill, in which Congress, in early 1972, passed a foreign aid authorization bill placing new and unprecedented controls on the cost, operations, and personnel of the CIA, prohibiting transfer of funds from the Pentagon. The purpose was to prevent the development of secret warfare in Cambodia, as had happened in Laos.

Investigation of CIA Role in Watergate-related matters, in which the House Armed Services Subcommittee on Intelligence under its Chairman, Lucien Nedzi, investigated, in 1973, how the CIA allowed itself to be used improperly by the White House in domestic political action. Revision of the National Security Act of 1947 to prevent future abuses was recommended.

A number of other examples of this sort could be cited, such as Congressional investigations and public reports on the U-2 incident in 1960; the Bay of Pigs in 1961; Senator Howard Baker's special investigation, as part of the Ervin Committee probe, of CIA's involvement in Watergate; and other intelligence flaps, including still-unfolding Watergate-related scandals.

Suffice it to say that all such events are part of an "interactive" process in which Congress and the Executive joust with each other in a dynamic political process. Meanwhile, one may be certain that leaders of the Intelligence Community from time to time see their opportunities and take advantage of them. Presumably CIA: (a) discreetly does favors for individual legislators from time to time, such as providing material for speeches or special favors overseas; (b) offers special confidential briefings; and (c) any CIA leadership worth its salt knows how to "lobby" privately and at the appropriate time with legislators behind closed doors. About these assumed "interactions" we have too little evidence. But surely they are part of the system, with substantial impact on policy outcomes.

As a generalization it is probably true that, the greater the perceived external threat to national security, the fewer the questions that Congress will ask about secret intelligence. As perceptions of external dangers change, Congress may be expected to reassert itself and demand to be more fully informed, and may be somewhat less susceptible to executive manipulation.

CONCLUSIONS

Let us in conclusion return to the basic questions earlier posed. *First,* what did Congress intend when it created a Central Intelligence Agency in 1947 and revised the legislation in 1949? The record clearly suggests that the legislative intent in 1947 was to create an agency for the collection, evaluation, analysis, interpretation, and communication of in-

formation on foreign affairs to decision makers. Congress did not intend in 1947 to create an agency for covert political operations. The 1949 amendments are somewhat ambiguous in this regard, for they gave to the Director of Central Intelligence a great deal of discretionary authority for the secret expenditure of funds and Congress, in effect, removing the CIA from the usual requirements for disclosure of personnel, methods, and expenditures. It is not clear that Congress as a whole realized what was being given up in 1949 and for what purpose. It would seem that the purpose was in part covert operations; similarly it would seem that Congress was deceived in this regard. Congress should now take another close, hard look at the statutory base for the Central Intelligence Agency and related intelligence activities.

A *second* question posed was whether the Congressional "watchdog" system has either a bark or a bite. On the most secret matters the Congressional watchdog function is in the hands of four or five senior legislators—as chairmen of Armed Services and Appropriations Committees or subcommittees in the House and Senate. Each member of Congress may technically have access to some of the deep secrets about covert operations and intelligence that come to Capitol Hill. But few avail themselves of this opportunity. Indeed, the senior watchdogs appear to have maintained only a casual interest in these matters over the years. For example, when Director of Central Intelligence Colby testified on covert operations in Chile (April, 1974), only the House Armed Services Intelligence Subcommittee Chairman, Lucien Nedzi, and one staff member, were in attendance. The record indicates that Congress has supervised the intelligence system in sporadic and haphazard form over the years, with jurisdictions split between armed services and appropriations and with foreign relations frozen out by these jurisdictional boundaries.

Nearly twenty years ago a Hoover Commission Task Force on Intelligence Activities (Gen. Mark Clark, chairman) recommended the creation of a Joint Congressional Committee on Foreign Intelligence Activities. The group feared "the possibility of the growth of license and abuses of power where disclosures of costs, organization, personnel, and functions are precluded by law." Aware of the pros and cons of the debate over the desirability of creating a Joint Committee, I have believed for many years that this would be not only desirable but is an urgent need to counter a sometimes overwhelming Executive power. Such a committee would be no panacea, but on balance it would be valuable to the preservation of the democratic idea. Such a committee would have a professional staff and would have access to full information about budgets, organization, personnel, programs, and operations. Some of such material obviously would have to be handled as classified information and not disclosed publicly.

A *third* and related question is whether relevant committees of Congress, especially Appropriations, Armed Services and Foreign Relations-Affairs, should have legally full access to all intelligence reports, estimates and special studies that are available to Executive Branch decision makers. Here again, in principle, it seems clear and logical, that Congress cannot perform a meaningful role in the formulation of foreign policy if it does not have equal access to all intelligence information available to the President and his foreign policy advisers. Senators John Sherman Cooper and Clifford Case proposed to amend the National Security Act in 1972 (S. 2224) to give Congress legal access to intelligence, but Congress has not adopted the proposal. The rationale for it is best stated by Senator Cooper: ". . . Congress, which must make decisions upon foreign policy and national security, which is called upon to commit the material and human resources of the nation, should have access to all available information and foreign intelligence to discharge properly and morally its responsibility to our government and its people." Who can quarrel with that? Well, Executive Branch representatives did quarrel on the basis of the problem of selectivity, of security and Executive privilege, and the proposal was defeated. Without full intelligence information, the Congressional participation in national security policy will be a sham. Congress, to be sure, will continue to play its "deterrent" or "backdrop" role, but this will remain limited and ad hoc. Suffice it to say that adequate information is a key to a meaningful role in foreign policy decision making. Indeed, an uninformed Congress is as much a danger to the Republic as a Congress manipulated by a President.

Fourth, and finally, is the most difficult question of whether Congress should participate in the authorization of covert operations. This issue will be determined ultimately by how one conceptualizes covert political operations overseas. If one sees them simply as another instrument in the arsenal of foreign policy tools, one may allow wide Presidential discretion in determining the use of such operations. Perhaps some minimal Congressional guidelines and general Congressional approval might be expected. On the other hand, if covert operations are seen as acts just short of war, violating international law and the United Nations Charter, one might stipulate that Congress ought to approve any covert operation in much the same manner as a declaration of war. Otherwise, a danger exists that the nation would lapse into Presidential dictatorship in the realm of foreign policy. I believe that a major covert intervention in the political affairs of a sovereign nation constitutes an act of extreme coercion, just short of war. I believe it would be

wise for Congress to be involved, through a generally representative committee in such decisions. I believe further, as earlier indicated, that present statutory authority with regard to the CIA is insufficiently explicit to authorize most kinds of covert political operations. Congress should clarify its legislation for the intelligence system. In the process of reconsidering the CIA statute, the whole issue of intelligence policy, organization, and controls could be thoroughly studied and debated. To assist in such a debate, it would be useful for President and Congress to create a "Hoover Commission" type study of the intelligence establishment for a thorough study of the whole system for secret foreign intelligence and covert operations. It has been twenty years since a study of this kind has been made. Perhaps the Murphy Commission will want to recommend such further study of the problem. It would be a great mistake not to give this matter a most careful study for it may be that our democratic form of government hangs in the balance among security, secrecy, and representative government. It may be, as some have argued, that there is no democratic way to manage or conduct secret foreign operations. If so, this should be an acknowledged cost in any calculation of the benefits versus the costs of such activities. To date, I believe that the costs have exceeded the benefits of covert operations. It is somewhat encouraging to note what the current CIA Director said in his Senate confirmation hearings (1973). Said William E. Colby: "We are not going to run the kind of intelligence service that other countries run. We are going to run one in the American society, and the American constitutional structure, and I can see that there may be a requirement to expose to the American people a great deal more than might be convenient from the narrow intelligence point of view."

Finally, let me say that perhaps now is the time to seek detente with our major adversaries in the nether world of covert operations. For secret operations and secret operators can threaten any form of government. What we don't know can harm us.

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Intelligence, Covert Operations, and Foreign Policy

Paul W. Blackstock
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I. Introduction: The Role of Intelligence

It is a truism that "Intelligence is the first line of national defense," but few people ever think through its implications. Most citizens are vaguely aware that foreign policy decisions are made by the President with the advice of his Secretary of State based in theory on the best information available to experts throughout the government. The same applies to the Secretary of Defense and the U.S. military forces of which the President is also, of course, the Commander-in-Chief. The collection and evaluation of the information on which these decisions are based is one of the primary functions of Intelligence. It is essentially research and analysis utilizing both open and classified materials. But, in foreign and military affairs, strategic decisions should take into account not only past and present "facts bearing on the situation," but also careful estimates of the capabilities and intentions of other major powers. The production of such national estimates is a second major function of intelligence.

But there is another function of intelligence which has been largely overlooked even in the professional literature of "institutional advertising" of the craft, namely, its role in deterrence. The balance of terror which hangs over the world has been aptly described as a quasi-stable equilibrium, based on the existence of U.S. and Soviet strategic weapons systems which can inflict unacceptable damage on either power if the other strikes first in a "surprise" attack. The word "surprise" is in quotation marks since the intelligence systems on both sides are sufficiently efficient and alert that such an attack is virtually excluded. In any case, a first strike would be irrational unless either side achieved a sudden spectacular scientific breakthrough in either offensive or defensive weapons systems. This contingency is highly unlikely as long as research and development are roughly parallel on both sides and both maintain first-rate intelligence systems. Hence, the paradox that, as in the case of maintaining relatively invulnerable deterrent weapons (such as the Polaris or hardened ICBM missiles), both the United States and the Soviet Union also have a reciprocal interest in maintaining the highest possible standards for their intelligence systems. Fortunately, both superpowers have first-rate collection systems, which rely on overhead reconnaissance to monitor the development of each other's strategic weapons programs. Intelligence systems on both sides are so good that there is no need for on-site inspection teams to monitor arms agreements.

Intelligence thus has made it possible for both the United States and the Soviet Union to enter into genuine and fruitful negotiations for reducing missile and other arms programs, since each side knows that the other can not secretly violate agreements reached. This is a giant first step forward in halting man's race to oblivion.

Finally, no introduction to intelligence agencies and operations would be complete without some mention of an additional mission which is discharged by most of them or by closely related clandestine services. This is the political warfare mission carried out by the British Special Operations Executive (SOE) and its American counterpart, the Office of Strategic Services (OSS), during World War II. Political warfare means aggressive intervention by any state in the internal affairs of another in order to extend political influence and control, and in time of war to hasten the military defeat of the target state. Great Britain's wartime leader, Prime Minister Winston Churchill, created the Special Operations Executive not only in order to collect intelligence but also "to set Europe ablaze." The SOE and the OSS supported resistance movements in Nazi-occupied Europe which conducted widespread sabotage using guerrilla tac-

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tics. These later became known as "strategic services." Since all political warfare and sabotage operations are hostile by definition, they can only be conducted secretly by clandestine agencies using traditional espionage and counterespionage techniques. Secret political actions (including bribery, sabotage, and even assassination) have a dangerously high explosive potential and in the long run may do more harm than good, especially in times of peace. When operations of this kind, which are hard to keep secret, are exposed or "blown" (to use the technical term), an international scandal such as the Bay of Pigs results, since no government officially admits that it aggressively intervenes in the internal affairs of other nations using such methods. The same principle applies to domestic political sabotage operations, such as those connected with the Watergate affair.

So far as the United States is concerned, in addition to intelligence collection and distribution, the National Security Act of 1947 gave the Central Intelligence Agency (CIA) a purposely broad charter to perform "such additional services of common concern as the National Security Council [NSC] determines can be more efficiently accomplished centrally" plus "such other functions and duties" as the NSC "may from time to time direct."

Under this broad formula, in addition to being an Intelligence arm of the President, CIA has in practice performed a wide range of covert operations for political warfare purposes. Like its predecessor in this area, the wartime OSS, the CIA has secretly intervened in a number of trouble spots or crises to extend U.S. influence and control and to neutralize Communist seizures of power in the Cold War which followed World War II. A former CIA director, the late Allen Dulles, regarded such operations as part of the "Cold War Mission" of the agency.

On the highest level, political warfare is rationalized by both the United States and the Soviet Union as "cooperating with our friends abroad" or "giving them moral and ideological support." On the operational level, such intervention has meant airlifting military advisers and equipment and setting up the intelligence networks on which they rely for vital information. On the lowest level, in the rice paddies of Southeast Asia or in the African bush, it means struggle without quarter between counterinsurgency forces and "national liberation movements" which employ all the techniques of guerrilla warfare including espionage, terror, and assassination. American intervention in Vietnam and the rest of Southeast Asia began with secret CIA-controlled missions and later escalated above the covert threshold into open military intervention and warfare.

It is this covert operational role of CIA which is the most politically explosive, and which has given rise to much sharp criticism, both at home and abroad. Moreover, the pattern of using clandestine techniques of political warfare and sabotage later spread to the domestic scene, giving rise to the Watergate affair and similar politically oriented illegal operations, conducted for the most part by agents who had had CIA training.

II. Intelligence Under The Nixon And Ford Administrations

Having by way of introduction looked at the role of intelligence in foreign policy and national security decision-making, let us turn to a brief overview of organizational changes affecting its function during the Nixon and the present Ford Administrations.

The CIA reached its highest level of power and influence under the Eisenhower Administration when Allen Dulles was its director and his brother John Foster Dulles was Secretary of State. These were the Cold War years when the agency was used as an instrument of foreign intervention dramatized by the Bay of Pigs fiasco in April, 1961.

Although, after the Bay of Pigs, President John F. Kennedy replaced Allen Dulles with John Alex McCone as Director of Central Intelligence, he soon approved a program of covert operations in Vietnam and defended the agency publicly following the assassination of Ngo Dinh Diem in November 1963. President Lyndon Johnson was much too preoccupied with the war in Vietnam to pay much attention to the intelligence community. Although his relationship with McCone was a friendly one, he regarded him as simply another source of information, and there is no indication in his memoirs, *The Vantage Point,* that Johnson ever read a national intelligence estimate.

The war in Vietnam strained civil-military relations throughout the government and within the intelligence community, where problems of divided policymaking and operational responsibilities have always been abrasive, especially in regard to the management and control of covert operations. Moreover, unexpected revelations such as the Pentagon Papers called attention to the fact that, rather than serving as a basis for policymaking, CIA estimates and warnings were frequently ignored by the Joint Chiefs of Staff and the White House staff. It was against this background that, after his re-election, President Nixon decided to overhaul the two top level agencies most concerned with decision-making in the national security and foreign policy areas.

The Nixon reorganization of the NSC and Intelligence Community was proclaimed with much fan-

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fare as a major reform on November 5, 1971. In addition to the announcement that Richard Helms, the Director of Central Intelligence, had been assigned a broader supervisory role over the entire community, other changes included: (1) establishment of an NSC Intelligence Committee (NSCIC); (2) establishment of an Intelligence Resources Advisory Committee (IRAC); and (3) reconstitution of the U.S. Intelligence Board. Roughly a year later, in December 1972, the White House announced that James R. Schlesinger, at that time head of the Atomic Energy Commission, would replace Richard Helms as the Director of Central Intelligence. Apparently the President had been dissatified with the way Helms had carried out the planned Nixon reorganization and had given the new Director of Central Intelligence a clear "mandate for change," with a reported deadline of roughly eighteen months to do the job or get swept out of office himself.

The Nixon reorganization was long overdue for a number of reasons. First, there had been pressure from the Executive branch for several years to force the intelligence community to become more responsive to the needs of decisionmakers in the national security and foreign policy areas.

Second, Congressional spokesmen had for years been critical of alleged intelligence failures in which the Community had been caught by surprise. The TET offensive in Vietnam was a classic failure of intelligence gathering and estimating. The highly publicized loss of the spy ship *Pueblo* and the shooting down of an EC 121 reconnaissance plane (successor to the U-2) were more operational than intelligence failures. But the same could not be said of failure to provide warning of the Libyan coup d'etat of September 1, 1969, in which a military junta of army officers overthrew and replaced King Idris. At that time no one in the entire intelligence community knew who the twelve officers making up the new Revolutionary Command Council were. The Defense Subcommittee of the House Appropriations Committee was especially vocal in regard to military intelligence failures.

The third and most important factor behind the Nixon reorganization was an imperative need to reduce and control intelligence spending, which, because of the high cost of overhead reconnaissance and related technical sensor systems, had reached about $3 billion annually. The Department of Defense owned and operated many of these systems which provide information of crucial interest to both CIA and the State Department's Bureau of Intelligence and Research (INR). Defense also funds and exercises some staff supervision over the National Security Agency (NSA), which intercepts and monitors foreign communications, breaks foreign codes and ciphers, and provides for U.S. communications security. These various collection systems and agencies have grown over the years into competing and often overlapping interests with bureaucratic preferences, commitments, and momentum of their own. It was widely recognized that the time had come to cut down on intelligence spending by eliminating duplication and overlap.

III. The Clash of Budgetary Interest

As is frequently the case in bureaucratic politics at the federal level, the allocation of resources through the national budget is a major source of conflict. In the case of the intelligence community, budgetary influences and interactions are extremely complex. They are both direct and indirect.

The main clash of budgetary interests within the intelligence community comes with the preparation of the annual consolidated Foreign Intelligence Program Budget. The Director of Central Intelligence (DCI) prepares the consolidated budget, which in turn includes three separate budgets, one for the CIA and one each for the Departments of Defense and State. This is where the crunch comes, since most of the appropriations come from Defense, but little from the Department of State. By law the Secretaries of Defense and State are responsible for the money appropriated to their respective departments. The Secretary of Defense is not likely to permit an outside agency (in this case the office and person of the DCI) to dictate how it spends its own funds, although in practice, "for the good of the cause," large funds are in fact allocated to keep the community functioning.

A number of heavy clashes over resource allocation were expected if Schlesinger pushed his budgetary requirements for the intelligence community in such a way as to clash with the vested interests of the Department of Defense. The expected conflict was postponed by the sudden personnel changes resulting from the Watergate investigation in the spring and summer of 1973, when President Nixon replaced Schlesinger as DCI by William E. Colby and moved the former to the position of Secretary of Defense.

Schlesinger's astringent persomel policies and his determination to carry out budgetary and structural reforms created a great deal of ill-will, not to say bitterness, in the intelligence community, especially in CIA, the agency which was hardest hit and for a time partially paralyzed as even key aides feared the loss of their jobs. Under these conditions during his brief tenure as Director, Schlesinger could hardly be expected to achieve his goal of making intelligence more responsible to national

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needs as interpreted by the President and his National Security Affairs Advisor, Henry Kissinger.

IV. The Intelligence Community Under Colby

For several months after William Egan Colby succeeded James Schlesinger as DCI, there was some question as to whether the changes made or planned by Schlesinger would be shelved, since Colby came from the clandestine "operations" side of CIA as did two of his predecessors, Allen Dulles (1953–61), and Richard Helms (1965–73). By the Spring of 1974 the picture had clarified: the main thrust of the Schlesinger reforms would continue, and Colby was described as "the executor of Schlesinger's will."

The DCI's Intelligence Community (IC) Staff has attacked management problems of the community by focusing collection and production on key intelligence questions or issue-areas, such as Arms Control and the Middle East. The IC Staff is subdivided into four sections: (1) analysis, which includes computer support, automatic data processing, and information handling; (2) management, plans, and budgetary resources; (3) fiscal; and (4) products, a section which reviews and assesses the products of the community—a function designed to support the activities of the NSC Intelligence Committee, the top-level forum for intelligence production requirements of the nation.

Mr. Colby has followed Schlesinger's example in acting more like a true Director of Central Intelligence than like a CIA chief interested principally in operations and covert political action. This enhanced role is illustrated by the sweeping changes Colby has effected in the organizational structure designed to produce national estimates, and by less radical changes in the working-level committees of the U.S. Intelligence Board.

Turning first to national estimates, there were indications that the old Office and Board of National Estimates were being dismantled under Schlesinger. In the midst of considerable controversy, the process continued steadily until they were in fact abolished by Colby. Reportedly General Daniel Graham (formerly head of the IC staff, now Director of DIA) had a major hand in reshaping the national estimative structure along the lines suggested in his article, "Estimating the Threat: A Soldier's Job." In this article (published in *Army* magazine, April 1973), Graham frankly acknowledged that the military estimates produced in the Department of Defense during the Vietnam war were so far off base that they lacked credibility. Policy-makers turned to CIA for such estimates, and the agency responded, producing them in a section of its Intelligence Directorate called "The Office of Strategic Research," (OSR). But Graham argues that, while he was head of DIA's Directorate of Estimates, he restored the Defense Department's capability to produce credible and useful estimates tailored to the real needs of the decision makers. Accordingly, OSR in CIA has been phased out of the strategic estimates business, although it still produces current intelligence from a restricted data base.

This working-level reform has had its broad parallel in the replacement of the Office of National Estimates by what, for lack of a better label, may be called a high-level "Staff," of about twelve National Intelligence Officers (NIOs). Each NIO is either a geographic or functional expert and is allotted one staff assistant. "Flexibility" is a high-frequency word in the CIA under Colby, who has recruited an NIO for economic problems from the RAND Corporation, another for arms control ("Mr. Salt Talks"), and others for key geographic areas such as the Soviet Union, China, and the Middle East. Reportedly the NIOs are to be recruited from all agencies within the intelligence community (with a sprinkling of functional experts from the outside), and the military NIOs are to have general officer rank in order to add prestige or "clout" to the position.

It will take at least two years for the new NIO Staff to indicate how well or badly it may function under the various bureaucratic pressures put upon it. A former ONE aide believes that the National Intelligence Officers will be linked much more closely with the NSC staff. Much will depend on how much independence the NIOs will be able to achieve in practice as well as theory and how much outside expertise they can draw upon. Already there are signs that the CIA bureaucracy wants to "integrate" the NIOs back into the fold, in which case changes brought about by the restructuring are likely to be more cosmetic than substantive.

A second agency in the central or national intelligence complex which has been heavily affected by the Colby reforms is the U.S. Intelligence Board (USIB), which has been called the "Board of Directors" or the "Supreme Court" of the intelligence community. It is chaired by the DCI in his role as leader of the intelligence community. CIA is represented by the Deputy DCI, Lt. General Vernon A. Walters. Other regular members are the Directors of INR, DIA, and NSA. The Departments of Treasury, Justice (FBI) and the Energy Research and Development Administration are also represented. This is the national or executive level of the USIB.

But there is a second, working level of the USIB, which is the real heart of the intelligence community, where it functions as a community rather than

as a collection of vested interests, each seeking a share of the national budget. These are the fifteen USIB interagency committees, whose members are drawn from the working level of the various intelligence agencies. These committees concern themselves with daily matters of substance and requirements. Their members are engaged in the continuing process of collection and evaluating information and know what is needed, in the way of hardware, for example, to get the job done. Hence their needs, their requirements, are filtered up through the USIB executive level. Since the committee secretariats were usually housed in CIA and often staffed by CIA personnel, the more important ones tended to become independent empires with vested bureaucratic interests. These have been shaken up, reduced in size and number by personnel cuts, and are now more service-oriented than formerly. The "big four" of the old group will probably continue to exist. Their functions are indicated by their titles: (1) the Joint Atomic Energy Intelligence Committee; (2) the Committee on Imagery Requirements and Exploitation; (3) the Critical Collection Problems Committee; and (4) The SIGINT Committee, which deals with substantive requirements problems in the broad Signal Intelligence field. To these has been added a new committee on Human Intelligence (recently renamed "Human Resources") reflecting re-recognition of the importance of the classical espionage agent, if properly placed, in filling critical gaps in the flood of information collected by overhead reconnaissance and other advanced technological means.

In the past the USIB Committees have generated intelligence requirements with little or no attention to costs and cost-efficiency. Under Colby they have been directed to consolidate and "prioritize" requirements throughout the intelligence community in such a way as to eliminate collection overlap and reduce overall costs. Of the estimated total intelligence community budget of something less than $4 billion a year, the Defense Department, which finances the reconnaissance and communications intelligence programs, accounts for about $2 billion, while the CIA proper's share of the remaining $2 billion has been held to roughly $700 million. Colby has promised Congress to manage the entire community and save money without letting the intelligence product suffer. Already a series of DCI Directives have been issued and have reached the working levels of all agencies with endorsements requesting compliance. These directives indicate that a strong effort is being made to rationalize intelligence production in terms of answering such questions as (a) what do we know? (present data base), (b) what do we need to know? and (c) which agency can fill the gaps at what cost?—to be followed by periodic (as opposed to haphazard) evaluation of progress toward atated goals. Among the latter are "surprise avoidance" (i.e., no intelligence failures), no duplication, and reduced costs and staffs.

V. Covert Operations

Before being named DCI, Colby had been head of CIA's Directorate of Operations (formerly called Plans), the agency's single largest division, responsible for all clandestine collection and covert operations and for CIA's eighty-five overseas stations. Employing an estimated 6–7,000 people the Directorate has had a budget of about $350 million, nearly half the CIA total.

Since the beginning of the Cold War almost one half of clandestine personnel have been diverted from the primary task of collecting and processing information, as envisaged by those who established the CIA in 1947, to warfare, paramilitary or even covert military operations as in Laos and Vietnam. Following withdrawal of the United States from hostilities in Southeast Asia, many of CIA's local assets have been assigned to such tasks as reporting on the international drug traffic in the area, a traffic linked politically to Meo tribesmen and other elements formerly supported by the CIA. During his brief tenure as DCI, Schlesinger indicated interest in the intelligence aspects of the international drug traffic (handled by a new centralized intelligence division of the Bureau of Narcotics and Dangerous Drugs in the Department of Justice), and international terrorism, symbolized by spectacular airplane hijackings, kidnapings, and other acts of terror. Colby has kept a much lower profile with respect to both these international problems.

The basic assumptions underlying American intervention, both open and covert in the so-called "Third World," which has been the major target of our covert operations during the Cold War decades, have been false. They reflect a grossly-oversimplified, black and white view of international relations, exemplified by the so-called "domino theory", which since Vietnam has been throughly discredited.

In the developing areas of the world, nationalism and the drive for modernization have produced a series of recurrent political and social revolutions which have displaced traditional elites and various colonial and post-colonial ruling groups. As new ruling elites in the Third World consolidate their power and extend their privileges, the nepotism and corruption associated with traditional societies will almost certainly create burning political, economic, and social grievances. These in turn will lead to new revolutions. In spite of heroic, if

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belated, U.S. efforts to arrest the process, this is clearly what happened to the Diem regime in South Vietnam, and the pattern will repeat itself elsewhere. Naturally Soviet or Chinese Communist parties, or both, will seek to exploit such indigenous revolutionary movements, employing their separate strategies of subversion or political warfare. However, the traditional cold war assumption that Communists will automatically succeed in capturing and controlling such movements unless vigorously opposed by U.S. covert operations and counterinsurgency programs is patently false. The cycle of revolution in the developing areas is thus as open-ended as the process of modernization itself, from which it is inseparable. It bears little or no relationship to the frustrations and fears of political warriors on either side of the Bamboo and Iron Curtains, and even less relationship to their propaganda slogans about the struggle between the so-called forces of freedom (or "national liberation") and forces of slavery (or "neo-colonialism").

The first scholarly examination of the complex problems involved in the management and control of covert operations was my book, *The Strategy of Subversion,* subtitled "Manipulating the Politics of Other Nations" (Chicago: Quadrangle, 1964). In the ensuing decade, covert operations have come under increasingly sharp criticism, culminating in a two-day conference sponsored by the Fund for Peace on September 12–13 in a Congressional hearing room at which CIA Director Colby admitted that such operations have been only marginally effective, but insisted that the United States should have a reserve of stand-by capability in this area.

Beginning in 1971–72, I conducted a confidential Survey on Intelligence and Covert Operations: Changing Doctrine And Practice, and found considerable ambivalence toward covert operations even among professional clandestine operators. Most of the 30 respondents, (two-thirds of whom had served at the Directorate level of various intelligence agencies for an average of 24 years) regarded covert operations as an essential arm of diplomacy, but at the same time subscribed to the criterion that they should be used only as a last resort before the direct use of military force in a pre-war situation. There was also general agreement with the proposition that "clandestine operational agencies are capable of pre-empting a policy-making role through operations which create situations of fact to which national policy must later be readjusted, thus creating serious problems of management and control" —not to mention the acute national embarrassment which results when, as frequently happens, such operations are "blown" and become public knowledge. A heavy majority of the respondents also agreed that "covert operations have been oversold and overused as an instrument of policy to such an extent that on balance they have become counterproductive." For the most part professional analysts with long careers in collection, production, estimates, and dissemination took the view that these purely intelligence functions should be separated organizationally from politically oriented covert operations. On the other hand, clandestine operators with mainly civilian backgrounds favor the status quo, with covert operations housed under CIA. This is to be expected, given the strong institutional loyalties which develop in all clandestine organizations. Almost all respondents, however, agree that effective control at the policy-making level has been inadequate in the past and wherever they may be housed will present problems in the future. With few exceptions, Congressional monitoring and control was regarded as inadequate and ineffective.

In addition to the complex problems of management, monitoring, and control involved in covert operations, they also have a tendency to escalate above the covert threshold into open warfare as illustrated by the Bay of Pigs as early as 1961 and again repeatedly with operations in Southeast Asia during the last decade. Although like Helms most of Colby's professional career has been spent in clandestine operations, he publicly indicated a certain disenchantment with them in testimony before the Armed Services Committee on July 2, 1973, when he stated that it was "very unlikely" that the agency would again mount such wide-scale, covert military operations as its support of the Meo tribesmen in Laos.

Ever since the clandestine Gulf of Tonkin incidents opened the door to large scale military intervention in Vietnam, Congress has been painfully aware that covert operations can lead the nation unwittingly down the garden path to war. The decision to wage war, many Senators contend, should properly rest with Congress. As a result of the war in Vietnam and the Watergate affair, the CIA has come under heavier and more determined Congressional scrutiny than at any time in its history. No less than five committees, four in the Senate and one in the House, were stirred by the Watergate disclosures to inquire into various aspects of CIA's operations, and Chairman John C. Stennis of the Armed Services subcommittee on intelligence stated that hearings would eventually be held on revising the agency's charter, the National Security Act of 1947.

Ironically, although Congress was aware of the need for closer surveillance over CIA well before the Vietnam conflict, it failed to act decisively in this regard time and again. Since the National Security Act of 1947 and the 1949 Central Intelligence Act previously noted, nearly 200 bills calling for closer

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surveillance of intelligence agencies have been introduced. Most of them attempted to establish a Congressional Committee to oversee the activities of CIA. Only two of them ever reached the floor of Congress, where both were decisively defeated by more than two-thirds majorities.

But how seriously the Congress will follow-up on its renewed interest in controlling covert operations remains to be seen. Unless the historic confrontation triggered by Watergate between the Executive branch of government and Congress is resolved clearly in favor of Congress, no fundamental change in the role and functions of CIA is likely. This applies to the Presidential use of covert political and military operations as an instrument of foreign policy no matter how much "dirty tricks" may be publicly deplored when used to influence the electoral process at home. In this regard Nixon's secret bombing of Laos and Cambodia set a precedent which future presidents may be tempted to follow in similar circumstances.

Ever since Machiavelli, Western statesmen and politicians have been fascinated with the idea of combining the wiles of the fox with the strength of the lion. In the crusading atmosphere of the Cold War and in Vietnam, it was hoped that covert operations might provide such a winning combination. That hope was based on ignorance, which has always been a poor counselor. Nevertheless, as long as the clandestine services of the CIA remain intact and ready to serve again "as the President's loyal tool," the temptation to use them may prove as irresistible in the future as it has in the past.

Meanwhile, within the Intelligence Community under both Schlesinger and Colby there has been a revival of interest in classical espionage, now classed as the covert side of human intelligence (HUMINT). Espionage has often been held in low esteem as producing "uncertain information from questionable people," the comment of Admiral Wemyss, the British First Sea Lord at the end of World War I. With the advent of advanced technological means of surveillance, such as the U-2 and R-171 reconnaissance planes, traditional espionage sources have been reduced to where they provide only an estimated 5 percent of information collected. However, the very success of technical sensors has indicated critical gaps in the information they can supply. For example, overhead photography can show a missile on a launcher. Radar intelligence can track it when fired, and telemetry intelligence (Telint) can provide data on performance of the war-head. But only a well-placed espionage agent (read defector in place) can tell you what is in the war-head of an operational missile and what targets it is to attack. These now recognized short comings of technical sensors have revived interest in human espionage to such an extent that, as previously noted, an interagency Human Sources Committee of the U.S. Intelligence Board has recently been created to study the problem. It is also recognized that "agents in place" such as Stig Wennerstrom or Oleg Penkovsky result from "Acts of God" (or the devil depending on whose ox is being gored). This being the case, the standard response of the clandestine services to additional intelligence requirements is to talk about developing new sources and the need to conserve existing, largely imaginary, assets.

Recomendations as to what to do about covert operations cover a wide spectrum from pious appeals for the public to have "confidence in the men responsible for secret operations" (which after Watergate is somewhat unrealistic) to sweeping demands that they should be entirely abolished. Such demands are as unrealistic as appeals for immediate, total, and universal disarmament. Because covert operations have an intrinsic appeal to the activist, manipulative personality types who are attracted to centers of power, the United States like other powers will retain at least a standby capability in this area. However, due to both public and Congressional pressure, it seems likely that covert operations will be used much more sparingly in the future than in the past and are likely to be kept under much closer scrutiny by a joint Congressional Committee modelled after the Joint Committee on Atomic Energy.

Where organizationally covert operations will be housed is a thorny problem which will probably be decided less on the merits of the solution arrived at than as a result of bureaucratic politics. Unfortunately any solution is intimately tied to the problem of improving existing U.S. espionage capabilities, such as they are after a decade of heavy reliance on technical sensors. Since 1947 the clandestine service division of CIA has directed both espionage (the illegal collection through secret agents of information to which access is legally denied) and covert political operations, frequently using the same agents for both purposes. This practice has resulted inevitably in degrading the collection function since the "action" (and the rewards) have been largely in the covert operations sector. The careers of both Helms and Colby are illustrative in this regard.

For at least the last two decades, the CIA stations abroad have been interested primarily in political warfare operations and have sought to recruit agents or sources who can be used for such purposes, primarily political dissidents, or others willing to engage in the overthrow of existing governments or to provide information needed for more subtle forms of intervention. Then, after a given covert operation has been

approved, the emphasis shifts to developing additional sources who can provide information which will insure its success. The main thrust of the station's efforts is directed toward what in military terms is called *tactical* intelligence, and has something, but actually very little, to do with classical espionage, which has been aimed mainly at collecting information of strategic importance. The collection requirements for espionage can be satisfied only by a radically different approach and by the recruitment of entirely different sources than the disaffected political activists who gravitate toward covert operations. What is needed are well placed people who have access to plans, strategic dialogue, staff papers, decision-making, etc., sources who can provide information on strategic intentions rather than details with respect to hardware and capabilities. The latter kind of information can be provided by technical sensors. In addition, espionage must become responsive to Washington-based requirements rather than to the operational plans of local station chiefs. The station must recruit sources which can respond to specific requirements rather than merely reporting general news based on hearsay evidence. The emphasis on covert operations has produced an essential mismatch between what is collected and what is needed to fill the gaps in the information provided by technical sensors. Moreover, the sources recruited for political warfare purposes rarely if ever have access to such information.

Clearly current clandestine collection practices and recruiting practices will have to be radically altered if there is to be any substantial improvement in U.S. espionage capabilities. But such a reversal is unlikely given the bureaucratic clout of vested interests in the clandestine services with their stake in the preservation of the status quo. The need to separate the clandestine collection effort from covert political operations has been recognized by such non-establishment scholars as Harry Howe Ransom, as well as by dedicated professionals serving on the USIB Human Sources Committee. However, unless the need for such separation can be impressed on policy-making and executive levels within both the intelligence community and the government at large, the weight of vested interests will almost certainly perpetuate the present organizational structure. Probably only the President, working through the NSC channel, has enough clout to insure that this basic reform is carried out.

VI. National Welfare Intelligence in a World of Shrinking Resources

The energy crisis, which gripped the Western world during 1974, dramatized the urgent need in a world of shrinking resources for what, for want of a better term, might be called "national welfare intelligence." The crisis revealed the gross inadequacy of information needed for foreign policy decisionmaking in areas directly affecting the national economic welfare. For the last two decades, the intelligence community has neglected these areas due to the pressing need for specialized political-military intelligence on which strategic thermonuclear deterrence, the American-Soviet detente and Salt Agreements are based. These kinds of priorities have been rightly emphasized on a globe bristling with intercontinental missiles while the sky which surrounds it is cluttered with hundreds of reconnaissance vehicles. As a result we have a reasonably firm intelligence base on which the avoidance of general war can probably be maintained. Such avoidance is a necessary precondition of international welfare. However, what is now urgently needed is an equally successful effort to provide the broad base of foreign economic, political and sociological information required for decisionmaking in the international crises which are certain to be precipitated by the shrinking of world resources at a time when population growth threatens and in some areas has already produced mass famine. Significant capabilities for collecting and analyzing such intelligence already exist in the Departments of Treasury, Commerce, Agriculture and Labor as an adjunct to their traditionally domestically oriented missions. The same may be said of the economic intelligence divisions of the more important transnational corporations. These kinds of capabilities could presumably be brought under direction of the intelligence community for the production of national welfare intelligence, but it would take a Presidential directive and would require a shift in emphasis away from exclusive preoccupation with national security matters as they have been narrowly defined in the past. This means that in these matters the Director of Central Intelligence would report directly to the President rather than through the National Security Council and its head, Henry Kissinger, who is also, of course, the Secretary of State. Again, since the NSC vested bureaucracy is naturally jealous of its area of competence, a Presidential directive would be required to make the necessary change.

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Appendix V:
Coordination in Complex Settings

Introduction

Appendix V contains the product of extensive research carried out under the direction of Lloyd I. Rudolph and Susanne Hoeber Rudolph. This study, "The Coordination of Complexity in South Asia," is one of four projects intended to assess the adequacy of current organizational arrangements for the conduct of foreign policy in areas of particular substantive interest or practical difficulty.* The study was designed to examine the capacity of the United States to maintain coordination between a large number of policies impinging on several countries over a period of time. It examines the difficulty of coodinating policy across several divides: from crises to more routine situations, from one function to another, from one time period to another, from one country to another within a region, from one region to other regions, and from regional to global or strategic considerations.

Ten case studies describe national security, economic, and people-to-people aspects of American policymaking as it has related to South Asia. The summary paper comments on these cases and proposes organizational modifications to improve the policy process. In particular, its conclusions suggest that regional considerations may be often underweighted; the study proposes a number of devices for better organization and performance at the regional level. Additional recommendations seek fuller use of the knowledge of career professionals in the policymaking process.

*The other three projects resulted in the studies printed in Appendices B, H, and K.

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The Coordination of Complexity in South Asia

Lloyd I. Rudolph, Susanne Hoeber Rudolph, et al.
November 1974

SUMMARY REPORT

by Lloyd I. Rudolph and Susanne Hoeber Rudolph

I. What Was Done, and Why

This report is based on an analysis of the conduct of foreign policy in South Asia during the decade that encompasses the Johnson and Nixon administrations, 1965–1975. Its methodology deploys inductive and deductive modes of analysis, drawing upon case studies on the one hand and reasoning from concepts, assumptions and findings from the literature on organization and foreign policy on the other. The cases* were chosen with an eye to illuminating three broad policy areas in the conduct of foreign policy: diplomatic, economic and people to people. They were also selected with an eye to representing "normal" and crisis activity. Finally, our interviews were in part designed to provide an ethnography of bureaucratic sub-cultures.

Prescriptions for organizational reform seem to have a cyclical quality; yesterday's pathologies become today's cures only to become, again, tomorrow's pathologies. But the recurrence in organizational change of various principles and strategies should not be dismissed as mere re-inventions of the wheel by those who never got the word. Organizational principles change with historical context. The cyclical nature of organizational reform reflects applications to changed circumstances of a limited repertoire of organizational possibilities. *We find, for example, that excessive centralization and isolation of power and the layering of control mechanisms associated with it call for a return to a decentralization more finely tuned to the diversities of complex and differentiated circumstances and capable of protecting long term goals from depredation; that excessive presidential domination of the direction of foreign policy generates good reasons to restore a modified State Department centered system; that policy planning and management dominated by staffs encapsulated in the meta-realities of global strategy and the balance of power engenders justifications for increasing the participation and influence of line officials whose operating responsibilities bring them in contact with events and people on the ground; that the imperium of non-career policy intellectuals deploying strategic and generalist knowledge on behalf of the president enhances an appreciation for the experience and expert knowledge of departmental professionals; and that the costs of hierarchically patterned relationships highlight the benefits of collegiality.* Most if not all of these "new" directions have been tried before in one form or another and, under different circumstances and for a variety of reasons, found wanting. But as circumstances and leading personalities change and as organizational medicines administered to cure pathologies come to generate new ailments, reformers return again to older remedies from the organizational repertoire.

The principal investigators and contributors, all of whom have had extensive research experience in South Asia, met in Chicago early in June, 1974, to discuss and coordinate the research designs of case studies jointly selected in the light of the principal investigators' proposal to the Commission and of on-going discussions designed to relate the knowl-

*In addition to the case studies printed here, the project benefitted from a number of background papers, not printed:

United States Foreign Aid to India: An Overview, by Stephen J. Blake

Impact of U.S. Military and Economic Aid to Pakistan 1954–1969, by Muzammel Huq

The Power of Information in the Conduct of U.S. Foreign Policy: Examples from South Asia, by Robert Rich

United States Military Aid to the Ayub Khan Regime, by Roger E. Sack

The Devaluation of the Indian Rupee in 1966: A Case Study of the World Bank and the United States in India, by Harinder Shourie.

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edge and interests of the contributors to the requirements of a regionally based study of the conduct of foreign policy. Background material designed to provide a common conceptual language for the meeting included some of the Commission's early papers on organizational reform, three books on the organizational dimensions of the conduct of foreign policy,[1] and a book on the substance of US policy toward South Asia in the post-war era.[2]

From June to September, the principal investigators and contributors pursued their research, interviewing extensively in Washington and South Asia. Preliminary drafts were presented and criticized at a second conference in early September and the case studies were revised throughout September and October in the light of written and oral criticism by the principal investigators. On November 20, the report was discussed at the Commission headquarters in Washington by Commission staff and senior officials and scholars with South Asia experience. These scholars and officials, and several others that did not attend the conference, provided general and specific comments on the report. On the basis of the conference discussion and the comments, the introductory essay was again revised, culminating in the present report.[3]

II. The Present Context of Organizational Change

A. ADMINISTRATIVE REFORM AND PRESIDENTIAL AGGRANDIZEMENT

The conduct of foreign policy in South Asia and elsewhere during the decade encompassed by the Johnson and Nixon administrations did not occur in historical isolation. *The presidency as an institution and executive organization for the conduct of foreign policy were shaped by the political contexts and administrative reforms that preceded and followed World War II.* The reforms of the 1947–1949 period creating the National Security Council, the Department of Defense, the Central Intelligence Agency, etc., are frequently cited and commented upon in studies of administrative reform dealing with the conduct of foreign policy; but these arise out of the earlier reforms of 1939 proposed by the President's Committee on Administrative Management. *Both periods are important in promoting and accelerating a process of presidential aggrandizement that peaked at the beginning of President Nixon's second term.* It is this historical experience, particularly its administrative origins in the recommendations of the President's Committee on Administrative Management (the Brownlow Committee), that orient our argument.

Clark Clifford has observed that the executive branch is like a chameleon, taking its color from the character and personality of the president.[4] The "color" of the presidency makes a difference to some some of the time but it is the nature of the institution, whatever its color, that matters to everybody all of the time. When the Brownlow Committee adopted as its slogan and strategy, "The president needs help," and provided help in the form of presidential assistants and a White House office, it prepared the way for fundamental change in the presidency. The Brownlow Committee believed itself to be making the president a more efficient executive. But its reform proposals, once implemented, also made him more powerful within the executive branch and in relation to the congress. President Roosevelt, transmitting his version of the Brownlow Committee recommendations to the congress, depicted them as providing "the tools of management and authority to distribute work" and insisted that they were "not a request for more power."[5] *What began in 1939 as an effort to promote administrative reform was continued and enhanced by the legislation of 1947–1949, particularly the legislation creating the National Security Council.* The intention, again, was to help the president with the formulation and execution of policy by giving him more and better access to advice and information. The practice and precedents of the "cold" and Vietnamese wars accelerated and deepened the process by further "liberating" the president from executive branch and congressional constraints.

The ambiguities buried in the technocratic populism of Louis Brownlow, Charles E. Merriam and Luther Gulick were not evident in 1937 when Brownlow said of his committee's recommendations: "There is but one grand purpose, namely to make democracy work today in our National Government; that is, to make our Government up-to-date, an efficient, effective instrument for carrying

[1]Graham Allison, *The Essence of Decision: Explaining the Cuban Missile Crisis* (Boston, 1971); I. M. Destler, *Presidents, Bureaucrats and Foreign Policy*; and Morton Halperin, *Bureaucratic Politics and Foreign Policy* (Washington, D. C., 1974).

[2]William Barnds, *India, Pakistan and the Great Powers* (New York, 1972).

[3]We are grateful to all those who allowed themselves to be interviewed, or who participated in reviewing the cases and summary report at various points in the life of the project. Their insights and comments were most helpful. Naturally, the opinions and conclusions expressed in this paper are those of the authors, and not necessarily of those interviewed, who participated in the review process, of the Commission, or of any agency of the governments of the United States or of South Asian countries.

[4]"The Presidency as I Have Seen It," in Emmet Hughes, *The Living Presidency* (New York, 1973), page 315.

[5]See Edward S. Corwin, *The President, Office and Powers* (New York, 1940), page 97ff., and Barry D. Karl, *Executive Reorganization and Reform in the New Deal; The Genesis of Administrative Reform* (Cambridge, Massachusetts, 1963).

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out the will of the Nation." [6] But the latent thrust of these ambiguities became more manifest in the post-war period and in the policy literature, notably of the bureaucratic politics school, it produced.[7] Writers in this post-war tradition continue to found their hopes for greater efficiency, coherence and "rationality" in the president. As one writer put it after rehearsing the personal and partisan limitations and biases that flawed the motives and actions of actual incumbents, "There is no other choice." [8]

Presidential expansion was not solely or merely a product of administrative reform; it was, more fundamentally, a product of hopes and aspirations for the presidency on the part of those seeking in the pre-war period social justice at home and after World War II national security abroad. From the Brownlow Committee onward, intellectuals and professionals in the neutral garb of management or policy science have collaborated with presidents in the essentially political task of expanding and strengthening the presidency. Doing so seemed wholly justified; who else could represent the national constituency and purpose? What other institution or office could create and lead a welfare state to social justice at home and insure national security and international order abroad? The congress, the states and, later, the cities, were seen as representing narrow constituencies and interests and, in any case, lacked the capacity and will to secure needed change.

Proposals since Brownlow have argued that the president must be strengthened, not only because he must efficiently manage a continuously increasing volume and range of responsibilities but also because he should be able to direct and control the vulnerable and amorphous executive branch of government and to protect it from congressional and interest group rivalry for power and control over policies and bureaucracies. The president is the best hope for policy and administration directed to national goals and purposes; he represents the people, particularly the weak and powerless against vested and partial interests, and the nation, especially its national interest and security.

Richard Neustadt captured the mood and goals of this school of administrative reform when he invoked Harry Truman's bemused reflection on the surprise he believed was in store for the military man who was to follow: "He'll sit there, and he'll say, 'Do this, do that,' and nothing will happen." [9] Neustadt elaborated on this image by contrasting a president in sneakers and a president in boots and spurs, the first the president as he was, the second a phantasy of what he was thought to be. The president in sneakers figuratively pads about the corridors of power in search of leverage, trying to persuade or cajole his putative administrative or political subordinates that what is in his interest is in theirs too.[10]

The organizational and procedural prescriptions that flow from an image of a president in sneakers seek to amplify his influence, enhance and tighten his control, improve the quality and quantity of advice and information and provide the means to counter resistance and sabotage. This model of the problems and needs of presidential power no doubt provided a more valid empirical account of the president in action than did conceptions which credited the idea that presidents could automatically command the organizational behavior he required. This model of the presidency also directly countered conceptions that celebrated or tolerated a pluralism that left the public interest in the hands of congressional committees, bureaucracies and private interests.

Writing at a different historical moment we take a less sanguine view of presidential power. We do not question the existence or the costs of bureaucratic politics, organizational dysfunctions or interest group liberalism, but we also recognize the limitations and costs of presidential power. Those limitations and costs are visible in the conduct of foreign policy toward South Asia and elsewhere, as well as in the conduct of domestic politics, and they have been with us for some time.

The problem is how to reconcile a Hamiltonian with a Madisonian presidency, i.e. how to reconcile a presidency of energy and initiative with a presidency that is constrained by forms of representation, debate and advice that are at once independent of presidential power but subject to its influence. *Among the means to hand,* given an understanding of their desirability and the will to act on that understanding, *is the institutionalization in policy planning and management of the professional and expert knowledge available in the bureaucracy and the routine and systematic involvement of Congress in the foreign policy government.* The deleterious effects of presidential power can be contained and turned in positive directions *by recognizing and legitimizing an autonomous but coordinated role for the bureaucracy and the congress in the foreign policy government. Giving them more*

[6]Barry Karl, *Executive Reorganization and Reform in the New Deal,* page 229.

[7]For a systematic account of the first and second wave and their differences see Robert J. Art, "Bureaucratic Politics and American Foreign Policy; A Critique," *Policy Sciences* (1973), pages 467–490. The first generation includes Warner Schilling, Paul Hammond, Samuel P. Huntington and Richard Neustadt, the second Graham Allison, Morton Halperin and I. M. Destler among others.

[8]I.M. Destler, *Presidents, Bureaucrats and Foreign Policy* (Princeton, 1972), p. 89.

[9]Richard Neustadt, *Presidential Power* (New York, 1960), page 9.

[10]Richard Neustadt, "White House and White Hall," *The Public Interest,* 1966, No. 2, page 64.

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autonomy and authority will involve, within the executive branch, more collegiality, multiple advocacy, dissent, insulation of policy arenas and, in relationship to congress, fixed means to consult with and account to a congress willing and equipped to maintain an independent but cooperative role in the making and conduct of foreign policy.

B. THE RELEVANCE OF THE SOUTH ASIAN REGION FOR ADMINISTRATIVE REFORM

The focus of this study is the coordination of complexity in South Asia. *We address ourselves, therefore, to the value of comparative inquiry by examining why and how the analysis of a particular region provides organizational lessons for the conduct of foreign policy generally.*

We start with the assumption that each region can be profitably dealt with as a separate policy arena with a distinguishable "government," composed of United States Government bureaucratic actors concerned with that region. The range and type of USG, foreign governmental, international agency and "private" actors and the norms and patterns that govern their activity and relationships vary significantly by region. So too do the presenting problems and the proximate and distant "causes" of conditions, events and policies.

Among the more salient variables that affect the conduct of foreign policy toward regions are (1) the level and continuity of USG interest and attention; (2) the amount and quality of knowledge available at various levels of the USG; (3) constraints in the USG and in the region on USG intervention; and (4) the type, influence and number of private US actors with interests in the region. For example, US government for South Asia has been characterized by sporadic but forceful high level (presidential) attention; like Japan, by little knowledge of high quality at the presidential level and considerable knowledge of good quality at the bureau level; by relatively low levels of constraint within the USG and from the region on USG actions; and by few, relatively uninfluential private actors. (As Ambassador Saxbe put it, to the consternation of some Indians, America's interest in India was largely humanitarian and cultural.) The US government for Inter-American Affairs shares some of these characteristics, but not others. USG attention to Latin America has been similar but not precisely like that toward South Asia. There has been even less of it, but when it has come, it has been sporadic, high level, and sometimes violent. Again, like South Asia, knowledge at the presidential level has been low in quantity and quality. An important contrast between the two regions can be found in the constraints dimension. Constraints on action in Latin America arise not so much from powerful actors within the executive branch or in the region but from the existence of a plentiful supply of private actors and their congressional allies. According to a recent study, the regional bureau is subject to pressure from a wide range of powerful private interests and has had to face them "alone, without the backing of a counter-constituency" or a president.[11]

The US government for Europe has very different characteristics from those associated with South Asia and Latin America. Relative to other regions, it attracts continuous high level attention. Goodly amounts of high quality knowledge about Western and Eastern Europe are available not only at the presidential and bureau levels but also, and this is distinctive for the European region, on the seventh floor of the State Department among deputy and undersecretaries and policy planners. USG intervention in Europe is more constrained than in any other region by competition and conflict among governmental agencies, not least of which are the military and intelligence bureaucracies, and by the existence in Europe of powerful foreign governmental actors, including political personalities who are sufficiently familiar in their culture and style to matter to presidents and other senior officials. Finally, the plethora of private actors concerned with European-US relations—a result of immigration, trade, investments, and culture—creates constituencies and publics that can not, taken together, be equalled by any other region.

Differences and similarities among regions imply that certain organizational strategies may be relevant across regions, others not. Organizational proposals should be explicitly examined in this comparative light. *Several of our organizational proposals which are designed to strengthen the articulation of policy planning at the regional level, such as the Assistant Secretary Policy Planning Council and the Regional Conference, speak to the problems of other areas as well.*

III. DEFINING COORDINATION

A. IMPERATIVE AND DELIBERATIVE COORDINATION OF COMPLEXITY

Complexity generates the need for coordination. Scale and diversity compounded by continuous change in conditions and goals characterize the organizational life of governments. Coordination without complexity is easy; if all are alike, they can share the same questions and answers, the same ends and means. Alternatively, coordination is easy if all can be made to be or think alike, an induced form of simplicity captured by the German term Gleichschaltung, all on the same wave length. But these are the conditions of simplicity, not complexity and they are not easily achieved in modern

[11]Abraham F. Lowenthal, " 'Bureaucratic Politics' and the United States Policy Toward Latin America: An Interim Research Report." Delivered at the American Political Association Annual Meeting, September, 1974.

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governments. The conduct of foreign policy engages a world of multifarious activities, domains and time frames that do not ordinarily lend themselves to this kind of direction and control, nor should they.

We have organized the discussion of coordination around two terms, imperative and deliberative, that approximate what can and should be done. *Imperative coordination relies upon the mystique of high office, hierarchy in organizational and personal relationships, and will as the source of policy and of compliance. Deliberative coordination involves the knowledge and judgment of officials, collegiality in formal and informal relationships and reasoned argument and bargaining as the source of policy and compliance.* Like all models, these models of two types of coordination simplify and exaggerate in order to generate concepts for analysis.

Our argument is counter-cyclical and tends to highlight the costs of imperative coordination and the benefits of deliberative coordination. Yet we are under no illusion that the world with which the conduct of foreign policy is engaged can do without the benefits of imperative coordination or can be made free from the costs associated with deliberative coordination. Indeed, during the period when this report was being researched and written, the presenting problems for the conduct of foreign policy in the United States may have begun to change in ways that will generate in the not too distant future a need to emphasize in doctrine and practice the virtues of imperative coordination. Even if this proves to be the case, it in no way lessens the importance of learning from the experience of the past decade in South Asia. That experience supports the need to develop the counter-cyclical position argued here.

We take as our text for exploring imperative coordination Henry Kissinger's statement to the WSAG meeting of December 3, 1971: "The President is under the 'illusion' that he is giving instructions . . ." [12] The president is invoked. He has been elected by a national constituency, represents the national will and purpose, commands the largest, most comprehensive view of the national interest, has constitutional responsibility for the direction of foreign policy and command of the armed forces, and, as the head of state as well as the head of government, commands the authority, respect and reverence which a secular state in a secular age invests in the highest office of the land. He can generate the majesty associated with a sovereign power and the mystique associated with the attitudes that develop around those thought to possess the esoteric knowledge and skills associated with a unique calling.

When Henry Kissinger told the assembled WSAG members that the President was under the "illusion" that he is giving instructions he was, of course, mocking them. The implication was clear; some or all of them were not following the president's instructions. The presidential will was being thwarted. The man at the top had declared his policy but it was not being implemented. At best, there was a withdrawal of affect and efficiency, at worst subversion and sabotage.

The instruments of the president's will are the president's men organized in staffs in the White House, elsewhere in the Executive Office and, hopefully, in the bureaucracies engaged in the conduct of foreign policy. In the imperative mode of coordination, an essential component of effectiveness is to be close to the president and the most recent recipient of his views. President's men are, for the most part, "can-do" policy intellectuals, in-and-outers drawn from the academy, the law, investment houses, business firms, and journalism, whose knowledge of foreign affairs is usually of a general kind. Their appointment arises out of the president's confidence that they share his preferences and their continuance in service depends upon the president's pleasure.

Under imperative coordination, coherence is introduced by the president and the president's men who are depicted as the bearers of the public interest in domestic affairs and of the national interest in foreign affairs. This depiction made considerable sense in the days of Harry Truman, when a relatively weak president confronted great baronies which controlled large blocks of power. If presidential power and direction were to replace bargaining equilibriums with coherence, a relatively symmetrical distribution of power had to be replaced by a more asymmetrical one favoring the president, and this began to happen.

As Truman gave way to Eisenhower and Eisenhower gave way to Kennedy, presidents became, relatively, more powerful and barons less. "Bargaining advantages" were, increasingly, held by the president and his men. In the policy arena of foreign affairs particularly, Congress and its leadership surrendered the bargaining advantages that lay at the roots of their power. In the federal bureaucracy, officials who offered non-presidential alternatives, or more commonly, suggested the costs and dangers associated with presidential decisions and strategies, became increasingly suspect.

Presidents came to live in a world of asymmetrical power relations, isolated from the kind of peership and collegiality that sustain argument and rational discourse and free from the restraints that competition and bargaining among actors in a political market provide.

Relying on the president for coherence made certain assumptions about him: his voice spoke

[12] The *New York Times*, January 6, 1972, p. 16.

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for the people; his will expressed the national interest. But these assumptions proved at best only partially true. The president had his own political interests. The search for "immediate gains visible during the current term," [13] the personal desire for honor and historical immortality, and the need to prove himself politically and personally too often lead to an activism divorced from the national purpose and interest.[14] Proponents of presidential power lament the fact that presidents are deeply engaged in partisan and personal politics but see no alternative to imperative coordination by the president and the president's men in the conduct of foreign policy. "One may argue against enhancing Presidential influence because of mistrust of a particular Oval Office occupant, or a more general belief that the potential dangers of executive power outweigh the benefits it can bring. But to do so would, for all practical purposes, be to renounce the aim of coherent policy altogether." [15] The argument for deliberative coordination below takes the dangers of executive power seriously but establishes a framework in which coherent policy is possible.

Deliberative coordination is the product of informed argument, rational persuasion and bargaining among professionals representing diverse interests in a context mandated to consider common problems and recommend joint solutions. In invoking the word deliberative we mean to emphasize organizational arrangements and procedures that are characterized by careful and thorough consideration of the matter at hand, a concern for consequences, and attention to the reasons offered for and against proposed measures. A necessary condition for deliberation is collegiality and the peership it generates. There is a direct relationship between the quality and effectiveness of deliberation and the degree of equality that characterizes those engaged in it. Governments are, of course, organized as hierarchies and appointed officials are and ought to be subordinate to elected officials. In the executive branch, the only elected official is the president. At the same time we are concerned to mitigate the costs associated with administrative hierarchy and presidential power and to gain some of the benefits associated with deliberation among professionals. If presidents are able to practice imperative coordination without any attention to the benefits of deliberative coordination, the conduct of foreign policy will be devoid of the kind of knowledge and accountability available to lawyers, legislators, politicians, academics, many professionals other than lawyers, and, in some measure, to participants in formal organizations such as businesses, labor unions, churches, etc. While it may be true that there is no other office like the President of the United States and that this uniqueness is enhanced with respect to his responsibility for the national security, it is also true that the conduct of foreign policy involves the use of knowledge, skills, experience and judgment that are not the special or unique possession of the president.

The benefits of deliberation in professional life are needed in the conduct of foreign policy. Lawyers are licensed professionals who carry on their work in the context of judicial processes that require adversary procedures. They must write briefs and make arguments that are disciplined by the precedents the law provides and the arguments of their opponents. It is a process that involves deliberation in the sense that we have described it. Legislators engage in the rational examination of proposals in committee, in reports and, to an extent, on the floor through debates and conference procedures. Politicians produce and debate platforms and defend their own record and attack their opponent's record. Legal, legislative and electoral processes require licensed or qualified practitioners to engage in deliberation. In academic life, the work of scholars is scrutinized by other scholars; scholars debate the validity of the arguments and findings of their colleagues and are held accountable by a deliberative process for the knowledge they produce or transmit. Doctors are held accountable by specialized medical boards and by malpractice suits brought by patients in courts. By contrast, presidents in their conduct of foreign policy have been relatively unconstrained by deliberative processes found in professional and organizational life. Yet the conduct of foreign policy requires knowledge, experience, skills and judgment comparable to those found in professional and organizational life outside the foreign affairs government. Such knowledge and experience is available in the foreign policy bureaucracy. Our arguments for deliberative coordination and our prescriptions for organizational and procedural means to realize it are designed to make their benefits available.

There are family resemblances and differences between the "governmental pluralism" relevant for foreign policy and the interest group pluralism relevant for domestic politics. These comparisons have important implications for our discussion of deliberative coordination. Interest group pluralism in the domestic policy arena powerfully counteracts the hierarchical authority and asymmetrical power relations of the presidentially dominated executive branch. Our recommendations are designed to institutionalize in foreign policy the relative equality of bargaining that characterizes interest group pluralism in domestic politics. Interest group pluralism in the making of domestic policy involves an interaction of groups and their congressional allies in the decision making process designed to foster outcomes favorable to their interests. Groups with more resources and

[13] I.M. Destler, *Presidents, Bureaucrats, and Foreign Policy*, (Princeton, Princeton University Press, 1972), p. 87.

[14] Morton Halperin, *Bureaucratic Politics and Foreign Policy*, (Washington, The Brookings Institution, 1974), Chapter 4, "The Presidential Interest."

[15] Destler, *Presidents*, pp. 89–90.

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effective leadership do better than groups with less; those without resources and leadership remain unrepresented. Groups bargain to produce compromise settlements. Losers, groups that find compromise settlements unsatisfactory, can attempt to expand the scope of conflict, bring other groups into the arena of those immediately concerned and establish a coalition with a better prospect of "winning".

But there are important differences that distinguish interest group pluralism characteristic of domestic policy formation and governmental pluralism characteristic of foreign policy formation. One is the nature of the groups constituting the pluralist universe. Another is the nature of the process shaping policy outcomes. The groups active in interest group pluralism "represent" domestic producer and consumer interests capable of mobilizing electoral and other forms of support. The groups active in governmental pluralism are bureaucratic actors within the executive branch who "represent" expert knowledge and experience on the one hand and bureaucratic interest on the other. Organized interests outside the federal bureaucracy play some part in foreign policy formation but, relative to the domestic policy arena, their influence is marginal and their participation sporadic.

It is this difference that makes it possible to distinguish between interest group pluralism in domestic policy formation and governmental pluralism in foreign policy. *This difference profoundly affects the nature of bargaining. Whereas in domestic policy, bargaining occurs among relatively equal actors, in foreign policy formation the actors, in so far as they are affected by administrative hierarchy and operate in the shadow of presidential power, are relatively unequal. The kind of informed argument and rational persuasion that can occur under conditions of relative equality is more difficult to realize in the context of governmental pluralism when asymmetrical power and authority relationships inhibit or vitiate deliberative coordination.*

A second difference that distinguishes interest group pluralism in domestic policy formation and governmental pluralism in foreign policy is the relatively greater importance of professional knowledge, judgment and accountability for foreign policy formulation, choice and management. This is not to say that professional knowledge and judgment are not an important component in the formulation and implementation of domestic policy. The difference lies in the relative weight accorded in domestic policy to bargaining shaped by trade-offs, compromises and coalitions based on interests and the weight accorded in foreign policy to bargaining shaped by professional knowledge and experience. It is this difference that establishes the resemblance between the conduct of foreign affairs and the modes of deliberation characteristic of the professions and of scholarship.

If deliberative coordination is to occur within the context of the governmental pluralism that characterizes foreign policy, conditions comparable to those that prevail in private professional domains are required. Institutional means and a psychological climate must be found that enable actors to "coordinate" on the basis of informed argument, rational persuasion, and organizational accountability. Our prescriptions and recommendations are designed to strengthen such conditions. If governmental pluralism is to avoid the costs depicted in our discussion of imperative coordination and is to benefit from the advantages of deliberative coordination, organizational and procedural arrangements that allow relatively equal professional actors to deliberate are necessary.

It should be clear from the discussion so far that *coordination, whatever its characteristics, is not an unmixed blessing.* There are costs associated with coordination and these can be understood in terms of the relative success or failure of efforts to coordinate policy formulation and management. "Costs" is a neutral term that implies more or less and is associated with benefits. Costs can also be understood in terms of pathologies of administration, particularly those associated with coordination. *For example, clearance, formally designed to foster coordination by informing or involving relevant actors, becomes a pathology when it fosters delays and excessive caution, takes the edge off good proposals, muddies priorities and blocks timely action.* As pathology, clearance feeds the propensity of presidential actors to practice imperative coordination, to move the action up and out of the State Department to the Executive Office or White House level. In order to insure timely action and to block those with stakes in the issue from mounting counter-mobilizations and widening the conflict to gain added support, presidents and president's men practice counter-pathologies such as non-consultation with informed officials close to the problem, the creation of "closely held" or "tightly held" decision contexts, and secrecy directed against other governmental actors. Other pathologies follow. Bypassing clearance and deliberative modes of coordination generates an underground form of clearance and deliberation in the form of leaks which introduce new or suppressed information and generate advocacy and argument.

Decision making for the abortive Bay of Pigs operation in Cuba provides a striking example of the pathology associated with imperatively coordinated closely held decisions. Roger Hillsman, then the Director of Intelligence and Research at State knew nothing of the planned Cuban invasion. Overhearing a remark by the then Director of the CIA, Allen Dulles, he asked Secretary of State Dean Rusk about it. Rusk told him not to inquire further because "this is being too tightly held." State's

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Cuba Desk Officer, Robert Hurwitch, was equally in the dark. "There was, in my judgment," Hurwitch says, "a divorce between the people who daily or minute by minute had access to information, to what was going on, and the people who were making plans and policy decisions." [16]

The Bay of Pigs paradigm points to a more general pathology associated with secrecy and imperative coordination, the growth and operation of a "them and us" division of the world. President's men in the context of the bureaucratic struggle often regard actors in the non-presidential domain as "natural enemies" of the president,[17] identify the president's political interests with the national interest,[18] and believe that foreign policy officials, however expert, are cautious, *status quo* oriented and concerned to maintain good relations with clients of the moment.[19] The operating rule seems to be that the more we know and the less they know the better. In this context, information and advocacy, instead of promoting deliberative coordination, become weapons in a political struggle within the federal executive.[20]

B. AN EVALUATION OF OPERATIONAL MEANS FOR COORDINATION

Our discussion of coordination in terms of imperative versus deliberative has been at a fairly general level. *There are operational means associated with particular forms of organization and procedure that require evaluation in the context of our typology.*[21] *Among the operational means advanced for insuring coordination is good management either in the form of a single high level official charged with "management" or a programming system designed to relate the allocation of resources to the realization of tasks and objectives, or both. The well documented history of the relative failure of management strategies to produce better coordination provides ample reason to doubt their efficacy.* Among the lessons is the impossibility in the conduct of foreign policy of separating management from policy. Formal rationality, i.e. the effort to establish the most efficient relationship between means and ends, makes most sense when the goals of an organization are relatively clear and its tasks can be routinized. Put another way, the manipulation of organizational roles, tasks, and resources with a view to maximizing output and minimizing input can be most efficiently accomplished when outputs are tangible, simple, and predictable. The conduct of foreign policy is at the opposite extreme from the routine and repetitive production of a known product. It involves goals and actions that are, relatively, non-repetitive and therefore not easily subject to routine procedures and solutions and it is directed to an environment which is subject to frequent and often radical transformations, including those produced by the feedback effects of policies pursued and actions taken.

Another operating level procedure designed to foster coordination is comprehensive formal policy guidance. From the Eisenhower administration's BNSTs (Basic and National Security Policy Document) through the Nixon administration's NSSMs (National Security Memorandums) and, for a time, including foreign policy messages to Congress, formal policy guidance has constituted an important part of the effort to coordinate foreign policy. The record has not been encouraging. Such documents are too often overrun by events and cannot take account of or anticipate those particulars of a situation decisive for decision or action. Foreign policy messages in particular are often euphemistic, less than frank, or deliberately misleading in their effort to influence external or internal publics and actors. A great deal of effort has been invested over the past fifteen years in preparing such documents. More can be gained, we argue, from line officials close to operations directly and continuously exchanging views.

Standing inter-departmental committees constitute yet another attempt to coordinate foreign policy. Because they constitute an effort to capture the advantages of deliberative coordination by establishing collegial contexts for discussion and decision, we find the idea and the practice of the inter-departmental committee attractive. At the same time, the history of inter-departmental committees in the decade under review reveals problems and tendencies which require change in doctrine and practice. Unfortunately, the more serious the issue and the higher the level at which it is discussed, the less likely is it that appropriate interests and spokesmen capable of collegial interaction and deliberative coordination will be represented. When the fundamental purpose of an inter-departmental committee is to serve the president's will and preferences, then hierarchical behavior will govern discussion, procedure and outcomes, and membership will re-

[16]Quoted in Henry Raymont "Kennedy Library Documents, Opened to Two Scholars, Illuminate Policies on Cuba and Berlin," The *New York Times*, August 17, 1970, p. 16.

[17]Richard Neustadt in *Presidential Power* argued that to some extent the executive departments, and their heads, are by the very nature of their functions, "natural enemies" of the president.

[18]Morton H. Halperin, *Bureaucratic Politics and Foreign Policy*, p. 63 and, more generally, the facts and arguments adduced in Chapter 4, "Presidential Interests."

[19]See I.M. Destler, "Country Expertise and U.S. Foreign Policy Making: The Case of Japan," The Brookings Institution, General Series Reprint 298; Destler, who credits the characterization, is surprised that the experts did so well in arranging Okinawa's "reversion" to Japan, and prescribes strengthening the president's hand further even while recognizing that the State Department has "the organizational depth and breadth to bring coherence to a wide range of U.S. foreign policy" if presidents, who "do not feel the Department is their own," would stop feeling that way and provide support. P. 551.

[20]See also Leon V. Sigal, *Reporters and Officials; The Organization and Politics of Newsmaking* (Lexington, 1973).

[21]For two different perspectives on the problem that inform our view see Destler, *Presidents, Bureaucrats and Foreign Policy*, Chapter seven, and John F. Campbell, *The Foreign Affairs Fudge Factory* (Basic Books, 1971), Part 2.

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flect presidential pleasure. If, on the other hand, committees are designed to foster deliberation among knowledgeable and interested actors, there is some prospect that collegiality will orient the norms governing discussion and decision.

The inter-departmental committee as a means to broadcast presidential preferences and to gain compliance with them is captured by Henry Kissinger's remark, previously cited, at the meeting of a leading inter-departmental committee, the WSAG of December 3, 1971: "The President is under the 'illusion' that he is giving instructions . . ." The record as far as it is known of decision making in connection with the Cambodian invasion of 1970 suggests an even more dramatic conclusion, that interdepartmental committees can be fictional constructs that misleadingly imply consultation: The president sat with himself totting up pluses and minuses on yellow pads and preparing a speech for television without serious consultation with responsible advisors. He told the nation on April 30, 1970, that the Cambodian action was directed at "the headquarters for the entire Communist military operation in South Vietnam." No such communist headquarters was found by the attacking forces, an embarrassment the president might have been spared if he had consulted with almost any State Department official with Southeast Asia experience.

What is constructive about the inter-departmental committee is its potential for deliberative coordination. What is problematic about it is its susceptibility to exploitation by those willing and able to practice imperative coordination. So long as the inter-departmental committee system is dominated by the presidentially oriented National Security Council it remains too susceptible to presidential influence and manipulation. Insofar as it does coordinate deliberatively as well as imperatively, it is often over-weighted with representatives of the Department of Defense interests, particularly those of the services and the joint chiefs. If the conduct of foreign policy is to be political in the best and most comprehensive sense and to be coordinated by deliberative means, a high level committee dominated by State and drawing its membership mostly from within State is required. *This leads us to the final practical means of coordination, organizational integration.*

The proliferation of mini-state departments throughout the executive branch has created the most serious problem for the coordination of foreign policy. An observation of the Jackson Subcommittee captures what is at stake here: "The National Security Council was chiefly the inspiration of James Forrestal, who wanted to enhance the defense role in peace time policy making . . ." [22] The domestic departments, Treasury, Agriculture, Commerce, and Labor, with major overseas operations also have succeeded in establishing organizational enclaves and procedural requirements to represent their interests in the conduct of foreign policy. The military services and the Department of Defense argue that because they have enormous stakes in the conduct of foreign policy their interest and outlooks should be represented organizationally and procedurally. Many domestic departments and agencies argue that their responsibilities and constituencies generate or involve major U.S. international objectives. These are clear instances of the tail wagging the dog. However elusive a term the national interest is and however contingent and problematic the relationship between domestic and foreign policy, the conduct of foreign policy should aim at something other and greater than the interests of particular federal bureaucracies.

The organization of the government for the conduct of foreign policy has proliferated in ways and to a degree that have, on the one hand, dwarfed the State Department and on the other created problems of scale and complexity of an unnecessary and counter-productive kind. State Department primacy in the conduct of foreign policy and the radical reduction or elimination of non-State units now engaged in foreign policy activity can be achieved by a strategy of modified organizational integration. What is entailed by such a strategy includes making representation overseas a State Department function with the needs of other departments and agencies met by international travel and the deputation of State Department personnel; making routine gathering and evaluation of intelligence a State Department function; eliminating non-mission connected intelligence activities by the military services and the Defense Intelligence Agency; dismantling of the USIA; furthering the movement of development assistance activities into multilateral agencies; dismantling the Office of the Assistant Secretary of Defense for International Security Affairs and providing the Secretary of Defense with a high level political advisor seconded from the State Department; cutting back the number of personnel serving in the Office of the Secretary of Defense, the Joint Chiefs of Staff and the headquarters staffs of the Army, Navy, and Air Force departments; and dismantling the Bureau of Political Military Affairs in the Department of State. In these and other ways the objective should be to reduce the scale and complexity of the foreign affairs government throughout the executive branch and to restore to a leaner State Department primacy for the formulation and the conduct of foreign policy. In such a context, an Assistant Secretary Policy Planning Council, which will be discussed further in the recommendations section, may be able to make deliberative coordination work.

Our preference for organizational integration as a practical means for furthering coordination is not

[22] Jackson Subcommittee, "Basic Issues," in *Administration*, Staff Reports, p. 9, quoted in Destler, *Presidents*, pp. 84–85.

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unqualified. As we will make clear elsewhere in this report and in the recommendations, we recognize the need for insulation of policies with long run time frames and of programs dealing with activities that require autonomy. Specifically, certain economic policies and programs and activities associated with education and culture should be insulated from the usual pressures associated with the political struggle and the need for leverage.

IV. A Closer Look at Complexity

Differences in the manifestation of complexity can be specified in terms of 1) organizational levels; 2) variations in time-frames; 3) functions expressed in policies and programs; and 4) regional contexts, including variation within and among them. Each manifestation of complexity dynamically intersects with the others in continuously varying contexts. We conclude our discussion of complexity with an examination of variations in the types of diplomacy used by officials to manage complexity, i.e. normal diplomacy, crisis management, and strategic diplomacy.

A. LEVELS

We categorize the complexity of levels in terms of global, regional, and bilateral. The categories capture and organize discernable differences in organization, procedure, and action in the conduct of foreign policy. Global perspectives and activity are associated with roles in presidential organizations (e.g. White House assistants and staffs, National Security Council, etc.) and with roles at the highest departmental levels, such as the "Seventh Floor" at State and the Office of the Secretary of Defense. Regional perspectives command fewer roles and organizational resources than global and bilateral. The regional bureaus in State and mini-regional units in other departments such as DOD's ISA capture the regional category but in a form diluted by the location of responsibilities at the bilateral level. The bilateral category is organized in the country director system in Washington and in embassies abroad.

The presenting problem for complexity manifested in levels is the parochialism associated with each level. How can each level be given its due in the face of differences of priorities, agendas and claims on resources?

Conventionally "parochialism" is a term of opprobrium that designates a narrow or exclusive attention to local concerns. Parochial officials are thought of as those who confine their attention to a country and have difficulty looking beyond bilateral relations and the needs of clientelism. They are thought of as parochial because they fail to relate their "client's" concerns to the broad framework of U.S. national interest.

Client parochialism is not the only form of parochialism. Global parochialism is another. The wide-angle vision of the global perspective loses particular information and detail. Its lens focus blurrs intra-regional linkages and country issues. This loss of information about proximate causes and presenting issues detracts from the adequacy with which foreign policy is conducted. The "mere" details seen by the bilateral and regionally oriented observer have critical implications for the global perspective even as the global vision indicates judgments and actions that regional or country perspectives may ignore or discount.

Parochialisms are theories about the world of foreign policy. As more or less articulated and systematized theories, they furnish the minds of key actors by identifying for them entities, processes, and relationships and by shaping the way they know and explain what happens. Parochialisms as theories generate an observational language that establishes what counts as a fact and as a mistake and supply criteria for proof and validation. For example, when the "structure of peace" is defined in terms of "balance" among the super powers and in terms of "linkage" that relates regional and lesser states to them in subordinate and reflexive relationships, those who conduct foreign policy are constrained to perceive and explain what they are doing and why they are doing it in these terms. As Gerald Heeger and Stephen Cohen suggest in their studies, such a definition of the structure of peace constitutes global parochialism. It creates a frame of mind among middle level actors in Washington and the field that lowers the salience and relevance of countries not essential to the hypothesized "global system," invites selectivity in reporting the facts and skews recommendations to fit the theory.

Too exclusive reliance on any one perspective, global, regional or client parochialism, is likely to jeopardize the conduct of foreign policy by divorcing it from "reality." As the Secretary of State, in an interview with James Reston, put it: "In the Bureaus—in the geographic bureaus—the relationship between a more conceptual approach and a more operational approach has not yet been fully balanced." [23] The cure for giving undue weight to any one parochialism is not to give undue weight to another. *What is needed theoretically and institutionally are middle range concepts and organizational arrangements that mutually engage global, regional and country perspectives in the formulation of the national interest.* Deliberative coordination as we have defined it above and as we operationalize it below provides a context and a process for involving the regional bureaus and the embassies in policy plan-

[23] The *New York Times*, Sunday, October 13, 1974.

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ning and management in ways intended to give each level its due.

B. TIME

The time dimension of complexity is characterized by the critical contrast between simultaneous events and relationships on the one hand and sequential events and relationships on the other. Simultaneous or synchronic time conceptualizes complex events and relationships in a limited time frame and ignores historical antecedents. Diachronic or sequential time conceptualizes complex events and relationships as they occur or change over a period of time, i.e. historically. The fact that things happen all at once, that they happen together, is a very important and problematic condition for the conduct of foreign policy. Simultaneity creates opportunities on the one hand and difficulties on the other. Opportunities have to do with positive forms of coordination such as creating complementary and reinforcing relationships within and among functional arenas and transferring or translating resources to provide leverage. *Simultaneity creates difficulties because the finite nature of human and organizational capacities cannot respond to and process an infinite number of claims. Which claims should be given priority in the allocation of attention, resources, and action?* Simultaneity requires simplification. It is achieved by theories (world views) and concepts on the one hand and priorities, agendas, and routines on the other that structure perception, organization and action.

Diachronic time or the sequential occurrence of events and relationships over a period of time poses equally difficult challenges for the conduct of foreign policy. The "half-life" (by analogy from a technical term in atomic physics that refers to the time required for half of the atoms of a radioactive substance present to become disintegrated) of the events and processes that constitute the substance of international politics varies enormously. The visitations of world statesmen, international kidnappings and border skirmishes have short half-lives, the development of weapon systems and the consumption of world resources have longer ones. The challenge here is how to order priorities among policies and programs with different half-lives, short term (one month to one year), medium term (one year to five years), and long term (five years and more). *The great problem that diachronic time poses for the conduct of foreign policy is the propensity for high level actors to concentrate attention and resources on problems of the short term at the expense of policies and programs directed to the medium and long term. Known as leverage, it concentrates all available means on the solution of an immediate problem.*

The durability of the half-life of presenting problems and the policies directed to meet them creates an opposite kind of complexity. Long run policies and programs such as those associated with global strategies, weapon systems and "facilities," because they are thought to entail particular commitments and arrangements with other states, inhibit or preclude short run or medium run responses sensitive to the facts and requirements of the moment.

Coordination of the complexity associated with diachronic time is most problematic in relationship to balancing the claims of the short run against the medium and long run. Because presidents and presidents' men are peculiarly sensitive to the timing of elections, the vagaries of poll support and the current state of the domestic political struggle, their sense of time gravitates to the short run with consequences that are often problematic for the generation or selection of information and the range of policy options actually considered. Presidents, of course, must be sensitive to elections, to polls and to maintaining their political ascendancy if their conduct of foreign policy is to be accountable to public opinion and the voter. At the same time, *the coordination of complexity associated with variability in the nature and consequences of time can be strengthened by heightened consciousness of the risks and costs of sacrificing the medium and long term to the short term and by efforts to devise policies and construct programs that insulate medium and long term objectives from the political struggle at home and abroad.*

C. FUNCTIONAL COMPLEXITY

Another dimension of complexity is to be found in the variety of activities pursued by the USG in a region. Complexity of governmental functions in a region is distinguished from regional complexity (discussed below) expressed in the variety of circumstances that characterize regions and the states that compose them and from the intra-organizational complexity that characterizes the missions and country teams in the region. Here we are concerned to explore within a regional framework the complexity that arises from the pursuit of a variety of functions and the programs and policies associated with them. The functional arenas to be considered here, primarily in a field context, are military, economic, intelligence, information and culture.

The U.S. foreign policy "government" for South Asia and its environment have undergone considerable change during the decade under review. The decade reveals major changes in players, motives and plot, such as the appearance of Bangladesh and changes of regime, leadership or governments in Pakistan, India and Sri Lanka. Even so, *there have been some enduring and critically important characteristics. Among them are the relatively low level of U.S. private investment and commercial activity.* Investment in South Asia

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represents a small fraction of total U.S. investment abroad and the states of South Asia are not among America's major trading partners. Nor are there, with some important exceptions, major natural or scientific and technological resources located in South Asia that are vital to U.S. economic or security interests. *As a result of these circumstances, Treasury, Commerce, and Labor have not had important stakes in the region, nor have firms, industries, and organized economic interests and their allied Congressional committees played an active role in the regional government.* In the heyday of bilateral and multilateral development assistance, particularly with respect to consortium and IDA loans managed by the World Bank, Treasury was, of course, actively involved, but such activities have tapered off sharply in recent years. Such circumstances contrast markedly with, for example, the circumstances associated with the regional government for Latin America.

The major problems associated with the coordination of functional complexity in South Asia over the 1965–1975 decade have involved policies and programs related to security and economic relations. By the end of the decade both types of programs had markedly declined. DOD, CIA, AID, and USDA, at the beginning of the decade, had important stakes in the region; by its end they no longer did, or at least not stakes of the kind that existed in the 1960s. The Sino-Soviet split followed by polycentrism and then detente with the major communist powers led to the dissolution of the containment policy and, *de facto,* put an end to accompanying treaty arrangements that affected South Asia, CENTO and SEATO. At the opening of the decade AID was engaged in administering large scale development assistance programs but by its end it had closed up shop in Delhi, for a time its largest recipient, and was doing business elsewhere in the region within the framework of a much reduced U.S. aid budget. USDA which, in the 1960s, in the context of agricultural surpluses served producer interests by sending billions of dollars and millions of tons of concessional food aid to the subcontinent, in the 1970s, in the context of scarcity, serves the same interests through high price commercial sales. USDA's interest in sales for hard currency reduced its stakes in South Asia compared to those it held in the days of domestic and world surpluses.

With the closing of the U-2 base in Peshawar and other facilities in Pakistan, the CIA and DOD no longer had the kinds of vital stakes they once did. The conflict between the interests of the military and intelligence bureaucracies, which required good relations with Pakistan, and the aid and food bureaucracies, which, while not indifferent to good relations with Pakistan, required good relations with their principal client, India, had subsided, fueled at best by the legacies and memories of the earlier era. For example, the resumption of military sales to Pakistan in 1975, while in part arising from the legacies of the earlier era, was argued and promoted by a rather different constellation of actors and done for a different reason (having to do primarily with domestic politics in Pakistan) than the large scale military aid programs of the period prior to 1965.

Changed world views, captured in strategies and slogans, have affected the content and structure of functional complexity in South Asia. The romance and promise of third world development, the humanitarian concern to help the needy and the efforts to insure peace in the long run by a more equitable distribution of world resources, like the strategies of containment or counterinsurgency to promote U.S. security, are now challenged by doctrines of "triage" and "life-boat," detente with Russia and China, and threats to counter "strangulation" with force. In South Asia the presenting problems of the 1970s are defined by the geo-politics of the Indian Ocean, particularly its relation to Middle East oil, and by nuclear proliferation. Also present but of lesser concern is the fate of agricultural and industrial development in third world countries faced with quadrupled oil prices. Under these new circumstances the DOD, particularly the Navy, and ACDA have developed major stakes in the region. U.S. agencies active in formulating policy and funding for multilateral efforts to assist South Asian states to finance the import of critical resources, such as Treasury and State's Bureau of Economic and Business Affairs (EB), or those active in food policy, such as USDA, AID, and, not least, the Secretary of State and his staffs, also are among the actors that constitute the new dimensions of functional complexity in the South Asian government.

The process of decline and transformation is also apparent with respect to information and cultural functions. The USIA "presence" varies somewhat by country but its influence and impact are well below that which prevailed at the beginning of the decade. How much the decline in demand for library services, speakers, and performing arts is related to the decline in supply and quality resulting from severe budget cuts and how much from indifference and hostility to American cultural products is hard to determine precisely. But there can be little doubt that the decline in the influence and impact of USIA programs is related to negative public responses to U.S. policies and consequently to America's reputation and appeal. A similar fate has affected State Department programs such as those that deal with Fulbright and Visitor Exchange. The 1967 revelation concerning indirect CIA funding of labor, student, research, and cultural organizations did considerable damage to them and, more serious, contributed to a climate of opinion which makes it possible to accuse with impunity any U.S. citizen or organization of CIA connections. The decline in America's reputation and appeal also affected the Peace Corps, whose program in India in the mid-60s was once its largest. GOI policies, reflecting a

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growing tendency towards cultural nationalism, exacerbated the decline of U.S. people to people programs. They forced the closing of U.S. (and other) libraries-cum-cultural centers and, for a time, cut the flow of U.S. (and other) visitors, academic programs, and scholars to a trickle. The nadir for U.S. cultural policy and programs was probably reached in 1971, when USG policies and actions alienated Indian, Pakistan and Bangladesh governments and public opinion. The Joint Commissions for trade and commerce, science and technology, and education and culture established at the time of the Secretary of State's October, 1974 visit to India reflect an upturn in the prospects for people to people diplomacy and promise further reconstruction of cultural relations.

The record of functional complexity in South Asia makes clear the difficulty of reconciling the divergent interests of USG actors in the region. The "government" for South Asia in Washington as well as in the region, lacks the means to coordinate functional complexity. Its reconstruction should include organizational integration focused on the State Department, particularly the scaling down or elimination of policies, programs, and operations outside State's direct control. The creation of contexts for deliberative coordination in the field and in Washington will also be helpful. Finally, insulation of medium and long term interests in multilateral economic agencies and autonomous governmental units or quasi-private organizations for cultural and educational programs and for the Peace Corps can inhibit if not prevent the kind of precipitous declines in receptivity for such programs that occurred in South Asia over the past decade.

D. REGIONAL COMPLEXITY

A presenting problem for the consideration of regional complexity is that regions as policy arenas are not adequately recognized nor organizationally articulated in the bureaucratic structure of the USG. Regions require organizational articulation because they are the most frequent source of international crisis. Present policy mechanisms are oriented to bilateral or global rather than regional policy formulation and management.

"Regional governments", particularly in their field dimension, are the least articulated and organized interests among those represented in governmental pluralism. By regional governments we mean the network of U.S. bureaucratic interests and actors that deal with the South Asia policy arena. Organizational actors are physically divided between those in the field and those in Washington, and each set is normatively "divided" by the claims of other orientations and roles. In Washington, the authority and bargaining advantages of bilateral and global actors and, in the field, the authority and bargaining advantages associated with ambassadors, country teams and specialist roles tend to be superior to the authority and bargaining advantages of actors concerned to articulate regional problems and policies. Among the states of the region, regional identities and institutions are, relative to national, also weakly articulated and organized.

Another presenting problem for regional complexity is the diversity of field environments within regions. The states of South Asia are complex in a variety of dimensions: regimes with different ideologies, governments with different policies, cultures with different ways of life, and economies with somewhat different needs and possibilities.

In Washington, South Asia is officially defined by two country directorates in a regional bureau of eight country directorates. One deals with Pakistan, Afghanistan, Bangladesh (NEA/PAB); another with Bhutan, India, Maldive, and Sri Lanka (NEA/INS). This composite regional bureau encompassed six additional Near East country directorates (including the North African Arab states); three deputy assistant secretaries, only one of whom, usually, is responsible for territorially defined South Asian affairs, and a regional affairs unit (NEA/RA) responsible for a variety of functional policy arenas.[24] A number of other actors can be located within the loosely defined boundary of South Asia regional government: actors at the Under Secretary level and other seventh floor units such as the Policy Planning Staff (in the Department of State); the Office of South Asian Affairs in AID's Bureau for Near East and South Asia (AA/NESA) and a variety of other AID functional units at various levels; and territorially defined South Asia units or functional units with South Asia concerns in the Executive Office of the president, including the White House, the National Security Council, the Central Intelligence Agency and the Office of Management and Budget; the Arms Control and Disarmament Agency; the United States Department of Agriculture; the Department of Commerce; the Treasury Department; and a variety of statutory, administrative and *ad hoc* interdepartmental committees.[25] Especially important in the environment of Washington USG actors dealing with South Asia policy are the ambassadors and embassy officials of South Asian states.[26]

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[24]For the country directorate system generally, see William I. Bacchus, *Foreign Policy and the Bureaucratic Process; The State Department's Country Director System* (Princeton, Princeton University Press, 1974).

[25]Interdepartmental committees active in the South Asia policy arena are depicted in the case studies printed elsewhere in this appendix, particularly those by Bjorkman, Kochanek, and Moulton.

[26]For a study of the role of ambassadors and embassy officials in the Washington environment see Roger Sack and Donald L. Wyman, "Latin American Diplomacy and the United States Foreign Policy Making Process" study for the Commission on the Organization of the Government for the Conduct of Foreign Policy, December, 1974, printed in Appendix I to the Commission's Report.

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These field, environmental and Washington characteristics of regional complexity are obstacles to the articulation of the regional idea and reality in organizational and policy terms. The coordination of regional complexity involves in the first instance improved institutionalization of the regional dimension. Several of our recommendations are designed to meet this necessary condition.

Most of the troubles with which the conduct of foreign policy has to deal arise in the relations among neighboring states. Distance under the technological conditions of modern warfare is a decisive deterrent to war among non-neighbors. Only the two super powers can easily and readily fight wars against non-neighbors, or make it possible for others to do so. *But the weak and amorphous nature of regional government limits its capacity to deal with crises of this kind, those that arise regionally from tensions and conflicts among neighboring states.*

Policies and programs too are rarely formulated and implemented in regional frameworks yet policy needs and problems, like crises, are often region specific. Variations among regions are greater for the most part than variations within regions; data that measure and organize regional characteristics and problems are often a better guide for policy formulation than aggregative world data designed to capture and define policy needs in arenas such as population, food, resources, trade, and science and technology. More important, regional needs and problems, unlike world needs and problems expressed in disembodied and abstract terms, can be connected to political forces and actors, to people on the ground with ideologies, policies and interests.

Our formulation of the nature of regional complexity and the problems for the conduct of foreign policy associated with it point to the need for conceptual, organizational and procedural reforms designed to strengthen regional government.

E. COMPLEXITY MANAGEMENT

Like policy, complexity has to be managed if it is to be coordinated. In this section, we distinguish, characterize and evaluate three types of complexity management, normal diplomacy, crisis management and strategic diplomacy.

By normal diplomacy we refer to those activities and tasks (e.g. political reporting; lateral clearance) which recur on a fairly regular and predictable basis even though their substantive content may be subject to rather large variations. By crisis management we refer to responses to events which threaten peace and security, particularly those that have a high saliency for U.S. interests. Unlike normal diplomacy, crises are unpredictable (although, of course, some can be anticipated). Strategic diplomacy deals with the relationships among the great powers, including the rare but significant occasions when fundamental realignments occur. It is exemplified by the opening to China and the deepening of detente with the Soviet Union. Strategic diplomacy involves, then, the orientation and reorientation of great power relationships in the attempt to shape and manipulate the balance of power at the global level.

There are certain organizational implications that follow from these analytic distinctions. In the repertoire of organizational resources available for the conduct of foreign policy, some organizations are more suitable for one or several types of diplomacy and less suitable for others. Clearly, normal diplomacy is in the first instance the responsibility of the Department of State and U.S. embassies abroad. Strategic tends to be "presidential." The White House offices, including particularly the assistant to the president for national security affairs and the National Security Council (which, *inter alia* engages the attention of the secretaries of state and defense, the chairman of the Joint Chiefs of Staff, the director of the Central Intelligence Agency, etc.) have been the home of strategic diplomacy. In between normal diplomacy and strategic diplomacy lies crisis management. While we are not aware of any quantitative studies that use these or like terms to establish a distribution of activity or resources as among these three modes of conducting foreign policy, crisis management probably occupies the largest single proportion of time for higher level ("White House") personnel in organizations concerned with the conduct of foreign policy.

Because one of the characteristics of normal diplomacy is the relatively high degree to which activities recur, regularity and predictability make it possible to subject tasks and activities to organizational routines. On a scale bounded by predictability at one end and randomness at the other, crisis management is the least stable, normal diplomacy the most. Strategic diplomacy is ordinarily fairly stable although subject to occasional abrupt change. What concerns us here is the suitability of organizational capacity to the type of activity involved in the conduct of foreign policy. Crisis management involves the most difficult and problematic area. Yet it is precisely here that shifts in the location of action tend to occur, i.e. there is a certain instability in the organizational responsibility for crisis management. Conversely, there is a certain stability in the relationship between organizations and the management of normal and strategic diplomacy.

When crises occur there is a general tendency for the action to move up and out of those levels of the state department that are country and regionally informed. Action moves from roughly the embassy and country director level beyond the assistant secretary to the seventh floor policy planning levels and out to the White House and National Security Council. Efforts have been made to stabilize

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these relatively unstable organizational responses by creating such entities as senior review groups (SRGs) and Washington special action groups (WSAGs), arrangements designed to unite White House generalists with State Department professionals. But these have been not entirely satisfactory; they have not operated, in South Asia, to overcome *several important undesirable effects* which *follow the movement of action up and out under crisis conditions.*

One is the separation of professional from generalist knowledge, another the conflict between professional authority and presidential power. People who know most about the bilateral and regional relations involved in a crisis tend to lose control of the action; people who know most about strategic diplomacy and the global balance of power and least about bilateral and regional relations gain control. The result is not only that different organizational actors become dominant but also that they impose on the understanding and the analysis of the situation a different vocabulary and a different world view. It is in this sense that there is a separation of knowledge and power. Crisis management as it has been practiced also distorts or disrupts the coordination of time and functional complexity by subordinating longer term policies and programs to an often undiscriminating use of leverage directed toward "winning" in the short run and by subordinating political goals and means to military.

V. Findings

A. CRISIS DIPLOMACY AND IMPERATIVE COORDINATION

The findings of the case studies in this report and our interviews in South Asia and Washington provide the bases for the organizational and procedural changes we recommend. Other often more detailed findings and additional recommendations can be found in the case studies. Here we present and analyze findings relevant for certain large issues in organizational change, drawing, where appropriate, on the cases for evidence and arguments.

Among our principal findings are: 1) Coordinating organizations and procedures of the Johnson and Nixon administrations failed to sustain compatible policies at the global, regional and bilateral levels. By unnecessarily subordinating regional and bilateral to global considerations, gratuitous losses were suffered in regional and bilateral relations. 2) The substantive failure of coordination among levels was related to the absence of organizational arrangements and of norms that adequately enlisted professional knowledge, experience and judgment. 3) Coordination under conditions of crisis diplomacy was effective but not successful because presidential initiatives, direction and control narrowed the scope of consultation and/or constrained deliberation in ways that blocked the appreciation of available information and options. The formulation and coordination of policy was relatively effective and successful under conditions of normal diplomacy because more collegial conditions supported deliberation and engaged bureaucratic interests and their professional knowledge. 4) Policies designed to further interests or achieve goals with longer run time-frames were less easily understood and justified than policies with short run objectives and more immediate benefits. Because the need for leverage to solve crises in the short run was especially suited to presidential needs for political effectiveness and success, policies and programs directed to the longer term were sacrificed to the requirements of leverage.[27] *5) Presidential preferences for closely held decisions and/or personal control of plans and operations blocked non-presidential, line officials from knowledge of operative assumptions relevant for related policy arenas and, in turn, cut off presidential level actors from information, arguments and options relevant to the closely held decisions or operations.*

We have categorized the studies of the conduct of foreign policy in South Asia over the past decade under two of the terms drawn from our discussion of the management of complexity: 1) crisis management and 2) normal diplomacy. (The third term, strategic diplomacy, plays an important but indirect role in the crisis management cases.) Two cases fall under the first category, eight under the second. The crisis management cases, Johnson's food aid policy of 1965–66 and the formation of Bangladesh in 1971, exhibit two characteristics: 1) the strongest possible presidential level involvement, assertion of presidential preference and will, and use of imperative coordination and 2) the absence of deliberative coordination in dealing with complexity (e.g. the absence of a balance between generalist and professional knowledge to promote the mutual appreciation of information, informed discussion and the representation of bureaucratic interests; between global, regional and bilateral levels of policy; and between longer and shorter run time-frames).

1. Food Aid and the Primacy of the Presidential Will

The first crisis management case, (see James Bjorkman, "Public Law 480 and the Policies of Self-Help and Short-Tether: Indo-American Relations, 1965–1968") deals with President Johnson's food aid policy. In it, the president personally intervened to secure the aid and later, to control, in consider-

[27]Evidence for this finding can be found not only in the case studies of this report but also in the study by Joan Hochman, "The Suspension of Economic Assistance to India" in *Cases on a Decade of United States Foreign Economic Policy: 1965–1974*, a report submitted to the Commission on the Organization of the Government for the Conduct of Foreign Policy by Griffenhagen-Kroeger, Inc., Edward Hamilton, Principal Investigator, printed in Appendix H to the Commission's Report.

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able detail, the amount and timing of its allocation. Johnson's food aid policy was a composite of many features. Partly in response to the efforts of the Ford and Rockefeller Foundations and to Chester Bowles' conversations with Nehru, the GOI from about 1963 had begun to shift its development strategy from a heavy emphasis on industrialization to an increased attention to agriculture. Its interest in agricultural self-sufficiency was strengthened by the food aid cut-offs that followed the Indo-Pakistan war of 1965, and was accelerated by the severe food shortages that followed the monsoon failures of 1965 and 1966. In 1964, Ambassador Chester Bowles had begun a massive effort to relate U.S. aid to positive Indian initiatives in the agriculture sector.[28] This emphasis, in turn, was to be coordinated with policies and programs for industry, export promotion, and population control. In the spring of 1965, these proposals under the direction of John Lewis, Director of AID, India, were translated into a detailed agenda for American aid over a five year period. The strategy was predicated on Indian responses leading to food self-sufficiency in five years.[29] The World Bank, which was coordinating efforts and perspectives with those of the United States, joined these efforts in 1965 by coupling bank assistance with relaxation of licensing, devaluation, and self-help in agriculture.

All of these efforts began to acquire urgency after the monsoon failure of 1965. In Fall, 1965, India requested and began to receive food aid. President Johnson ordered that the aid be put on stream on a short term basis, in order, he said, to "judge requirements month by month," and assure that "India changed its farm policy." [30] Chester Bowles, citing American press commentaries, believed the reasons were different. "By this time a delay in granting economic assistance to India . . . was interpreted (often correctly) as an attempt by the administration to force the recipient nation to change its position [on Vietnam]," he wrote Bill Moyers on August 26, adding that such tactics would damage the good name of the president and of the United States.[31] In 1966, President Johnson promised additional food aid to Mrs. Gandhi during her March visit to the United States, and undertook a massive, successful effort to mobilize the House and Senate on behalf of food aid. This effort resulted in the joint congressional resolution of April 19. Once again he proceeded to put food shipments on a short tether, and took personal charge of the dispatch of grain shipments. "I became an expert on the ton by ton movement of grain from the wheat fields of Kansas to ports like Calcutta. I described myself as 'a kind of county agricultural agent with intercontinental clients'." [32]

Ambassador Bowles saw the matter differently: "[President Johnson] embarked on a foot dragging performance that I still fail to understand. Assuming personal charge of a program, he adopted what was referred to in Washington as a 'short tether approach' holding up authorization for new shipments until the very last moment . . . This placed the Indian rationing system under almost impossible strain. India's needs could be met only by an uninterrupted stream of grain shipments . . ." [33]

President Johnson's expressed motives for the strategy were to enlist other countries in the food effort, to shock India into a more expeditious approach to agricultural reforms, and to persuade Congress that he was hard-headed about food, not a rat-hole-man, and would insist on self-help and early self-sufficiency. It is also true that the interruption of food aid, from August to December, followed Mrs. Gandhi's joint communique with the Soviet government condemning the Vietnam War, and accompanied repeated similar provocations—such as birthday greetings to Ho Chi Minh.

The August to December *de facto* food aid cutoff followed by less than two months India's decision of June 6, 1966, to devalue the rupee in the face of enormous pressure by the USG and World Bank. Coinciding with a second massive failure of the monsoon, it wrought havoc with an Indian food policy premised on American commitments. The anticipated food and development assistance aid needed to cushion the consequences on food prices of the devaluation was delayed for six months and anticipated large-scale consortium aid for subsequent years did not materialize.

The President believed the policy was a success. He related the self-help efforts of 1966–67 in India to it, as well as the $200 [of $725] million contributed to food aid by other foreign donors. Again, Chester Bowles saw the matter differently: "It is a cruel performance. The Indians must conform; they must be made to fawn; their pride must be cracked. Pressure to improve India's performance was sensible, but . . . in this way . . . distrust and hatred are born among people who want to be our friends." [34] In retrospect, it seems evident that the August to December "delay" in food shipments played an important part in vitiating India's effort to keep its economy stable in the face of the consequences of the 1966 summer monsoon failure, the

[28]Chester Bowles, *Promises to Keep*, page 552.
[29]*Ibid.*, p. 557.
[30]Lyndon Johnson, *The Vantage Point*, page 225.
[31]Bowles, *Promises*, p. 559.
[32]Johnson, *The Vantage Point*, p. 226.
[33]Bowles, *Promises*, p. 525.
[34]Cited from his Journal of February 6, 1966. Bowles, *Promises*, p. 534.

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consequences of the rupee devaluation, and the delay and subsequent unavailability of consortium aid. President Johnson's pressure operated to weaken the influence of those Indians who advocated a more liberal economic strategy, including devaluation and de-controls, by emphasizing the link among food and development assistance, adherence to American economic advice, and silence with respect to President Johnson's Southeast Asia policy.

From the point of view of organizational prescriptions, the notable features of the case are President Johnson's personal and direct involvement and his isolation from professional advisors on Asia. Bowles notes that here, as in other cases, Johnson frightened advisors out of their willingness to take initiatives: "Even the senior officials in our government dealing with India's food problem became so intimidated that they refused to make even those decisions which they could have made for themselves." [35]

The President explicitly saw himself as opposed in his actions by the professionals concerned with South Asia, and was confident he was right: "I stood almost alone, with only a few concurring advisors, in this fight to slow the pace of U.S. assistance, to persuade the Indians to do more for themselves, and to induce other nations to lend a helping hand. This was one of the most difficult and lonely struggles of my Presidency." [36]

The food aid case has in common with the Bangladesh case the element of unnecessary cost. If President Johnson hoped to exact silence from the GOI on Southeast Asia, which he does not acknowledge in *The Vantage Point* as a goal, but which the press and other observers of his administration assure us was a goal, Dulles' failure to influence Nehru under similar circumstances might have warned him off. Further, *it seems unlikely that the self-help efforts of 1966–67 were speeded by the short tether policy. Such efforts were agreed upon and set in motion by 1965.* [37] *And it is unlikely that the Congress required the short tether as proof of hard-headedness. When it passed a supporting resolution in 1966 before the August hold up, the most significant factor in its doing so was the Congressional mission to India in late 1966, headed by Congressman Poage, chairman of the House Agriculture Committee. It seems unlikely too that short tether influenced U.S. allies to help with food aid as much as the mission of Under Secretary of State Eugene D. Rostow and direct appeals to them by the GOI. If these goals were won by means other than the short tether, and GOI silence with respect to United States Government policy in Southeast Asia could not be exacted by it, for reasons related to internal Indian politics, it is apparent that the policy resulted in unnecessary costs—the discrediting of liberal economists and policy makers in India; the loss of Indian goodwill and harm to America's reputation for relatively disinterested humanitarian and development assistance—while garnering few benefits.*

However tenuous counter-factual arguments are, there is good reason to believe that a more routine handling of food aid policy for India in this period, i.e. greater reliance on normal diplomacy, at least would have avoided such costs and might have secured some of the short run and long run benefits contemplated by key actors such as Ambassador Bowles.

2. Bangladesh and the Dominance of the Global View

The Bangladesh case of 1971 (see Philip Oldenburg, "The Breakup of Pakistan") illustrates how, despite organizational and procedural arrangements designed to engage generalists and professionals with each other in crisis management, a global policy orientation and imperative coordination exclude or devalue the regional and bilateral perspectives of professionals. As one former senior official put it, "Our policy [in 1971] . . . seems to me to have been a classic case of doing the wrong thing in a regional situation for the sake of wider relationships . . ." [38]

The case depicts an extreme instance of the lack of engagement between global and regionally oriented policymakers, between generalists and professionals. It is important, in judging the lessons of the case, to recognize the difference between communication and engagement among administrative layers. Oldenburg's account establishes that information flows to the top were plentiful, continuous, informed and accurate. There is no question that those at the top were formally informed and presented with alternative evaluations and courses of action. When we say there was no engagement, we mean that there was no "appreciation" of the information supplied, no attempt to reason together, to jointly assess meaning or judge implications. The obverse of Henry Kissinger's remark at the WSAG meeting of December 3, 1971—"The President is under the 'illusion' that he is giving instructions . . ." [39] was that officials of the

[35]Bowles, *Promises*, p. 525.

[36]Johnson, *The Vantage Point*, p. 225.

[37]See, for example, V.K.R.V. Rao, economic advisor to the GOI, who wrote at the time: "Our immediate task is to rid the country of stultifying and nationally dangerous dependence on imports for our food supplies" [GOI, *The Meaning of Self-Reliance*, November, 1965], and of course C. Subramaniam, India's Food Minister, had gained parliamentary approval for a comprehensive "self-help" policy in December, 1965.

[38]William Bundy, "International Security Today", *Foreign Affairs*, Vol. 53, No. 1, October, 1974, p. 38. Bundy argues for priorities that recognize that "the regions of the world have reasserted a life of their own . . ." and against "pernicious abstractions" and using "universal principles as a guide."

[39]The New York *Times*, January 6, 1972, p. 16. All quotations of government officials addressing themselves to the Bangladesh problem are from this report, unless otherwise noted.

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South Asia establishment and other high-level officials outside the Department of State were under the illusion that they were providing information and policy guidance to the President. Much of the conflict took the form of Henry Kissinger and the President against everybody else. As one senior official observed, nobody saw it their way.

There were at least four areas in which actors with global and actors with regional roles "saw" different facts and made different judgments: 1) Was the crisis primarily global or regional? 2) What counts as the use of force in international politics? 3) What counts as a political settlement and were prospects for a political settlement promising? 4) Did India intend to "dismember" West Pakistan?

The main conflict of viewpoint, which governed all other differences, concerned whether the Bangladesh crisis should be regarded as global or regional. In part, this appeared to be beyond the reach of organizational arrangements to change, but only in part. Whether only one policy level, global or regional, could be operative, or whether both might be accommodated, was a matter of options perceived, and has to do with who and what was heard and appreciated. This is an appropriate question for organizational and procedural reform.

The President's view of the crisis was stated after the fact in the State of the World Message of February 9, 1972:

> It was our view that the war in South Asia was bound to have serious implications for the evolution of our policy with the People's Republic of China. That country's attitude toward the global system was certain to be profoundly influenced by its assessment of the principles by which the system was governed . . .

In WSAG discussions Henry Kissinger generally read events in South Asia to show that their primary significance was their effect on America's relations with the Soviet Union and China. He also read actions by states in South Asia as reflexive of global power strategies. In his 1972 State of the World Message, President Nixon interpreted the December War in South Asia in terms of the Soviet Union "projecting a political and military presence without precedence into many new regions of the globe;" warned that detente must not be "interpreted as an opportunity for the strategic expansion of Soviet power;" pictured America's stand as discouraging such Soviet aspirations and efforts; and deplored the Soviet Unions's failure to prevent "the Pakistani conflict from being turned into an international war."

The questions that Mr. Kissinger's shop asked throughout the crisis turn on how China and the Soviet Union were involved with South Asia and how their involvement in turn affected the security of South Asia. South Asia was important to China, on this reading, because China feared Soviet penetration and influence in the subcontinent. Would the Soviet Union succeed in encircling China from that direction? Since the United States as a superpower was at that time concerned with establishing relationships with China, it needed to assure China that it was prepared to strengthen its ally Pakistan against Russia's ally India and thus limit or deter the encirclement. Furthermore, the United States was concerned to show its prospective ally, China, how it treated allies (such as Pakistan) generally. As one official familiar with the reasoning of the Kissinger group put it: "If the Chinese were looking to the United States as an ally, what kind of an ally would the United States be? They might learn something from how the United States treated its ally Pakistan . . . How we treated our ally Pakistan and how we stood up to India, the Soviet Union's ally, would indicate how we would act with respect to our allies generally. The United States did not go in for a pro-Pakistan tilt per se but rather engaged in behavior consistent with these kinds of concerns."

Officials close to Mr. Kissinger stressed the fact that the Soviet Union had decided to "back the Indians" in the Bangladesh crisis. "The Soviets dropped their earlier efforts to restrain India. They signalled the Indians that they could go ahead." Reports in October that the Soviet Union was willing to allow India to go ahead contrasted with reports on Soviet policy and intentions in July when it was thought that the Soviet Union wanted India to avoid war and wanted to preserve its influence and good relations with Pakistan. By this account, sometime late in August it became apparent that the Soviets stopped urging India to avoid war. The global and reflexive interpretations reached their apogee when Henry Kissinger, returning on December 14, 1971, with President Nixon from the Azores where they had conferred with President Pompidou of France, signalled the Russians in a backgrounder that unless they restrained India "very soon" the "entire U.S.-Soviet relationship might well be reexamined" including the up-coming summit scheduled for May, 1972." [40]

This view is composed of two elements, one having to do with policy choices and one having to do with perceptions of facts. The first element, the emphasis on a global conceptualization, selects global actors (China, Russia, United States) as the most significant element and the lever to affect action. The second element, related to the first, is a factual supposition about motives: nonglobal powers' actions are mainly reflexive of the needs and

[40] Marvin Kalb and Bernard Kalb, *Kissinger* (Boston, 1974), p. 262.

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strategies of global powers, a supposition that influences perceptions of regional powers' behavior.

Regional officials read events in South Asia differently. India had interests and capabilities. Her decision about the use of force was a result, they thought, of the burdens that ten million refugees imposed and the progressively unlikely possibility that a political settlement would relieve them. There were gains for India; an independent Bangladesh meant a weakened and discredited Pakistan. Nor did they ignore Soviet interests and influence. It was, they held, one among a number of factors that shaped Indian action, not the overriding one. One official, noting that Mrs. Gandhi had gone to Moscow after her abortive November visit to the United States, characterized her conversation there more in terms of bargaining interdependence than reflexive subordination when he said: "She told the Russians she was going ahead and they said okay, if you must."

One can imagine another sort of report on Mrs. Gandhi's visit to Moscow that would interpret her conversations there in terms of them telling her what to do. Because the Kissinger shop was confident that Moscow was telling her, responding to India became much less important than signalling the Russians—as the *Enterprise* and backgrounder on the way back from the Azores did.

Does all of this mean that the China opening was, indeed, the real rationale for tilt? Many of our interviewees thought it was. Otherwise they found the tilt inexplicable. But some did not. One thought that the China factor made for good retrospective rationalization of American policy by providing a good reason as against bad reasons for the bad policies pursued. He argued that on balance the China factor was not the overriding reason for U.S. policy. More important in his view were Mr. Nixon's prejudices and the need for striking initiatives in time for the elections.

Line officials concerned with the region entertained different assumptions about actors' motives than did global generalists on presidential staffs. Professionals credited the influence on regional actors of what they thought Russia and China's and the U.S. goals and actions might be but they were also deeply influenced by factors in the region: the economic and political problem of the refugees for India; the standing of the Awami League in the Pakistan political equation; the potential strategic gains for India of an independent Bangladesh. These judgments led to different conclusions about what signals and actions—the *Enterprise,* negotiations with Mujib—would generate desirable outcomes.

Global generalists and regional professionals differed on what counts as the use of force in international politics. In part this question relates to the "facts" about who starts a war and they in turn relate to the kind of events that count for starting war.

For the secretary of state the facts that counted were, who bore the "major responsibility" for "broader hostilities" and what was meant by broader hostilities. Charles Bray III, the State Department spokesman, stated on December 4 that "India bears major responsibility for the broader hostilities." George Bush over the next few days at the U.N. and on television referred to India's action as aggression, and Henry Kissinger, in WSAG meetings, after wondering whether the facts of the Pakistan attack on India's airfields might have been misperceived (December 3: "Is it possible the Indians attacked first that day and the Paks simply did what they could before dark?") stated on December 6 that the President "is not inclined to let the Paks be defeated" and on December 8 that "the President believes that India is the attacker." Richard Helms, the Director of the CIA, at the WSAG of December 4, gives a different interpretation: "We do not know who started the current action (in East Pakistan), nor do we know why the Paks hit . . . Indian airfields yesterday." After the fact, CIA analysts wondered whether Pakistan escalated hostilities from the local to the international level to save a deteriorating situation by bringing in third powers or to win a decisive military victory from which to bargain.

By December 7, when Henry Kissinger held the backgrounder briefing that Senator Goldwater introduced into the *Congressional Record* of December 9, he had abandoned his question of December 3 about who had attacked first that day. Instead, he told the reporters that "On November 22nd, military action started in East Bengal." (The Indians acknowledge a "local" attack on the border town of Bovra on November 20 to end, as they put it, Pakistan shelling of Indian "villages.") He then went on to say that "international anarchy" would result if "the right of military attack is determined by arithmetic." India's population was 500 million and Pakistan's 100 million. The issue was, he said, should the United States "always be on the side of the numerically stronger?" and the answer was, of course, no.

Other kinds of facts were counted by professional middle-level officials as relevant to judgments about the use of force in international relations. For most of them the Pakistan government's violent repressions, confirmed by AID, U.S. consular and World Bank reports, counted as the use of force. They saw it directed against the Awami League leadership, middle-class professionals and the civilian population in order to put down protests against the abrogation of the results of the general election that brought the Awami League to power

in the center and in the East. They doubted whether a state's internal use of force properly extended to Islamabad's abrogation of the results of the recent (December, 1970) constitutionally conducted election. They also doubted whether killing and repression on a scale that generated 8 to 10 million refugees could be encompassed by the doctrine of a sovereign state's legitimate monopoly of force.

Another central question was what would count as a political solution to the Bangladesh crisis and what were the prospects for one? What was required and, in the light of what was required, what was being done with what effect when?

Before March 25, 1971, when Islamabad began its attempt to suppress the Awami League by force, some of those outside the President and National Security Advisor's immediate circle saw advantages for the United States in a Sheikh Mujib-led Pakistan government; it would be, they held, constitutional and would pursue a moderate foreign policy. Others cautioned against any suggestion of U.S. encouragement to Sheikh Mujib because it would feed West Pakistani fears about the steadfastness of U.S. support. After March, 1971, when Islamabad began what most professionals thought highly unlikely because of the improbability that it could succeed and because of the risk of Indian intervention—the use of violence to hold East Pakistan and to crush the Awami League and its supporters—many officials saw U.S. interests lying with measures designed to stop civil violence and restore peace even though such measures might displease the West Pakistanis.

Once Sheikh Mujib was arrested and imprisoned in West Pakistan there was fundamental disagreement over what should be done to secure a political solution. Those outside the presidential circle held that some form of negotiation with the imprisoned Sheikh Mujib, the leader of the Awami League which had won a majority of assembly seats in the national election of 1970, spokesman for greater autonomy within a loose federal system, and prime minister elect of Pakistan, was essential. Whether he was "released" by Pakistan or direct or indirect talks arranged were open and difficult questions, but to most of those outside the immediate presidential circle Sheikh Mujib was seen as the *sine qua non* of a political settlement.

To those who believed negotiations with Mujib were essential, the appropriate path was pressure by the U.S. government on President Yahya Khan of Pakistan, and other key actors, such as Z.A. Bhutto and leaders of army factions, to accept the possibility of autonomy and to negotiate with the majority party leader. The Kissinger proposal of December 7, for civilian government and autonomy for East Pakistan, was not viable, they thought, because it assumed that even a loosely federated Pakistan could be governed without the participation of the Awami League, whose elected leaders, declared traitors by the Pakistan government, were dead, under arrest, or in exile. The President's approach to a peaceful solution was stated during the heat of the crisis in the Kissinger backgrounder of December 7 that appeared in the *Congressional Record* of December 9 and was repeated after the crisis, in the President's State of the World Message of February 9, 1972:

> Return to civilian rule was pledged for the end of December (1971) and could have increased the chances for a political settlement and the release of Sheikh Mujib. Meanwhile, in August, we established contact with Bengali representatives in Calcutta. By early November, President Yahya told us he was prepared to begin negotiation with any representative of this group not charged with high crimes in Pakistan. In mid-November, we informed India that we were prepared to promote discussion of an explicit timetable for East Pakistani autonomy.

The President and his advisors did not believe that Pakistan either could or should be pushed on release of Mujib. "We will go along," Henry Kissinger told the December 4 WSAG, with reference to political accommodation in East Pakistan, "but we will certainly not imply or suggest . . . the release of Mujib." On only one issue were the President and his immediate advisors prepared to bring pressure on President Yahya Khan, sparing Sheikh Mujib's life. President Yahya Khan was advised that Sheikh Mujib was more dangerous dead than alive and the President obtained an assurance from President Yahya that Sheikh Mujib Rahman would not be executed.

A fourth area where facts were in dispute and judgments differed markedly was India's intentions with respect to West Pakistan. Henry Kissinger warned at the December 8 WSAG that "what we may be witnessing is a situation where a country [India] equipped and supported by the Soviets may be turning half of Pakistan into an impotent state and the other half into a vassal." The theme of dismemberment, of the intolerability of the "complete disintegration by force" of Pakistan referred to by President Nixon in his February, 1972, State of the World Message, was based on the "convincing evidence" received during the week of December 6, 1971, "that India was seriously contemplating the . . . destruction of Pakistan's military forces in the West." At the December 8 WSAG CIA Director Helms stated that Mrs. Gandhi "intends to attempt to straighten out the southern border of Azad Kashmir" and that "it is reported . . . [that] she intends to attempt to eliminate Pakistan's armor and air force capabilities." Mr. Kissinger commented that if the Indians do so, "we would have a deliberate Indian attempt to force the disintegra-

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tion of Pakistan . . . It would turn Pakistan into a client state . . . Can we allow a U.S. ally to go down . . . Can we allow the Indians to scare us off . . ." with a blockade?

Later, in the context of the dispute over India's intentions in the West, an intelligence report was leaked to show that the Indian cabinet had discussed action in the West in ways that indicated an intention to dismember Pakistan. The publicly known hawkish proclivities of Defense Minister Jagjiwan Ram were reported in the leaked version, but Mrs. Gandhi's view that a major effort in the West was unwise and would not be attempted was not. The dispatch of the aircraft carrier *Enterprise*, the move which was probably most damaging to American relations with India and Bangladesh, was related to these estimates, as well as to the belief that the critical actor in the South Asia drama was the Soviet Union. In a move that some have characterized as gun-boat diplomacy and others as a dangerous bluff, the *Enterprise* was dispatched to the Bay of Bengal to signal the Soviet Union and India that America meant business on the sub-continent. "If we had not taken the stand against the war," the President argued in his 1972 State of the World Message "it would have been prolonged and a likely attack in the West greatly increased."

On the other hand, there is a trend in the WSAG discussions, coming mainly from the regional professionals but also from others, including the CIA, that India did not have aggressive intentions in the West. CIA Director Helms on December 6 reported that Indian activity in the West "is essentially limited to air attacks." Assistant Secretary Sisco and Deputy Assistant Secretary van Hollen agreed that the Indians would pull their troops out of East Bengal once the Pakistan forces were disarmed, and AID Deputy Administrator Maurice Williams argued that the Indians, who may "have to give ground in Kashmir" were attacking from Rajasthan into Sind in the South to gain real estate to ward off parliamentary criticism. General John Ryan (representing the Office of the Joint Chiefs of Staff) "indicated that he did not see the Indians pushing too hard at this time [in the West], rather they seemed content with a holding action," and Joseph Sisco "doubted . . . that the Indians had the disintegration of Pakistan as their objective." [41]

The Bangladesh case represents a failure of understanding and judgement which improved organizational arrangements and procedures could reach if there were presidential appreciation of their value and the will to use them. Coordination did not succeed in harmonizing global, regional, and bilateral interests; it did not harmonize the perspective of policy intellectuals at the presidential level with the professional knowledge of State Department officials in Washington and the field. It is not always possible to do so; not all goals are mutually compatible. But it is an essential element of the case that little effort was made to reason and bargain; to inquire whether China's reasons for agreeing to an opening were compatible with a regional formulation of U.S. interests in South Asia; to consider how much and what kind of support could be given to Bangladesh and to India without tearing relations with Pakistan; to explore realistically what was necessary to restore peace; in short, to establish to what extent and how global, regional and bilateral objectives could be simultaneously realized.

B. NORMAL DIPLOMACY AND DELIBERATIVE COORDINATION

Normal diplomacy provides more fertile ground than does crisis management for deliberative coordination. However, less desirable attitudes and practices can and do grow in the same soil. The stereotype of the principal practitioners of normal diplomacy, the FSOs, depicts them as the prisoners of low risk routine, unwilling, even unable, to initiate; without imagination or breadth of vision; conventional conformists wedded to the safety and security of the status quo. Some of this image is an artifact of the conflict of interest and the struggle for influence between policy intellectuals oriented to presidential interests and favor and career officials oriented to professional knowledge and experience; some is the result of observable attitudes and behavior. *Our research for this study and the normal diplomacy cases included in this report do not for the most part support the negative stereotype.*

Five of the seven normal diplomacy cases, those by Moulton, Cohen, Kochanek, Hadden and Rubin, depict career officials responding to changed conditions and the need for policy with imagination, flexibility and skill. Lenth's study too, by showing how over time an organization can learn from failure and adapt its ideology and practice to organizational and environmental operating conditions, supports a positive view of normal diplomacy and its practitioners. The findings of Andersen's paper, to be discussed in the context of the need for insulation, are more problematic.

Stephen Cohen's paper on "South Asia and U.S. Military Policy" analyzes three policy contexts, the reformulation of weapons policy in 1966–67, the "one-time" exception to that policy in 1970, and the proposed expansion of the facility on Diego Garcia. The first is of primary interest here because it illustrates how and why deliberative coordination in the context of normal diplomacy works. The second and

[41] Kalb and Kalb in *Kissinger* depict Kissinger and Assistant Secretary of State for the Near East and South Asia, Joseph Sisco as engaged in "a rip-roaring battle" over the direction of American policy. Sisco, the Kalbs report, expressed the State Department's best judgment when he argued that "India had limited ambitions in the war" and "did not want to extend the war into West Pakistan;" saw little chance of intervention by the Soviet Union or China; and advocated "a policy of cool rhetoric and calm behavior," but "Sisco lost the battle." P. 259.

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third, the result of ad hoc *and isolated high level intervention, dramatize and illustrate the contrast between deliberative and imperative coordination.*

Between 1954 and 1965 the USG supplied Pakistan with $750 million worth of arms and in 1962 it supplied India with $90 million worth. At the peak of the programs American equipment amounted to over 80% of Pakistan's weapons. For years there was a "gigantic" [42] Military Assistance Advisory Group (MAAG) in Pakistan and, for a few years after 1962 a "huge" U.S. Military Supply Mission to India (USMMI) in India administering the flow of equipment for six mountain divisions, road building and air defense.

The 1965 war between India and Pakistan revealed the "dismal results" of American arms policy in South Asia to career officials in Washington and the field. Without U.S. equipment "Pakistan would not have become a serious military power" but the consequences were not those intended. The 1965 war crystallized opinion. By 1965, Cohen finds, there was "remarkable agreement" among FSOs dealing with South Asia about the strategic and military situation in South Asia, an agreement that included the realization that Pakistan could not establish strategic superiority on the subcontinent and that a continuation of USG arms supply would continue to de-stabilize the regional balance. "This shared perception of local conditions and American interests" was a necessary condition for the reformulation of arms supply policy.

After fighting broke out in 1965 the USG began a policy of treating India and Pakistan identically, first by establishing an embargo on military shipments, then, in 1966, by allowing cash sales of "non-lethal" items. At the same time, the India and Pakistan desks were searching for an arms policy that "would maximize what they perceived to be American interests in the region," including recognition of China's new role as Pakistan's major arms supplier, of the Soviet Union's major role in supplying India's military needs, and of the findings of a major DOD study of military assistance, completed in 1965, that held that most current programs were obsolete.[43] The result, announced on September 23, 1967, was a "willingness to consider on a case-by-case basis the cash sale of spare parts for previously supplied lethal equipment." Grant assistance was terminated and the MAAG and U.S. Military Supply Mission were withdrawn. The policy, by removing the USG from its role as a major arms supplier in South Asia while maintaining limited military-to-military contact and some leverage over Pakistan via decisions over spare parts, reduced the USG's strategic involvement in South Asia.

The USG arms supply policy to South Asia did not, ostensibly, arise from an intention to affect the strategic balance in South Asia but it did affect it. Programs begun in the name of containment became self-justifying and self-perpetuating interests which involved the USG in fueling both sides of an arms race whose consequence, regional conflict, served neither the USG's nor India's or Pakistan's interest. Career officials in Washington and the field, recognizing that changed global conditions (polycentrism, detente and the Vietnam build-up) and unintended and counter-productive regional consequences required action, successfully initiated and coordinated a new policy.

The organizational and procedural characteristics of the "one time exception" of 1970 and the creeping commitment to a facility on Diego Garcia stand in marked contrast to those of the 1967 arms supply. The one time exception to the carefully prepared 1967 decision foreshadowed some of the difficulties that surfaced in the decision making and coordination associated with the break-up of Pakistan in 1971. Global (or at least extra-regional) objectives were pursued at the expense of U.S. regional interests in South Asia and imperative coordination practiced in ways that isolated presidential level actors from the knowledge and goals of departmental professionals and cut off the professionals, in turn, from formulation of or knowledge about presidential objectives and plans. Earlier, isolated, *ad hoc* presidential intervention had almost upset the carefully orchestrated 1967 arms policy. President Johnson, on an around the world junket, conversed at the Karachi airport with Pakistan President Ayub Khan. Ayub made a statement on Vietnam and President Johnson, in contradistinction to his recent support of the new arms policy, made conversational reference to the desirability of supplying tanks to Pakistan via USG pressure on Turkey.[44]

Richard Nixon too, soon after his election in 1968, took a trip around the world. With Henry Kissinger as "mentor and executor," he fashioned "a global foreign policy" that "relegated the Third World to a subservient position . . . , important only as individual countries had a special relationship with one of the major power centers." Cohen surmises that Pakistan, "which had stubbornly pursued close ties with China," was one such country. When Nixon visited Pakistan in 1969 he probably "initi-

[42]Unless otherwise indicated, all quotations are from the Cohen paper.

[43]The reappraisal of military assistance programs was under the general supervision of Assistant Secretary of Defense for International Security Affairs, John T. McNaughton and directed by Townshend Hoopes. See Roger Sack, "United States Military Aid to the Ayub Khan Regime," a background paper for this report.

[44]Ambassador to India Chester Bowles refers, in *Promises to Keep,* to USG encouragement of third country sales of tanks to Pakistan. Ensuing publicity, he believes, forced a retreat. Page 521.

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ated discussions about future U.S.-Chinese relations" and as a *quid pro quo* undertook to modify the 1967 arms policy. Like the Johnson intervention, the commitment was made in an "offhand and casual" way; those in the President's party heard that he wanted to "do something for Pakistan" but no specific policy guidance was forthcoming until mid-1970 when President Nixon, after being reminded by the Pakistan Ambassador of his 1969 pledge and told that no action had followed, demanded immediate action from State Department officials who, in response to NSC requests, had for months been "blindly offering up suggestions without a clear understanding of the reasons for making an exception to the 1966–67 policy." The result was the one-time exception of 1970. More symbolic than substantive (no really offensive weapons were provided), the public justification (offsetting Pakistan's growing dependence on Chinese arms) in retrospect seems "almost comical" in view of Pakistan's intermediary role between the USG and the PRC. The Pakistanis were, at best, disappointed, but cooperated in the hope, no doubt, of better things to come. Whether the Chinese in any way indicated that a condition or price of an opening included sharing the burden of arming its ally Pakistan seems, particularly at this early stage, extraordinarily doubtful. We are left to conclude that the president and his national security advisor, in the face of a variety of other means to establish communication with the Chinese leadership, chose to disturb the South Asian regional balance in ways that, then and later, produced undesirable and unnecessary consequences.

Cohen concludes that, from a regional perspective, the one time exception was "calamitous." He also finds that "had a broader circle of participants been involved in the actual policy decisions during the 1970–71 period it is quite probable that a way could have been found to minimize the harmful impact on U.S.-Indian relations and still bring off the China visit. Inadequacies in the form and quality of coordination led to the unnecessary sacrifice of bilateral relations to extra-regional considerations, a result that can be mitigated by "periodic consultation between relevant Country Directors (most urgently, the India, China and Soviet CD's) and by more frequent consultation among Assistant Secretaries "on issues that cut across their geographic boundaries."

The creeping commitment to a facility on Diego Garcia too is marked by isolated, *ad hoc* presidential-cum-secretarial level intervention. Although Diego Garcia had been an object of Naval planning for over thirty years, deliberative coordination in the context of governmental pluralism had, until the mid-1960s, confined action to just that. Cohen reports that until 1973 "the Navy was the only agency which wanted to expand Diego Garcia, and they were successfully neutralized by civilian DOD officials in ISA working in collaboration with regional and functional bureaus (Political-Military Affairs) of the State Department." [45]

The Middle East war in 1973 gave the Navy case a new lease on life. Its ship movements in and around the Indian Ocean, it claimed, were "artificially constrained" for lack of a facility in the Indian Ocean. An alleged Soviet naval build-up in the Indian Ocean required a bigger balancing force. "*Before* these issues could be fully discussed within the bureaucracy," Cohen reports, secretaries Henry Kissinger and James Schlesinger "took Washington by surprise" when their decision, made "over breakfast," to raise Diego Garcia to the level of a significant support facility was made public. "Diego was to be expanded, and *then* the expansion would be properly justified in and out of the U.S. government. But by mid-1973, the Washington climate for the conduct of foreign policy had changed significantly; the constraints of governmental pluralism had revived and with them the strengths and weaknesses of deliberative coordination. A "full fledged political battle began to shape up" over Diego Garcia. On June 18, 1973, it became publicly known that the Navy had, on March 20, commissioned (i.e. put into operation) a communication station on Diego Garcia, making the U.S. the first major power to establish a base on foreign territory in the Indian Ocean area. But further expansion, despite President Ford's endorsement at his first news conference, will depend, in the new Washington climate, on something more closely approximating deliberative coordination.

Anthony Moulton's study of "The U.S., the International Development Association and South Asia" documents a dramatic though little known effort to extend the leverage and imperative coordination of the 1971 tilt toward Pakistan to the World Bank [46] *affiliate, the IDA.* Created in 1960 to make concessional development loans (termed credits) to countries whose per capita GNP is less than $375, the IDA is funded by periodic, nonreimbursable contributions from twenty donor countries. Its governing structure is identical with the World Bank's, which means that Robert McNamara, the President of the WB, is an important actor in the case, as is the U.S. Secretary of the Treasury (then John B. Connally) who, with nineteen other finance ministers, serves as one of the

[45]Further, ISA/DOD "pointed out that refueling could be done more efficiently and cheaply in the Persian Gulf, that developing a U.S. facility would anger littoral states without yielding any particular benefit, and that even a small facility might be the prelude for a larger and unnecessary establishment" whose vulnerability could be used to justify additional costly aircraft carriers and might result in trapping an undue portion of the American fleet on the wrong side of the Suez Canal.

[46]The World Bank's official designation is the International Bank for Reconstruction and Development or IBRD. Hereafter we refer to the World Bank as WB.

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WB's Governors, and instructs the vote of the U.S. appointed Executive Director (simultaneously a paid WB employee and an unpaid special assistant to the Secretary of the Treasury) who, again, is one of twenty Executive Directors.[47] The key agencies dealing with multilateral economic aid, i.e. State, Treasury, the NSC and AID, Moulton finds, apply somewhat different perspectives. State is "enthusiastic," [48] rarely objecting to IDA projects, concerned to use multilateral aid as a resource in promoting U.S. national interests. South Asia officials in particular "virtually always approve proposed projects." Treasury emphasizes close financial monitoring, as do the Federal Reserve, Commerce and the Exim bank. "In normal times," the NSC staff shares State's view. AID consistently and strongly supports multilateral economic aid from a long term economic and political perspective.

Moulton examines between December, 1971 and March, 1972 the adequacy of USG organizational and procedural arrangements to deal with two successive issues, IDA credits to India following suspension of bilateral aid to India on December 6, 1971 and an IDA credit to India in March, 1972 for purchase of four crude oil tankers. Policy formulation and implementation occurred in the context of "a pronounced antagonism" toward India that "not only exacerbated Indo-American relations but also seriously jeopardized the U.S.-IDA relationship."

One key factor that constrained U.S. policy in the face of rapidly changing circumstances between December, 1971, and March, 1972, was IDA's structure and decisional rules. The USG, with approximately 25% of total shares, holds the largest portion but by no means a majority of the votes required to decide questions brought before the twenty member Board of Executive Directors. (The minimal winning coalition needed, given the distribution of votes for the required simple majority, is six members.) *Important conventions also constrained USG policy and action: Most important, "the WB president never has been defeated on a Board vote; if he were, it is understood he would resign;" IDA credits are usually approved by a consensus rather than by a formal vote of the Board; abstentions and votes against IDA credits are "extremely rare."*

(The U.S. has never abstained and voted against only once, on the credit for Indian tankers in March, 1972.)

NSC studies and WSAG meetings in October and November on how to use economic aid as leverage in the context of the crisis in South Asia culminated, in late November, 1971, in a decision to request the WB management to defer action on two Indian credits scheduled for Board action on December 21. Henry Kissinger and John Connally "probably made direct contact with the Bank President [Robert McNamara] by early December." *McNamara, after discussions with Bank management in early December, "decided against it [deferral] reportedly in order to avoid charges that the Bank was a tool of U.S. foreign policy."* The outbreak of war on December 3 altered the situation by strengthening the USG's hand. *On NSC directions, USG representatives successfully negotiated provisos, unprecedented in IDA history, requiring that the projects be unrelated to military operations and unimpaired by the war. Justification for "a non-routine stance on IDA credits to India were articulated to few of the participants" but most of them believed that it was meant to punish India in ways consistent with the December 6, 1971, cut-off of bilateral economic aid.* The argument was phrased in terms of bilateral-multilateral "parallelism."

The issue in the USG during the critical period when the war was in progress (December 3–16) was whether the provisos sufficed or whether the more severe options of abstention, deferral or opposition should be adopted or pursued. The White House and the NSC pressed for "an emphatic U.S. stance" while State (particularly NEA/INS and EB) and AID (NESA), in a joint memo to the Secretary of State, argued for treating the projects (now with the provisos) "routinely" at the up-coming December 21 Board meeting. The memo, which its drafters recommended be communicated to Henry Kissinger and John Connally, noted precedents for Bank lending to countries at war and pointed out that "U.S. opposition or abstention would neither 'penalize' India (since the credits would be approved anyway) nor further our longer run foreign policy interests, either in India or in the World Bank." Kissinger and Connally, who were in frequent contact about the USG stand at the December 21 Board meeting, found the memo orientation and recommendation unsatisfactory. *The ensuing policy debate proceeded at two levels, the Secretarial (Kissinger, Connally and Rogers) and the Assistant Secretarial, but inter-level coordination lacked collegiality and an attendant appreciation of views. At the lower level, Assistant and Deputy Assistant Secretaries in State, Treasury and AID consulted with each other and with the NSC and WB staffs to ascertain agency and Bank positions and to attempt to find a mutually satisfactory policy. "Those daily consulta-*

[47]The Secretary of the Treasury is advised by the National Advisory Council on International Monetary and Financial Policies (NAC), an interdepartmental committee with five voting units, Treasury (which has the chair), State, Commerce, the Federal Reserve Board, and the Exim bank, and a number of "participating" non-voting units including USDA, AID, OMB, DOD, the Council of Economic Advisors (CEA) and the Council on International Economic Policy (CIEP). NAC has two "policy" levels (Secretaries as Principals and Assistant Secretaries as Alternates) and a technically oriented operating level which meets weekly to discuss agency positions on, *inter alia*, IDA proposals and to recommend positions to their respective Principals who vote on the IDA Board.

[48]Unless otherwise indicated, all references are to the text of Moulton's study.

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tions," Moulton observes, "involved contacts with friends and acquaintances and were conducted in informal but well-established channels, primarily by telephone . . . Participants dealt with each other on equal or near-equal terms . . ."

Somewhere between December 16 and 20, between, that is, the day the war ended and three days after it ended, Kissinger and the NSC decided on an abstention policy; ". . . the end of the war undoubtedly being the most important consideration militating against a harder line".[49]

Between the January 11, 1972 and February 29, 1972 meetings of the IDA Board, at which additional credits for India were to be decided, Kissinger "presumably" decided to drop the abstention policy. Treasury had cooled in its support for provisos and for abstention, insisting that the NEA-drafted instructions to the USG Executive Director be appropriately revised at the NSC level, and Robert McNamara in a visit to South Asia in late January, 1972, had made clear his strong support for IDA programs in that region by committing 40% of all IDA credits to India. As the crisis rapidly dissipated, so too did the bargaining advantages required for imperative coordination and the reasons for punishing India, an action that entailed jeopardizing USG relations with the WB and WB autonomy.

The USG's unprecedented decision on March 7, 1972 to vote against an Indian credit for the purchase of crude oil tankers to ply the Persian Gulf route stands in marked contrast to the earlier decisions and provides a different and important lesson for the South Asia policy arena. The international crisis in South Asia was no longer an important consideration. The tanker credit was opposed by U.S. shipping and oil companies and within the USG, by Treasury, the Eximbank and the Federal Reserve. NAC, which advised the Secretary of the Treasury on how to instruct the U.S. Executive Director at IDA, rather than the NSC or WSAG, provided the context for coordination and decision. In the end, after support in NEA (but not EB) for the tanker credit collapsed, only AID advocated supporting it. AID systematically rebutted arguments advanced for voting against, particularly the "major" argument that the tankers would hurt U.S. shipping, and recommended to NEA/INS that Robert McNamara should be urged to pre-empt negative USG action by making a USG vote against, much less a negative decision by the Board, a cause for his resignation. *On March 3 or 4 "in an unknown forum" it was decided that the U.S. would vote against the tanker credit, an action that stands alone in the annals of USG-IDA relationships. The relationship survived, the credit was approved, and those responsible for the South Asia policy arena learned how vulnerable the arena was to powerful private interests.*

The two decisions illustrate how the deliberative coordination of normal diplomacy, particularly when reenforced by the insulation that a multilateral agency can provide, may be able to give longer run interests their due even when they are confronted with the short run need for leverage or the powerful influence of vested interests.

Stanley Kochanek's study, "United States Expropriation Policy and South Asia," illustrates the capacity of deliberative coordination to make compatible seemingly incompatible objectives by delay, "slicing" and reconciliation. In 1972, the governments of India, Pakistan and Bangladesh nationalized the subsidiaries of two American insurance groups, the American Foreign Insurance Association (AFIA) and the American International Underwriters (AIU). U.S. policy toward commercial issues outside the communist bloc, Kochanek observes "tends to be global rather than oriented toward a particular region or country."[50] On January 19, 1972, President Nixon's statement on "Economic Assistance and Investment Security in Developing Nations" laid down that in future expropriation of U.S. assets, failure to pay prompt, adequate and effective compensation would result in withholding of new bilateral economic aid and a refusal to support loans from multilateral development banks unless overriding considerations of national interest required the USG to act otherwise. "Within a few months this policy was being tested" in South Asia.

The vehicle established by the president to implement the policy declaration of January 19, 1972 was the Expro Group, a special sub-committee of the Council on International Economic Policy (CIEP). Chaired by the Assistant Secretary of State for Economic and Business Affairs (EB), its members included representatives from State, Treasury, Defense and Commerce.[51] Day to day monitoring, however, was the responsibility of the India, Pakistan, and Bangladesh country desks in the Bureau of Near East and South Asian Affairs (NEA) which prepared reports and recommendations for the Expro Group, advised the U.S. companies on strategy, coordinated in-puts from the White House, other executive agencies, the companies, and Congress, and drafted and cleared all major instructions to appropriate embassies.

[49]Moulton adduces a number of other reasons including "the friendly and respectful relationship obtaining between McNamara and Kissinger" which may have "diluted" the tilt policy when applied in IDA's direction. Kissinger allegedly had intervened earlier to dissuade Nixon from attempting to dislodge McNamara from the Bank presidency.

[50]All subsequent references, unless otherwise indicated, are to the Kochanek paper.

[51]See Kochanek, footnotes, for personnel with office designations as of April 2, 1972. Its functions were to review and compile information relevant to potential and actual expropriation cases; to make specific findings about compensation; to recommend courses of action; and to coordinate and implement policy.

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The president's policy of January 19, 1972 allowed for flexibility in responding to expropriations in the light of national interest considerations, but this flexibility was constrained by the Hickenlooper [52] and Gonzalez [53] amendments. The first requires suspension of bilateral assistance if suitable steps, including arbitration, have not been initiated within a reasonable time (defined as six months) to provide adequate compensation. The second requires a negative vote by U.S. Executive Directors on multilateral agency loans unless prompt compensation has been paid, the dispute has been submitted to arbitration under the rules of the Convention for the Settlement of Investment Disputes, or good faith negotiations are in progress.

Responding to expropriation in three South Asia states with very different political conditions involved a variety of complex problems such as defining terms (e.g. what constitutes expropriation? how does a capital gains tax relate to expropriation? what about the exchange rate, "financial practices," and revaluation of assets?); the reliability of evidence (e.g. the value of property, the existence of good faith negotiations); and determining whether remedies, including internal remedies, have been exhausted. But "the most important problem . . . was conflicting U.S. interests." State and AID wanted good relations with the countries of South Asia. Commerce, realizing that U.S. insurance interests totalled only $8 million, feared overreaction might jeopardize larger pharmaceutical and petroleum interests, both prime targets for nationalization. DOD, with minor stakes, supported the goal of good relations over support for private interests. Treasury, although the most active supporter of the insurance companies, did not challenge Expro Group decisions by taking them up to the CIEP. The basic strategy of State and the Expro Group was to secure negotiated settlements that freed the USG from a finding that expropriation without compensation had occurred. "Both Country Directorates and the Expro Group made special efforts to ward off triggering the Hickenlooper and Gonzalez Amendments . . ." They succeeded. Frequent efforts by the insurance companies "to force actions through repeated appeals to the White House, the Congress and other executive agencies considered to be more sympathetic" were marginally effective at best in the face of State's effort to avoid official action. Nor did they succeed in transforming the disputes between the insurance companies and particular host countries into direct confrontations with the USG on terms of settlement or as a result of sanctions associated with a finding of expropriation without compensation. *Skillful maneuvering and negotiations by the companies, sometimes in collaboration with British firms and the British Government which were faced with parallel problems, led by the end of 1973 to settlements which, if less than the companies' view of adequate, were, in the circumstances, acceptable. Kochanek concludes that because decisions within the USG did not go beyond the Expro Group and were based on consensus, "the case of insurance nationalization in South Asia . . . represents an excellent example of the type of significant foreign policy decisions which never reach the top levels of the United States Government decision making system." The result succeeded in reconciling long run U.S. bilateral and regional interests, the interests of the insurance firms, and the domestic policies of South Asian states by accommodating to a substantial measure the interests of the various actors.*

Barnett Rubin's study of "The U.S. Response to the JVP Insurgency in Sri Lanka, 1971," portrays how a crisis of relatively minor proportions can be successfully handled by normal diplomacy. Confronted with an unanticipated emergency, the attack on the night of April 5-6, 1971, by the Janata Vimuki Peramuna (or People's Liberation Front) on administrative offices and police posts throughout Ceylon, and Prime Minister Bandaranaike's appeal for military aid, the U.S. (along with India, Pakistan, Britain, the USSR, Yugoslavia and Egypt) responded with a timeliness and finesse that transformed poor into good relations, including the restoration of permission for US naval ships to call, without a non-nuclear declaration on behalf of those ships. *The successful handling of policy and action within the State Department, primarily at the regional bureau and country director level, supports the view not only that "the State Department be given a greater role as against the NSC in foreign policy planning, but that within State itself policy planning should more deeply involve the line officers."* [54] *Rubin recognizes that special circumstances such as the spill-over effect of the parallel crisis in Pakistan, which attracted higher level attention that benefitted those dealing with Sri Lanka, the fact that the JVP insurgency in effect failed, thereby obviating the possibility that foreign troops (e.g. Indian) might have intervened, and the lack of strong bureaucratic or national interests in Sri Lanka, contributed to the "normal" management of a crisis situation. Even so, the organizational and procedural means employed provide suitable prescriptions for comparable problems of policy formulation and management.*

"The emergency was handled mainly in State," where the regional bureau had the action, and policy making within it "was centered around the country director." NEA provided leadership and coordination for other actors such as Political Military Affairs

[52]Section 620(e) of the Foreign Assistance Act of 1961.

[53]Section 12 of the International Development Association Act.

[54]Unless otherwise indicated, all references are to the Rubin paper.

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(PM) and Intelligence and Research (INR) Bureaus in State, as well as for DOD's Office for International Security Affairs (ISA) and effectively utilized at the White House level the Senior Review Group (SRG) of the NSC to obtain, *inter alia*, a legally mandated presidential decision. Within NEA, the country director did almost all of the drafting of policy documents and hence most of the coordination of information and policy. Evaluation of options took place in the daily meetings in Secretary Rogers' office (an extraneous "benefit" of the Pakistan crisis) rather than in the NSC-presidential context. The NSC and its SRG provided "quick clearances and . . . communications" of presidential decisions to NEA officials working on the problem. ISA and the military services were "content to act as support for State; they provided information on 'nuts and bolts' questions without pushing for greater authority or special military interests."

"It seems apparent," Rubin concludes, "that constant contact with high level officials and increased responsibility for policy lead working line officers to see issues in broader perspective. 'Clientelism' may not be built into their roles per se, but into the organizational structure which isolates line officers from decision making and planning." In short, "this case gives an idea of the conditions under which a State Department, regional bureau centered foreign policy system can work, and what its limitations might be."

Charles Lenth's examination of "The Role of the Peace Corps in U.S. Relations with South Asia" also contributes insight into the strength of normal diplomacy, in part by offering a contrast to the model. The Peace Corps captured the 1960's optimistic interventionism so characteristic of the Kennedy administration. Its volunteers were suspicious of bureaucracy, whether in the U.S. State Department or among officials of South Asian governments, because such officials were crippled by routine and weighted down by conventional knowledge. The Peace Corps prided itself on its exclusion from normal diplomatic channels and activities, an exclusion expressed through its organizational detachment from State both in Washington and the field. The excessive optimism of the mid-sixties, and its organizational and political innocence, led to rebuffs in Sri Lanka and Pakistan, and to an overexpansion in India that exposed and discredited the Peace Corps technical claims.

The Peace Corps learned from its set-backs, but in ways that did not lead Peace Corps volunteers and administrators to embrace careerism, bureaucratic caution or conventional thinking. The Corps assumed a more modest self-conception and developed a greater respect at home and abroad for coordination with other agencies. *Its experience in South Asia illustrates how a people-to-people program with long term interests can not do without the sheltering framework of normal diplomacy, but at the same time requires sufficient autonomy to pursue its unconventional mission and preserve an identity separate from the USG.*

Together, these normal diplomacy cases do not sustain the stereotype view of career officials. Using "routine" organizational and procedural means the officials proved capable of imaginative, flexible and purposeful action in pursuit of the national interest. The positive features of normal diplomacy—the significance of professionalism and professionals in policy formulation and management; the integration of policy planning with operations; the importance of collegiality and deliberative coordination; the representation of multiple interests, levels and perspectives—can be promoted, we believe, by mechanisms suggested below, the assistant secretary policy planning council and the regional conference.

C. COORDINATION AMONG TIME FRAMES

1. The Case For Insulation

Several case studies highlight the conflict between long run policy goals and the short run requirements of crisis management. Organizational interests as well as public support are more frequently on the side of the short than the long run. Operating officials in Washington and the field tend to focus on the most recent cable or on the need for leverage now. The President's need for immediate gains and the constraints of the next election push him too toward short run solutions. Lyndon Johnson had to "solve" Vietnam in time for 1968, and Richard Nixon needed the opening to China in time for 1972. The media's concern for news leads them disproportionately to attend to today's crisis rather than to next year's solution; they are less likely to feature a President's or secretary's long range goals.

In our discussion of the time dimension of complexity we argued that the half life of some programs required a medium or long term framework because they addressed values and dimensions of the national interest incompatible with short run competition for influence and power. Policies and programs designed to promote security and welfare through economic growth or the redistribution of wealth require time and autonomy from the vicissitudes of short run political conflicts. Culture, knowledge and science stand apart from the ebb and flow of political relations; they cannot serve the national interest in the short or long run unless they maintain their autonomy. There are no short run solutions to the food, population, resource and pollution problems. Yet because they vitally affect security and welfare, they help define the national interest. *In times of conflict insulated programs not only sustain medium and long term interests but also help to preserve those lines of communication and relationships without which the inevitable restoration of "normal" relations is much more difficult.*

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The principle of insulation has been recognized in the relative autonomy given to some agencies such as AID, the Peace Corps, and USIA and in the increasing use of multilateral agencies. Their (limited) autonomy recognizes that some programs profit by distance from the ordinary flow of policy. *But organizational forms cannot, alone, assure insulation; a concept of insulation needs to be recognized and practiced by policy makers.* Our cases suggest that AID, the Peace Corps, and multilateral agencies were drawn into the pervasive quest for leverage despite their organizational location.

Insulation makes it possible to pursue multiple interests or finely graduated strategies concurrently. The national interest is often complex and includes mutually conflicting goals. The insulation of programs and activities makes it possible when needed to speak with several voices and to pursue simultaneously different objectives.

2. The Case Against Insulation

The notion of insulation made some of our respondents profoundly uneasy. (That a number of them understood us to be saying isolation is not quite accidental.) Essentially they saw insulation as a threat to political clout on the one hand, and to political protection on the other. It diminished, for example, their capacity to go to the ambassador for help or support. In Washington and the field officials feared being separated from the political definitions of national interest particularly as it was being articulated and applied at high levels by persons whose estimate of them could affect their careers. Nor did the officials we interviewed feel comfortable with the notion that the instrumentalities and resources available for them or others when leverage was needed should be reduced or constrained by the doctrine or practice of insulation. They argued that insulation or autonomy would not be understood or, if understood, not accepted. In South Asia, political officials or public actors could not or would not, we were told, accept a distinction between the U.S. government and a U.S. government agency. India's unfriendly cultural policy in 1971–2, and Sri Lanka's hostility to the Peace Corps in the mid-sixties, confirm this estimate. (Charles Lenth's examples of continuing requests from Indian states for a Peace Corps presence during the difficult post-1971 period in U.S.-Indian relations suggest the opposite possibility.)

Officials in Washington and ambassadors in the region argued that they needed control over programs and resources to direct and manage policy. AID officials in Pakistan and Bangladesh, for example, argued that more insulation would deprive them of the means to tie aid to what they believed were demonstrated means of development and self help. Insulation, in any case, would not protect you when the chips were down from the consequences of political conflict.

3. Insulation in Practice: Multilateral Agencies

Multilateral agencies in the last ten years have represented the most successful expression of insulation. Their specific political form has been a response to the belief in receiving countries that aid created less dependency when offered in internationalized form. In so far as the USG supports multilateral agencies its formulation of national interest includes a commitment to trading off losses in the short run context of crisis management for the gains attending growth and justice. The specific distance of multilateral agencies from American influence has varied over time. In the early and middle 1960s, many Indians alleged that the parallelism between U.S. and World Bank policies was too close to be accidental and that it arose more from American political influence than from objective economic reasons. More recently, the Bank has been accused by U.S. officials of being "too soft" on LDCs, a charge which may signify more distance between the Bank and the USG in the McNamara era. The World Bank's policies and programs do not bear out the fear that insulation obstructs the means to impose "conditions" on aid. Constraints imposed by multilateral agencies such as the World Bank are more likely to be perceived by recipients of aid as legitimate demands for performance than as objectionable political conditions.

The Bjorkman and Moulton studies cast light on the extent to which multilateral agencies have or have not acted independently of U.S. policies and interests, and on the reasons and mechanisms involved. James Bjorkman's study, Harinder Shourie's background paper, and our interviews in Washington suggest that in the 1966–67 period, when consortium aid under World Bank auspices was associated with devaluation and the liberalization of economic policy in India, World Bank and USG policies were at least parallel. On the other hand, the degree of agreement among American and some Indian economists concerning the nature of India's problems in 1964-67 and the steps needed to remedy them, lend some credence to the World Bank's claim that its policies and programs were independent of the USG's. Moulton's study of IDA suggests that multilateralism insulated IDA decisions on credits for India from USG efforts to use IDA programs to gain leverage for its "tilt" policy during the Indo-Pakistan war of 1971. The two examples suggest that, *given the large U.S. contributions to multilateral agencies, those agencies are likely to be both responsive to but somewhat insulated from current U.S. political objectives and policies. It would, no doubt, be more difficult for a fairly autonomous USG economic aid*

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agency to achieve a similar degree of insulation, but this may not be so for other functions and their policy arenas.

4. Insulation in Practice: Cultural and Informational Agencies

Walter Andersen's study of "United States Educational and Cultural Exchange Programs in India" reviews the severe difficulties that U.S. educational and cultural programs encountered in India in the years surrounding the 1971 tilt toward Pakistan, examines the policy and administrative relationships between informational and cultural (including educational) programs, and makes recommendations in the light of his evidence and findings. Our interest here is primarily those aspects of his analysis that illuminate the need for and the means to insulate educational and cultural programs.

In Washington, the principal agencies concerned with educational programs are State's Bureau of Educational and Cultural Affairs (CU) and the Institute of International Studies housed in HEW's Office of Education. In the field the United States Information Agency (whose parent agency in Washington is the semi-autonomous United States Information Service (USIS)) supervises educational and cultural programs through the Country Public Affairs Officer (CPAO). The Cultural Affairs Officer (CAO), appointed by USIA with the approval of CU, is responsible for CU's programs that involve scholars and books, including USIA libraries.

This is an unsatisfactory state of affairs. The USIA principal goals are "to create support for U.S. foreign policy objectives and to develop a favorable image of American society." [55] The CAO, who reports back to the area desks of both CU and USIA, is administratively subordinate to the CPAO and is "located within USIA's promotional system." "The major limitation on the CAO's ability to aggressively pursue educational goals," Andersen finds, "is the environment in which he must work." Not only is USIA's orientation "promotional" but also its means are informational with "emphasis on the 'fast' media such as radio, television and press releases." Under such circumstances educational and cultural activities are subsumed to informational goals. The linkage of education to a propaganda agency creates the impression that U.S. scholarship and culture is related to propaganda.

Andersen proposes the creation of a single semi-autonomous foundation analogous to the National Endowment for the Humanities to deal with the basic problems of insulating educational and cultural programs from the effects of USG and host country political leverage and separating them from promotional and information objectives and means. Like NEH its governing board would include both public and private representatives and it would draw financial support from both public and private sources. It would have a full time staff whose members would periodically serve in the field. Like the British Council, which provides an effective example of an autonomous cultural agency, it should not, in the words of the Duncan Commission of 1969, "be regarded in any way as a mouth piece of Government policy." Even though ninety percent of the British Council's funding is governmental it has over the years succeeded in creating a reputation for recognizing in its programs and operations cultural and intellectual standards and competency rather than national political objectives of the moment. Its director, not a foreign service officer, distinguished his organization from the foreign service hierarchy and fought for his agency's independent standing and reputation. The considerable respect and success which the British Council, like the BBC, commands in many countries, including those in South Asia, are in large part related to successful insulation.

A semi-autonomous agency could deal more effectively with a number of other troublesome organizational and procedural problems that now plague educational and cultural administrative arrangements and programs. It could gather the presently dispersed and segmented organizations and programs into a common home. It could make possible longer term programing and budgeting. It could solve structural and operating problems in the field. It could provide, in the case of India, that single point of contact the GOI seeks (without, we are quick to add, jeopardizing the diversity and pluralism that characterize American cultural and educational life). It could mesh effectively with the newly constituted [56] Indo-U.S. Sub-Commission on Education and Culture by having its U.S. members appointed by and responsible to the foundation's governing board. It could give internationally oriented educational and cultural policy and programs visibility at home and abroad, including with the Congress and philanthropic-cum-international interested publics.

D. COORDINATION IN SOUTH ASIA

We identify four types of coordination in South Asia: 1) Regional coordination involving relations among U.S. embassies in the region; 2) cross-sovereignty barrier coordination involving relations between U.S. government agencies and agencies of the host country; 3) South Asia-Washington coordination involving relations between U.S. government agencies and agencies of the host country;

[55] Unless otherwise indicated, all references are to the Andersen paper.

[56] As per the Agreement between the United States and India of October, 1974.

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and 4) mission or in-country coordination among various embassy functions and goals. We shall focus mainly on regional and cross-sovereignty barrier coordination, where both our findings and our recommendations are more substantial.

1. Regional Coordination

One form of complexity associated with policy making in South Asia arises from the need to devise policies appropriate to each country in the region even while dealing with their consequences for regional relations. It is in this context that we explore systematically the possibilities of regional coordination. Regional coordination relates to a number of processes, from sharing information, through systematic exchange and confrontation of perspectives on common problems and shared policies, to efforts to identify and to formulate policies suitable for the region. Both in the field and in Washington, we inquired into present actualities of regional coordination. How is it understood and how is it practiced? We have also considered means to improve coordination and their costs and benefits.

The region has traditions of conflictual relations between the ambassadors to India and Pakistan. One senior observer commented that ambassadors had sometimes fought more sharply than their respective clients and, at times, even egged them on. Such conflicts reflect more than the envoys' clientelist orientations. Different types of men are characteristically chosen for the two posts. The image of India as "the world's largest democracy" has contributed to ambassadorial appointments of men with public reputations and standing, executive and legislative connections, and an interest in communicating outside official channels. In Pakistan, where strong men have ruled in much of the post independence period, a more conservative perspective was valued, leading to more appointments of envoys with military and business connections. That the selection process has produced ambassadors with different styles and views strengthened the propensities to conflict for which clientelism might have laid a base. Ambassadors Byroade and Moynihan have talked about this legacy rather self-consciously as part of an effort to do better. Appointments to Sri Lanka and Bangladesh have not exhibited similar differences.

Good ambassadorial intentions may have difficulty overcoming conflictual traditions in situations where their clients are pitted against each other. On defense matters, where the interests of the regional clients have indeed been in conflict, there has not been very close coordination among embassies since the fifties; the consensus represented by the 1967 arms policy was more the product of State-Defense and desk officer and CD coordination in Washington than it was of coordination in the region. There has been some talk among embassies of sharing cables to the Department of Defense, but the Delhi embassy appears to learn after the fact and from the Department of State about Islamabad initiatives. Senior actors on both sides tend to believe that regional coordination is exceptionally difficult in situations where the ambassadors are fundamentally opposed. Then, instead of compromising, they attempt to win the contest at the next highest level—in Washington. One official thought that where ambassadors have had previous assistant secretarial experience, and thus recognize the appropriate higher constraints on clientelism, coordination even in crisis situations might be easier. The observation suggests a strategy of rotating ambassadors and assistant secretaries through each other's slots.

Ambassadors and their staffs at Islamabad, Delhi, Dacca and Khatmandu have encouraged some regional exchanges. In recent times, Ambassador Moynihan visited Islamabad. Ambassador Boster from Bangladesh has consulted at Delhi; Ambassador Byroade was scheduled to visit Delhi when we were interviewing in August, 1974. These visitations appear to promote some sense of common problems and habits of discourse concerning differences. We were told that there is a rather brisk "back channel" traffic between the ambassadors to explore questions in a preliminary way, although reports differ concerning the frequency and importance of this communication link. *While these efforts indicate some of the ways that coordination might be improved, their sporadic and irregular nature has not resulted in durable and significant coordination.*

The South Asia specialists in Washington and in South Asia have a high degree of common consciousness, with respect to the facts and judgments they command and the common experiences between them. This common cadre feeling has an important if hard to specify effect on regional coordination. The actors who are communicating are mutually known, as are their styles and previous roles. Officers who have served in Islamabad are posted to Delhi, Dacca or Khatmandu; those who have served on a country desk in Washington are sent to Delhi, Islamabad, and Colombo. A political officer who has served in Islamabad may become political officer in India or country director for INS. An excessive enthusiasm for GLOPping could well run counter to this infra-structure of regional coordination.

Throughout our interviews, whenever we pressed the possibilities of regional coordination, we encountered variations on a bilateral frame of mind. Actors see the lines of communications running to Washington, not across the subcontinent. The idea that a conflictual situation might be explored in the region instead of in Washington is generally not recognized and if recognized rejected. We discussed at length arms, food, the Indian Ocean, and development as-

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sistance, and encountered resistance to the idea of a regional interest and strategy with respect to all of them. In fact, potentially difficult or conflictual issues are routinely referred to as issues that have to be handled in Washington. Washington actors in turn viewed the prospect of regional collaboration among embassies as a threat to their initiative and control over policy formulation, decision and management.

Embassy officers often believe that they do not have enough information to make recommendations, or even develop views, about matters that fall outside their own narrowly defined responsibilities. There is circularity in this reasoning: because there are no habits of regional coordination, country actors are not aware of information concerning other countries in the region that bears on their own situation. Often lack of information, in the areas of economic development or political costs, is a matter of not asking questions, or of choosing to collect information only on a country and bilateral basis. Since bilateral frames of mind follow from bilateral channels of communication, regional frames of mind would require more organizations and/or procedures emphasizing regional channels of communication.

Some of the policy areas where more and better regional coordination seems possible are food; economic aid and development assistance; cultural and scientific activity, relations and programs; arms supply; and crisis management, notably the settling of regional disputes. While officials on the whole resisted the notion of coordination in any of these areas, they considered the prospects better for the first two than for the last two. We investigated the possibilities for coordination in the areas of food, economic development and arms supplies in some depth.

The bilateral conception that subcontinental actors have of their roles militates against regional coordination with respect to food. People in the region felt, "We must trust those in Washington"; they believed that coordination was simply not their task. In only one of the three embassies was there any support for the idea by a high level official: "The embassies should be communicating with each other but they aren't. Everyone is going their own way. I assume that in Washington it will be put together and that some sort of strategy and set of priorities will be worked out."

One justification for regional coordination is to develop, at maximum, a reasonable and coordinated South Asia policy; at minimum, a clearer view of the costs and benefits of different allocations. It is obvious that the countries in this area (notably India, Pakistan and Bangladesh) have similar food needs and problems and that together they represent a substantial proportion of world food needs. The needs of the region are large enough to come in serious competition with food requirements in other nations, for example, Egypt, China and Russia. As this report is written, decisions about U.S. food shipments abroad are dominated by the Department of Agriculture's "market" orientation, an approach that leaves "policy" in buyers' hands, as the Russian purchases in 1972 and 1974 make clear, and by the struggle over humanitarian as against political food aid, a struggle that, under current circumstances, pits Secretary of State Kissinger against key congressional leaders and AID. Neither the states of South Asia nor the U.S. embassies have taken steps to shape the policy process, much less policy decisions, in ways that confront and deal with the region's food needs. The international allocation of food involves political, developmental and humanitarian objectives as much as it does market forces or dominance. Formulating a regional interest and relating it to the world production and allocation of food would provide the Department of State with policy inputs that it could use to assess foreign relations implications of food.

Food and guns do not appear on the same agenda in the South Asian region. The notion that food aid and arms supplies are subject to trade offs or that a shift to an emphasis on food (and economic development) could affect the salience or priority of security concerns in the region was not on anybody's mind or agenda. Clearly, a regional framework is required if South Asia is to shift its concerns and priorities from arms to food.

Development assistance too may be an appropriate area for regional coordination because certain problems, notably agricultural production, are common across the region, e.g. wheat in Pakistan and North India; rice in Bangladesh, Bengal, Madras, Sri Lanka. Regional coordination among U.S. officials concerned with common problems and challenges could help to promote sharing of resources and the development of common policies for development and regional cooperation and security. The use of subcontinental planning and coordination in the areas not only of food and development assistance but also trade and investment is likely to spill over in ways that affect the frame of mind and lines of connection between the countries of the region.

There may be obstacles to regional coordination. Officials in several of the embassies thought that regional coordination of food policy would unleash a struggle among them over relative proportions in the light of policy needs, political relations, etc. (should the ratio be 2:1:1, 4:2:1, etc.). In at least one case a regional policy for food was opposed because the embassy could do better not coordinating than coordinating its country requirements with those of other countries in the region.

While such a struggle is not unlikely, it could also lead to the search for "objective" and political grounds to resolve it. To use an example drawn from the subcontinent, the fact that Bengal and

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Madras argued about the financial allocations that should go to each area before the sixth finance commission has helped produce the principles by which the finance commission makes its allocation. Conflict may, and often does, contribute to coordination. Brokering the conflicting demands of different interests goes on in Washington in any case. Instituting a parallel process in the field would inaugurate the process earlier and, in the context of agreed criteria, shift it downward.

While we realize that regional coordination is no panacea, we do argue that it could produce better staffed options and a more comprehensive and comparative view than is now available of policy needs and choices. At a maximum, it would produce more thoughtful and weighty policy proposals and enhance the viability and autonomy of regions in the policy process.

Regional coordination of arms supply seemed exceptionally difficult to embassy officials because it approached the ground on which the two major countries and embassies in the area have been most deeply divided. Yet the possibilities for meaningful regional coordination seemed much better in 1974 than in 1964. As Stephen Cohen's paper emphasizes, the 1965 war brought home to U.S. officials serving in the region that the arms supply policy had led to regional military confrontation, not the result intended by the policy. The 1967 arms policy, which provided for a cash supply of non-lethal weapons on a relatively even-handed basis to both Pakistan and India, commanded substantial consensus in the Islamabad and Delhi embassies. Despite the 1970 "one time exception" to the general embargo on lethal weapons, and despite increased concern recently to respond favorably to Prime Minister Bhutto's request for arms, the consensual possibilities on arms policy remain viable.

Present trends in the region also conspire to make arms aid a more promising subject for regional coordination than it appears at first sight. To some extent since the 1965 war, and certainly since 1971, the notion that India is the dominant power in the area has been increasingly shared by all embassies in the region, although there are differences concerning the interpretation of that position. This relationship is generally accepted by the Pakistan government, although it emphasizes that in its view Indian "dominance" makes India that much more dangerous and Pakistan that much more insecure. But the sharp competition that existed when "balance" between India and Pakistan was sought by both the government of Pakistan and the U.S. ambassadors to Pakistan no longer exists. In so far as the government of India prefers a Bhutto government to foreseeable alternatives, and in so far as the Bhutto government's viability depends on success in its effort to get arms from the U.S., the government of India might mute its opposition to limited arms supplies to Pakistan. Such a perspective could enable the Islamabad and Delhi embassies to see the issue through similar lenses.

With respect to Diego Garcia also, the sharp differences that characterized both the embassies and the clients on various arms issues a decade ago is no longer visible. The Dacca government shares New Delhi's opposition to Diego Garcia, but lacks Delhi's sense of the facility's saliency to regional security. The Pakistan government, although not opposed to U.S. policies as articulated by the U.S. Navy, would like to avoid the issue. On the one hand, the government of Pakistan finds it useful to oppose India and to side with the U.S. and the People's Republic of China. On the other hand, supporting Diego Garcia as a full fledged "base", because it puts the GOP on the side of American "militarism", "imperialism", or "capitalism", alienates many third world nations from Pakistan or puts Pakistan in explicit opposition to their policies and concerns. Not least among them is Iran, which has its own ambitions (and capabilities) in the Indian Ocean area.

While the two embassies do not view the issue in the same light, their differences are not so sharp as they were when the USG military and intelligence interests in South Asia meant arming Pakistan and locating facilities there.

The preceding remarks suggest that the conventional view shared by officials in the region and in Washington, that regional coordination of military policy including arms is impossible, is, if not mistaken, at least less correct than is supposed. To what extent regional coordination on military matters appears impossible because habit linked to bilateral modes of thought block a regional perspective, and to what extent it appears impossible because of fundamental differences in the outlook and assumptions of the principle regional actors is a question that remains for the future.

Embassy personnel in the South Asia regions see a number of problems attending regional coordination. They are apprehensive about the exacerbation of conflict among embassies where the problem is distributing limited resources among countries. More fundamental if less articulated is the fear of abandoning a known and rewarding orientation, that of representing a host country's views and interests, for an unknown and potentially costly orientation, that of representing a "regional" perspective. What if an ambassador or other official agreed to consider an issue from the perspective of "the other" country? The cost in Pakistan, for example, and thus the cost to the official and the embassy might be quite high. Critical Pakistani counterplayers might fear or suspect that "their agent" would help "the other side". To the extent that these attitudes depend upon the conflictual history of the two main actors on the subcontinent, India and Pakistan, these apprehensions may de-

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serve less weight at a time when the level of tension appears to be abating. But to the extent that they are rooted in the relationship between foreign and host country counterplayers, they remain an impediment to regional perspectives and policy formulation.

Embassy spokesmen are also apprehensive, as was previously suggested, about a strategy of regional coordination because they do not believe they command the necessary expertise. Regional perspectives, policies or coordination, if they are to exist, are a job for Washington, not for bilaterally defined organizations and roles.

The assets of regional organization include the appearance, on a common agenda, of policy perspectives arising from country missions. At best, their confrontation might produce some consensus; at least it would promote clarification of costs and benefits, and the increased understanding comparison brings. How important is arms aid to Pakistan to the internal politics of India and Pakistan? How important to the structure of their respective foreign alliances? What are the comparative political implications of food short falls in Pakistan, Bangladesh, and India? How should these implications affect policy if at all? Ambassadors can now formulate recommendations without substantial information and concern about the cost of their recommendation in the adjoining country, a condition which may create incompletely grounded recommendations and an incompletely argued case. Even where such confrontations do not produce consensus, they will produce a better understanding of trade-offs.

Strengthening regional coordination requires organizational means that can articulate and represent regional problems and priorities, i.e. organizations and procedures that can define a regional policy arena and regional interests. *The purposes of regional coordination could be served by the periodic convening at rotating centers in the region, of regional conferences, organized on a functional basis such as economic development, including aid; military policy, including arms; culture and science.* Such conferences would include not only the relevant functional officers, who do not always (for example in the case of AID or USIS) command the required standing in their embassies, but also officers who, because of their rank, can speak authoritatively with other embassies. They should further include relevant actors from Washington, from desk officer and country director to deputy assistant secretary and assistant secretary. Conferences should be mandated to convene at times of regional crises; to generate and share information; and to recommend policies that bear on medium and long term regional needs and problems. There are precedents for such assemblies in the regional meetings of U.S. chiefs of mission with the assistant secretary and of late, in the peripatetic activity of the secretary of state. But this proposal aims for a broader institutionalization of intra-regional and regional-Washington exchange.

2. Coordination Across the Sovereignty Barrier

State sovereignty expressed in terms of national jurisdictions and boundaries limits, in principle, the scope and degree of coordination in international relations. *Coordination across the sovereignty barrier involves some form of influence or participation by one state in the affairs of another. Under asymmetrical conditions of dependence or coercion, such participation is likely to be seen as intervention.* The limits on participation are set by legal and prudential considerations, legal in that states are called upon by law to recognize each others' sovereign autonomy, prudential in that the dependency or coercion associated with intervention generates political costs.

Legal prohibitions and political costs have not, however, eliminated the practice of intervention by means such as military force, covert operations or economic relationships. *Here we are concerned with the more benign and "voluntary" forms of intervention that can accompany the dependency inherent in asymmetrical economic and political relationships. What special sensibilities or obligations does coordination across the sovereignty barrier entail?*

Several cases reported in this study speak to this question. They emphasize an appreciation of the political and ideological environments in which counterplayers dwell. Bjorkman's study of President Johnson's short tether policy in supplying food to India in 1966–67 provides an example of flawed coordination, in which insensitivity to political consequences on the other side of the sovereignty barrier generated unnecessarily high political costs. President Johnson's grasp of the internal politics of his own nation was not paralleled by an understanding of the constraints that affect leaders of other countries. The policy was pursued when Mrs. Gandhi had only recently succeeded to office and when her parliamentary support was increasingly precarious. Accepting foreign aid was problematic and politically dangerous. President Johnson's implicit conditions for food aid, muting criticism of U.S. policy in Southeast Asia and publicizing India's dependence, did not make Mrs. Gandhi's efforts to establish her authority easier. These acts contributed to discrediting an economic policy that, at that time and subsequently, could have been mutually advantageous to America and India.

Sensitive coordination is especially important for economic programs that require political and administrative support in the host country and at home. They oblige foreign policy managers to respond to two environments simultaneously. The cooperative rural electrification program discussed by Susan Hadden required operating agencies to face in two directions at once. On the U.S. side of the sovereignty barrier, AID benefitted

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from some very persuasive lobbyists, including John Lewis, AID Director in India, who appealed to the belief of senators and congressmen on the critical agricultural committees that cooperative rural electrification was an American invention suitable for export. On the Indian side, they found ways to adapt the program to satisfy Indian official notions of how a cooperative rural electrification should be organized and administered. This kind of political bridging of the sovereignty barrier is essential if bilateral assistance programs are to be mutually fruitful.

Decentralization is a key to successful coordination across the sovereignty barrier of development and cultural programs. Decentralization does not come naturally to embassies; a few senior officials are expected to deal with their counterparts at the host capital. Counterparts often expect embassies to deal only with them, and tend to suspect relations with organizationally inferior levels. But a more flexible and segmented structure is necessary, especially for economic and people-to-people programs. Charles Lenth shows that the Peace Corps was initially handicapped by an excessively centralized and federally insensitive liaison mechanism located in the Indian Planning Commission, and by its failure to recognize the requirements of states whose characteristics and needs differed markedly. In time, the Peace Corps in India improved its liaison relationship by shifting it to the Finance Ministry's Department of Economic Affairs, and improved its operations in the states by dealing directly with state governments in the context of central supervision. Such direct lines presupposed mutual confidence—especially confidence from the Indian end—that cannot always be achieved. The examples adduced in the Hadden paper reveal similar successful uses of decentralized arrangements (with state electricity authorities).

The comparative record in India and Pakistan of U.S. military personnel and missions provides important illustrations of the variations and possibilities in cross sovereignty barrier coordination, and the conditions of decentralization. The friendly relations between the U.S. and Pakistan before and during its military regimes arose in part out of the positive experience that U.S. military officers in World War II had with future Pakistani military personnel. American generals were among General Ayub Khan's earliest lobby in the U.S., supporting his requests for arms. Relations between U.S. and Pakistani military personnel were personal, direct, and based on their common military identities. They remained close up to 1971. In India, by comparison, where Prime Minister Nehru maintained civilian control over the military establishment, relations with foreign military missions were handled through intermediary civilian officials. A common community of military functionaries was discouraged. Even after the Sino-Indian war in 1962, when American military assistance reached its peak and U.S. military attaches and mission members came to know Indian military personnel, the GOI continued to interpose a civilian screen.

The contrast suggests that *cross sovereignty barrier coordination has political consequences as well as conditions; bringing together functional experts on both sides can enhance communication and create a community of interests. If that community of interests is perceived as threatening by the host country, as was direct collaboration among military officers by the government of India, such coordination may be resisted. Where it is regarded as benign, as was the case with rural electrification and other AID programs in India, or military collaboration in Pakistan, it can enhance communication and relations in ways that promote commonly intended goals.*

The possibility that cross sovereignty barrier coordination can be criticized as undesirable sets limits on its use. Because direct channels to and collaborative arrangements with internal program agencies can become fair game for domestic politicians in the host country, they are peculiarly vulnerable. Thus if U.S. government officials in Bangladesh try to insist on better control of food (and other) smuggling into the Calcutta region and on an increase in food production as conditions for food aid, they may open the way to political costs that outweigh the hoped for economic benefits. Susan Hadden reports in the case of rural electrification, that Indian officials were eager to have AID impose higher rates for electricity on Indian states unwilling on their own responsibility to do so. By shifting the responsibility to the U.S., raising rates might have become politically easier for the central and state governments. AID resisted the invitation (except in the most limited sense) in part because it believed the political consequences should be borne by the local governments.

U.S. officials also need to recognize that various local constituencies may respond differently to American programs, and calculate the consequences of local actions accordingly. Pleading political neutrality is no alternative for shrewd political judgment once cross sovereignty barrier relations are established. If Indian central government officials had succeeded in convincing AID to help them raise electricity rates, state governments, which were opposed, would have criticized and opposed the U.S. effort. A judgment concerning these responses had to be made. Similarly, when the Advanced Research Projects Agency, part of the Defense Department, financed research by American scholars on India's Himalayan borders, the project had the tacit support of high officials in New Delhi. This could not, however, protect the American scholars from the parliamentary criticism that followed the exposure of DOD sponsorship and sup-

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port, exposure which spurred punitive measures against foreign cultural and educational institutions. Contradictory responses must be anticipated and weighed.

Cross sovereignty barrier coordination is less problematic for international or multilateral agencies than it is for U.S. sponsored bilateral programs. International agencies are less susceptible to charges that they are vehicles for imposing external national political interests. But they are far from immune, as the World Bank found in 1966 when, involved in the economic arrangements associated with the devaluation of the Indian Rupee, it was accused of being the agent of disadvantageous U.S. intervention in the Indian economy. Generally, however, *the supra-national standing and impartial expertise of multilateral institutions such as the World Bank and IDA, helped them to coordinate across the sovereignty barrier in ways and to a degree not normally available to national actors.*

3. South Asia-Washington Coordination

Coordination between the South Asia embassies and Washington bureaus typically involves preliminary informal communication. The "official and informal" (not part of official records) letter is particularly significant, as are memos to the secretary which explore policy positions in a tentative way. They represent a step beyond the "official and informal" letter. Communication by inference, when embassy officials deduce or infer the department or USG position from statements by the national security advisor or the secretary of state, is especially important. Such forms of informal communication precede, for the most part, cable traffic that establishes "facts," takes positions and makes recommendations. Once a situation starts hardening, the telephone becomes particularly important because oral communication can "restore" the fluidity of preliminary informal exchanges. Embassy calls to Washington require special skills though, since it must be assumed that they may be subject to unfriendly monitoring and because talk is now in the context of interests, stakes, "effectiveness," etc. Such informal means are particularly important for effective intervention, manipulation or control of the decision making process. Knowing, by phone or otherwise, on whose desk a piece of paper may be sitting, who is chairing a key committee or when a decision is to be made or a meeting held, can make all the difference in the choice of strategy and means and ultimately for success and failure.

Travel back and forth between the field and Washington is not a significant form of communication and coordination yet it may be the most promising underutilized means available. It allows the field officer to confront directly the bureaucratic stakes and congressional interests vital to policy making. It allows Washington officials to experience the policy environment in which embassy officials dwell. A single act of peripatetic diplomacy, not uncharacteristic for the ambassadors accredited to India, who frequently are recruited from domestic politics, illustrates the importance of exchanging venues.

The PL 480 rupee settlement, achieved in 1973, reverses the usual center periphery image of relations between Washington and the field. Ambassador Moynihan, like Chester Bowles and John Kenneth Galbraith before him came to Washington where he successfully converted an infinite into a finite problem by disposing at a discount India's accumulated debt of three billion dollars in rupees. He deliberately selected the problem for special emphasis because of its promise for improving Indo-U.S. relations and became increasingly aware that success or failure here would make or break his embassy. Officials who worked with the ambassador in preparing the coalition of thirty U.S. rupee spending agencies to support the settlement before Congress thought its successful conclusion depended heavily on the ambassador's political skills, strategy and connections, a view with which he concurs. Ambassador Moynihan was able to call upon Secretary Schultz's cooperation at Treasury; persuaded Secretary Butz at USDA to lend his support; mobilized the support of presidential assistant Kissinger and in turn gained President Nixon's consent at San Clemente. Having spoken to the president last, he made sure that he kept and used that strategic and psychological advantage. But above all, he participated in the Washington arena.

Ambassador Moynihan mobilized the appropriate congressional support for the settlement by enlisting the aid of his friend, former speaker John McCormack, and talking personally with forty senators and congressmen. His inadvertent failure to approach Senator Harry Byrd almost proved fatal to his purpose because, as a result of Byrd's initiative, the Senate on September 28, 1973, voted to prevent the administration from settling the three billion dollar debt at two-thirds discount without Congressional approval. Good State Department liaison and support from the highest levels of the administration led, eventually, to the defeat of the rider and a happy ending to a complex and perilous maneuver.

Ambassador Moynihan believes that the settlement could not have been made through the institutional apparatus of the Department of State. His leadership to the finale was, no doubt, central. But many elements of the agreement, including the concept of a substantial discount, were prepared through normal bureaucratic channels. He added two elements: 1) orchestrating legislative support for the measure by carefully attending to Congres-

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sional opinion; 2) assuring that the field and Washington pushed in the same direction by personally shuttling back and forth between locales. The personal influence he exercised was no doubt special; but the devices he used are amenable to more general application.

The PL 480 settlement suggests the utility of more frequent Washington-Field movement, particularly opportunities for representatives from the field to inform and influence elected and appointed officials in Washington. The regional conference proposed in section VI E (Recommendations) would also facilitate such exchanges.

4. The Embassy and the Country Team

While one encounters in the field and in Washington the conception of a "country team," it is not clear to what extent it corresponds to reality. John F. Kennedy's memo of May 29, 1961, designed to re-instate the ambassador as its head has been, at best, imperfectly realized. *A considerable portion of the mission's bureaucracy responds to two captains, and the ambassador is likely to be the less significant in the contest between him and, for example, Agriculture, Defense, CIA and AID officials subject to dual lines of command.* It should not be surprising if they are sometimes more attentive to their agency's drum than to the ambassador's.

Three examples suggest the nature of these relationships. At Dacca, where food aid was of critical concern in the summer of 1974, USDA policy statements reporting Secretary Butz' calculatedly pessimistic estimates (after the Russian wheat deal) about the U.S.'s capacity to give aid, came directly to the Agricultural attache. He in turn turned them over to USIA officials who put them out through press releases to local newspapers. Neither the Agriculture or the USIA officials cleared them with embassy political or economic officers, despite their considerable significance as a statement of U.S. policy.

In Delhi, at the same time, Ambassador Moynihan, who was taking a more skeptical view than the Defense Department of the Diego Garcia facility, on the whole managed embassy responses on this issue, and on India's nuclear explosion, without substantial input, let alone help, from local DOD representatives.

In Islamabad, the AID director, who recognized that economic policy was not to the fore in embassy planning, was nevertheless disconcerted by the omission of economic concerns from an important planning document drafted by the political officers. It was more by accident than design that the document came his way in time to permit some consideration of economic policy.

In all three locations there was agreement that some of those who sit in country team meetings, such as the DOD representative, the public affairs officer or the AID director, do not always have the same access to information as members of the country team at or near the top of the foreign service hierarchy. This, inter alia, limits their participation. The result is to narrow the range of issues, the dimensions of policy and available modes of action. And those who are not informed do not, in turn, always inform. But the mix varies, depending on the extent to which the mission of an agency conforms to current embassy and ambassadorial policy. In Islamabad, the defense attaches have easy access to the ambassador, are heard, and participate, in effect, in political reporting, while the AID director remains autonomous and isolated. In Delhi, in recent years, with minimal action in either sphere, little is seen or heard from DOD or AID. The facts were different in the Bowles embassy, when the AID director and the ambassador collaborated closely.

The effectiveness of country team coordination in South Asia is also related to the size of the embassy. Small embassies such as those in Colombo and Dacca are sufficiently intimate to avoid the complexity that accompanies higher levels of differentiation. In Dacca, where the embassy circle is rather intimate but formal, officials regard the post as well coordinated. The size of the country team in Islamabad and Delhi precludes intimacy. Country team meetings, too large for serious discussions of policy or of the prior identification of problems that need attention, have become largely informational. The ambassador may tell the team about his latest trip to Washington or something of his recent talks with the prime minister or other high officials, and top officials may tell other top officials and a few slightly more junior ones what is going on, what is on their minds or what they think needs doing.

Coordination is also related to host country conditions. These can encourage decentralization or centralization of data gathering and political reporting. In Pakistan, Prime Minister Bhutto like President Yahya Khan before him chooses to talk at length and individually with the U.S. ambassador, a practice that affects the pattern and style of embassy work and coordination. Ambassador Byroade plays a lone hand, talking frequently and at length with the prime minister, preparing his reports to Washington and occasionally sharing some of his thoughts with subordinates. In India, prime ministers have remained more distant, sometimes very distant, from U.S. ambassadors. To know is to infer or deduce from facts and clues rather than to be told. Under such circumstances, political officers, not the host country prime minister, brief the ambassador.

It is not self-evident that organizational solutions short of organizational integration that eliminates most non-State personnel from embassy staffs can solidify the country team. Favorable ecological circumstances—small embassies—cannot be duplicated in all locations. Personalistic solutions are more likely. Ambassadors who are aware that career pat-

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terns, organizational location, and service ideology place FSOs in more advantageous positions than agency and service representatives can correct the balance, up to a point, by deliberate effort. By extending the distribution of critical cable information and inviting responses and by insisting on and practicing consultation, he can generate more participation and broaden his information and option base. Given the multiple channels and multiple loyalties of embassy organization, coordination under present conditions depends ultimately on the ambassador's energy, skill and personal authority.

VI. Recommendations

A. CONTEXT

Our recommendations assume the restoration of responsibility for the conduct of foreign policy to a smaller and revitalized Department of State whose secretary is the president's senior foreign policy advisor. The principal means to this end is the institutionalization of deliberative coordination in the context of governmental pluralism. We have discussed in Sections I and II of this report the background, evidence and reasons for a State Department centered strategy and the meaning and benefits of deliberative coordination. Worth reiterating here is the importance of deploying professional knowledge in ways that enhance its authority and influence over policy formulation and management.

Our recommendations do not require but certainly would benefit from a variety of organizational and procedural changes.[57] Reducing substantially the size and complexity of the Department of State by eliminating functions and redundancy is one such change. The elimination of nine of its sixteen bureaus, headed by assistant secretaries (or equivalents) is a possibility that has figured in previous organizational reform proposals, notably the Hoover Task Force Report of 1949,[58] and is worth pursuing. The unprecedented boldness of Congress' recent reorganization suggests that institutional inertia can be overcome, even in the face of substantial vested interests.

We have not argued in detail the case for such changes, but we recite them briefly here to suggest the context in which our main recommendations would thrive.

Elimination of nine bureaus would leave the geographic bureaus (now five) with approximately 1000 personnel as the department's central component. A sixth bureau for multilateral affairs could absorb the functions and some of the personnel of the present Economic (EB), Oceans on International Environmental and Scientific Affairs (SCI), and International Organization (IO) bureaus. Non-redundant activities of the six remaining bureaus can be assigned to the regional and multilateral bureaus, to the secretary's office or (as we recommend below) to autonomous or multilateral agencies outside the department. The disappearance of the affected bureaus, Congressional Relations (H), Public Affairs (PA), Educational and Cultural Affairs (CU), Intelligence and Research (INR), Politico-Military Affairs (PM), and the Office of Legal Adviser (L), would eliminate superfluous and confusing mediation, often bypassed in any case, by enabling the secretary's staff and the geographic bureaus to deal directly with Congress, DOD and CIA as well as with information and law (cultural exchange will be dealt with below) through small press and legal staffs in the secretary's office.[59] Finally, we envisage the day when State will be given responsibility and commensurate authority for 1) preparing a single, government-wide foreign affairs budget and 2) for all governmental personnel sent abroad on foreign missions.[60]

The excess staffing at the secretary's level (the seventh floor) also merits attention. The chain of command over the assistant secretaries should be reduced to two, the secretary and his deputy, the under secretary. A deputy under secretary for foreign economic policy should act as the chief economic advisor to the secretary and handle the department's relations with Treasury, Commerce and other economic agencies. A second deputy under secretary for national security police should monitor for the secretary the department's relations with DOD, CIA and the military services, including maintaining representatives on their staffs. A small secretariat able to monitor and arrange the flow of business within and outside the department and to give independent advice on day to day matters and a small policy planning staff, independent of but not divorced from operations and able to provide on its own initiative as well as

[57]For a more detailed version of the assumptions, evidence, argument and prescriptions discussed below see John F. Campbell, *The Foreign Affairs Fudge Factory* (New York, 1971), particularly Chapter 9.

[58]Harvey H. Bundy and James Grafton Rogers, *The Organization of the Government for the Conduct of Foreign Policy,* Task Force Report on Foreign Affairs (Appendix H).

[59]The visa work of the Bureau of Security and Consular Affairs (SCA) can be transferred to the Immigration and Naturalization Service (INS) in the Justice Department, already responsible for the entrance of aliens, and its passport responsibilities further automated. An assistant secretary for administration, responsible to the secretary and the six other assistant secretaries, can reduce substantially the 50% of State employees now allocated to support and house-keeping jobs.

[60]A deputy under secretary for budget, replacing the deputy under secretary for management would prepare, with the agreement and cooperation of other interested agencies and, after transferring it to State, the help of OMB's international division, an integrated foreign affairs budget for the executive branch. The regional assistant secretaries should review expenditure plans and ambassadors should justify and control expenditures in their countries.

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on request independent studies and advice, should complete the staffing of the secretary's office.

Of equal importance if the Department of State and its secretary are to be the president's principal advisors and instruments in the conduct of foreign policy is the restoration of the National Security Council to something that more closely approximates Congress' legislative intent in creating it. The NSC has become a highly bureaucratized, cumbersome White House foreign office. Overweighted with representatives of military and intelligence agencies at the policy, committee and staff levels, it has shifted the concerns and objectives of foreign policy from diplomatic means and a political conception of the national interest to military means and a crisis laden conception of national security. The NSC conducts foreign policy in the context of hierarchy and imperative coordination, its staffs and committees shielded from accountability to Congress and public opinion by secrecy and executive privilege, its decisions, despite interdepartmental committees and review groups, often taken in isolation from the professional knowledge of career officials.

We envisage a small (about 20) flexible staff (divorced from policy management and operations) prepared to give and evaluate advice, to extend the president's reach by asking questions and providing information, to insure that those who should be are heard, and to check on implementation. It would put the president's views and policies into draft form and communicate them to those for whom they are intended. Its principal officers would be an assistant for foreign and defense policy and a deputy assistant for foreign economic policy. The present elaborate structure of permanent committees, which make work and waste time, isolate the president from meaningful advice, and inhibit his capacity to direct and control, would be dismantled. *The NSC itself would confine its attention and energies to topics and advice for which it was originally intended, the defense budget and military strategy, i.e. a national security, not a foreign policy, agenda.* A president able and willing to foster and use a lean, coherent and revitalized State Department is likely to be a president who wants a small, personal White House staff and an NSC that confines itself to narrowly defined military and intelligence agendas.

B. ASSISTANT SECRETARY POLICY PLANNING COUNCIL

Our first recommendation is the creation of an Assistant Secretary Policy Planning Council mandated to identify national interests and formulate and manage policies in ways that take account of regional perspectives. The Council would consist of the State Department geographic assistant secretaries. It would be supported by the Secretariats (S) and by planning teams located in the bureaus. Deputy assistant secretaries would assume larger operating responsibilities so that assistant secretaries can devote the time and attention to their Council responsibilities.

The Council's proceedings would be rooted in deliberative coordination in a collegial context. It would be in a position to manage the dimensions of complexity specified in Part IV of this report in terms of levels, time, function and region. Staffed by professionals close to operations, it would be in a position to use normal diplomacy over a wide range of problems including many that count as crises under current arrangements.

Several advantages attend such a device: a) It avoids the irrelevance and busy work that have come to characterize the National Security Council's committee and review system by relating planning to operations. Instead of adding yet another layer to those the president now struggles to control, it counters the tendency for staffs to duplicate line operations by vesting policy planning and management in line officials. b) The Council's recommendations would capture a viewpoint different from the Policy Planning Staff whose orientation would remain to the Secrtary's responsibility to advise the president about strategic diplomacy at the global level. The Council would attend to those contextual evaluations and judgements based on detailed country and regional knowledge that presidential advisors and staffs miss or ignore. c) The Council would institutionalize and make more visible professional knowledge and experience; d) the Council would create a collegial context of deliberation in which officials at equivalent organizational levels can freely exchange views, represent interests, and bargain.

The Council would meet regularly on an agenda of leading regional and interregional problems, including crises. The proposed deputy under secretaries for foreign economic policy and for national security policy would, ordinarily, sit with the Council to insure liaison and coordination with the departments and agencies that fall within their responsibilities. Participants would share a regional perspective on the one hand but speak from divergent regional contexts on the other. Deliberation would involve providing reasons and justifications that made sense across regions as well as in regions.

It is widely believed that operations and planning do not go well together, that planning, if it is not to be subsumed by operations has to take place outside their framework. We are not sure whether to count this belief as an argument against giving the assistant secretaries responsibilities for policy planning and management or as a criticism of the assistant secretary role as it is now defined. If a substantial portion of the assistant secretary's operational responsibilities were given to the deputy assistant secretaries, the assistant secretary's potential as a policy planner would be enhanced.

Another objection to such a scheme is that FSO's are not suited to policy planning; neither their training nor experience prepares them for it. The operational and bilateral modes of thought and action to which they are accustomed are difficult to

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transcend. Difficult but not impossible. In-service mid-career training, particularly at universities, can help the right kind of officer to work effectively in the policy planning medium. Equally important would be lateral appointments from outside. In any case we do not concede as self-evident that FSO's are constitutionally incapable of moving from "operations" to planning; it is a matter for empirical investigation whether assistant secretaries do not think like planners because their roles do not encourage them to do so or because their training and experience preclude their doing so. If getting to be an assistant secretary depended in part on showing talent in this direction it would be surprising if thinkers as well as doers did not surface on the way to the top.

C. A SOUTHERN ASIA BUREAU

The proposal to create an Assistant Secretary Policy Planning Council raises the question of how effectively South Asia would be represented in such a group. Are NEA and its assistant secretary the appropriate organizational form and leadership for managing the South Asia policy arena? Would an organizational arrangement other than NEA be more effective and appropriate? Our response to these questions is that *NEA should be separated into Near East and South Asia components and that South Asia be joined to South East Asia, now part of the East Asia Bureau.* It is often argued that such a division would hurt South Asia by depriving it of the influence that a large and prestigious bureau provides, particularly one whose assistant secretary, even if sometimes ill-informed about or indifferent to the region, often has the caliber and standing to command a hearing laterally and upward.

Divergent career lines already separate Near East from South Asia personnel. Near East normally recieved the lion's share of attention in NEA; it holds six country directorates compared to two for South Asia, a ratio of 3 to 1 although the population ratio is the inverse. The assistant secretary typically is more informed about and engaged with the Middle East. Given the oil crisis and the continuing Israel-Arab confrontation, this skewing of attention and interest will increase. By the standard of the Latin American and African bureaus which deal with regions of comparable or lesser consequence in population, military and economic terms, South Asia easily meets the test of bureau standing.

It may be that South Asia should be joined to a region other than the Near East, i.e. that NEA is not the right combination. For example, on the analogy of the European Bureau, South Asia might be joined to East Asia in a mammoth Asia Bureau. But the imbalance of such a bureau would not avoid the difficulties for South Asia that already exist in NEA and would compound them with those that trouble the European Bureau, such as the proliferation of functional units that parallel those in the department and a vast array of country directorates; including one dealing with a super-power.

Another plausible option is to join South and South East Asia in a Southern Asian bureau. The transformation of China from a hostile to a friendly power, the dissolution of America's strategic commitment in South East Asia and the fact that South East Asia's economic, political and cultural characteristics are more similar to South than East Asia, all point in this direction. A southern Asian bureau that combines scale, relatively uniform circumstances, a common geopolitical context and a good balance in country directorates makes more sense than present arrangements (NEA and EA) or than a separate South Asia Bureau. On balance, then, we recommend that South Asia be separated from NEA, South East from EA, and the two jointed in a new Bureau of Southern Asian Affairs (SA).

D. INSULATING SELECTED PROGRAMS IN MULTILATERAL AND AUTONOMOUS AGENCIES

We have argued in Part IV B that one of the most difficult problems associated with the time dimension of complexity is the relationship of long run and short run interests and objectives. We noted that *there is a pronounced propensity to sacrifice long run goals to the requirements of leverage and the political need for immediate gains. An organizational solution to this dilemma is the use of agencies that are insulated from the vicissitudes of short run political circumstances and the struggle for power in domestic and international politics.*

Insulation will not survive short run political pressures if it is not grounded in good reasons that can be publicly stated and defended; if those reasons are not appreciated and defended by the president and Congress; and if they do not command public understanding and support. Among the policies and programs discussed in this report we believe that those directed to economic growth and redistribution and people-to-people diplomacy have the kind of governmental and public support required for such a defense.

In the light of these considerations *we recommend that 1) economic aid in the form of loans and credits be concentrated in multilateral agencies such as IDA and regional development banks; 2) that cultural and educational programs now located in the State Department's Bureau of Educational and Cultural Affairs, HEW's Office of Education and in other agencies be transferred to a new autonomous agency, the Foundation for Education and Culture, described and justified in V C 4, "Insulation in Practice: Cultural and Informational Agencies;" and 3) that a people-to-people program such as the Peace Corps that relies on volunteers and operates at the grass roots level be located in an autonomous agency similar to the Foundation for Education and Culture.*

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E. THE REGIONAL CONFERENCE

We propose the creation of a Regional Conference designed to promote regional coordination in the field and in Washington. Regional conferences lasting two or three days would be convened quarterly at rotating centers in the region and in Washington. Conferences would be organized around topics of common interest to the region such as food and agriculture, economic development, military policy, oceanic problems, nuclear proliferation, population, trade, education and culture, and science and technology. They would be attended by approximately forty persons who would, in a concluding plenary session, review the reports of topically grouped work shops in an attempt to formulate common understandings and recommendations. Such sessions and the documents they produce could do what policy papers drawn up by NSC interdepartmental groups now attempt to do.

The objectives of the Regional Council are like those of chiefs of missions conferences but go beyond them by stressing exposure to the political environment and presenting problems of the region and by aiming to deliberate in ways that promote coordination and policy guidance. The first objective, exposure to the political environment of the host countries, can be aided by inviting as guests to plenary or work shop sessions elected or appointed officials, scholars, and leaders of thought and opinion of the host country (which includes from time to time the USA).

USG participants would include not only officials whose work and qualifications relate to the topic of the conference but also ambassadors or DCMs, assistant and deputy assistant secretaries and, on occasion the secretary, under secretary or deputy under secretaries. (We take note of Secretary Kissinger's penchant for peripatetic diplomacy and, in the Regional Conference, propose to institutionalize it.)

The Conference is also designed to promote field-Washington coordination. The operational routines, policy agendas and, most important, environmental contexts of the center and the periphery generate markedly different perspectives. Neither believes that the other is sufficiently alive to its setting, constraints and problems. The Conference exploits an underutilized resource for the conduct of foreign policy, modern means of rapid travel, to remedy these difficulties by creating new lines of discourse within the region and between it and Washington.

Conferences in Washington will expose field officials to the relevancies of bureaucratic, congressional and national politics; to policy agendas as Washington sees them; and to political sentiment on the Hill. Such experiences will refresh their appreciation of the relatively modest domestic standing of matters that seem critical in Dacca or Islamabad.

The Regional Conference would be staffed by a small regional secretariat headed by a Regional Coordinator at the rank of Deputy Assistant Secretary. The secretariat would generate and gather information relevant to the topic and agenda of particular sessions, facilitate communication, and plan and coordinate conference agendas. Every effort should be made to prevent the regional secretariat from becoming a place where routine tasks are performed. The regional secretariat is meant to provide horizontal coordination among embassies. Its staff should know the region, have served there, and have a good command of programs, including those on the margins of the State Department and outside it.

We began this report by observing that prescriptions for administrative reform have a cyclical quality. Those that originated in the New Deal era to strengthen presidential management and leadership of the executive branch prospered and grew during and after World War II in response to America's role as a world power. In the 1960s the need for presidential power became the dominant theme of the literature on domestic and foreign policy and in the early 1970s the principal problematic of presidential practice.

We propose in this report counter-cyclical measures designed to correct the excesses of presidential power in the conduct of foreign policy. They include proposals to counter imperative with deliberative coordination; the NSC system with a strengthened and re-organized State Department, including an Assistant Secretary Policy Planning Council and Regional Conferences; hierarchical norms and relationships with collegial ones; the general knowledge of policy intellectuals with the professional knowledge of career officials; and a global dominant view of world politics with one that gives global, regional and bilateral relations their due.

If implemented, these prescriptions will in time no doubt lead to other excesses, but in the historical context of the mid-1970s we find them appropriate remedies for the era's presenting problems.

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A. South Asia and U.S. Military Policy

Stephen P. Cohen
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I. Introduction

Since 1965 two Administrations have had to fashion a coherent strategic and military policy towards South Asia in the face of extraordinary complexity. This complexity is most evident in two areas of choice: the proper integration of American regional military interests with her global strategy, and the wise use of military means in the service of this integrative process.

There is no doubt that the U.S. has pursued "global" or grand strategic objectives in the world since 1945. At this level critical variables have included Soviet, Chinese, European and (now) Japanese capabilities and intentions. What has been in doubt is the relevance of this global pattern of interaction to American involvement in regional subsystems such as South Asia. At one extreme, should South Asia be treated on its own terms, free from superpower competition? At the other, should American policy in the region be guided exclusively by global and superpower considerations? [1] A striking characteristic of American policy towards South Asia has been the oscillation between these two views: one purpose of this paper will be to describe this oscillation and identify the important organizational and issue-related causes for it.

A second area of complexity confronting U.S. military and strategic policy is the extraordinary militarization of relations in South Asia.[2] Military tension between India and Pakistan—erupting in open warfare twice since 1964—has become a regrettably permanent feature: this has in turn provided the opportunity for major external powers to provide hardware and weapons to both sides. For the U.S. this presents a number of difficult problems: how effective are weapons as instruments of American policy? Who is to implement an arms program, and who is to evaluate it? Can arms transfers enhance bi-lateral relations in what is almost a zero-sum environment, should they serve America's *regional* interests, or can (and should) they serve extra-regional global American interests? Thus, what confronts American policy-makers is both complexity of *situation* as well as complexity of *choice.*

One issue has dominated American military policy in South Asia: the transfer of weapons.[3] The bulk of this paper will examine the determination of arms transfer policy in the 1965–74 period with special attention to two decision points. These are the reformation of weapons policy in 1966–67, and the "one-time" exception to that policy of 1970. The two decisions illustrate radically different judgements of both the strategic importance of South Asia and the use of weapons as an instrument; the decisions were also concluded via two different organizational patterns. To provide a broader base of comparison we will also examine another decision with military implications: the proposed expansion of the facility on Diego Garcia. This episode provides additional confirming evidence about the way in which America's South Asian military policy has been made in recent years and helps provide some additional basis for evaluation of that policy.

[1]For a discussion of this problem see Wayne Wilcox, Leo E. Rose, and Gavin Boyd, eds., *Asia and the International System* (Cambridge: Winthrop Publishers, 1972, v, and more recently, William P. Bundy, "International Security Today," *Foreign Affairs* 53, 1 (October, 1974), 24–44.

[2]I have explored this at length in my "Security Issues in South Asia," *Asian Survey,* forthcoming.

[3]By transfers I include a wide variety of programs: direct grants, loans, and sales of equipment (the latter for hard or soft currency and by deferred or immediate payment). In addition, military assistance may also take the form of cash subsidies to the recipient state. Quite often, as in the case of both India and Pakistan, a military relationship will encompass a mix of several programs. Additionally, it may also involve direct cash subsidies in local currencies.

II. No Arms for the Poor: State Gains Control

By many standards, the 1965 Indo-Pakistan war was a success. From the military point of view it was, according to participants on both sides, "a bloody good show", with just enough casualties to toughen the troops but not so many that eyebrows were raised.[4] For the political leadership in each country the war served a purpose: for the Pakistanis it was vital in their attempt to keep the Kashmir issue alive and before world opinion, for Lal Bahadur Shastri, it was a successful baptism under fire. True, much of the moderate East Bengali leadership was incensed at the lack of preparedness in East Pakistan —but at the time this was a grievance which was merely noted, although it was to surface again in 1971.

Yes, the war was useful, and not only for the South Asians. China was able to demonstrate her continuing and firm support of Pakistan through a bit of saber rattling in the Himalayas (and they were to repeat the effort in 1971); the Soviet Union demonstrated that it had established itself on the Subcontinent by hosting a reasonably successful summit conference at Tashkent. And what of the United States? An ally, Pakistan, and a sister democracy, India, had fought a war which was widely viewed as subsidized by American taxpayers. The U.S. played little or no role in ending that war, and had received no thanks from either side; what was there to rejoice about?

Very simply, the war came at the right moment for the U.S. in the way that some calamities are welcomed by debtors and bigamists. For this was precisely the position of the U.S. vis a vis India and Pakistan. It had undertaken substantial arms programs in both countries, and attempted to manipulate their relationship for the presumed benefit of all three parties, with dismal results. Promises had been made to both sides which could not be kept without antagonizing one state or the other: the 1965 war enabled the U.S. to get out of these commitments with some shred of dignity and then actually proceed to construct a reasonably intelligent arms policy.

Before describing this effort, note should be made of the way in which the U.S. painted itself into a corner in South Asia, and the enormous military impact it had come to have upon a region which by no stretch of the imagination was strategically vital.

The U.S. had been engaged in the transfer of weapons and war material to South Asia since the mid-1950's. Indeed, transfers occurred earlier, if one takes into consideration the weapons and military infrastructure left in the region as a consequence of World War II. The military importance of weapons transfers from the U.S.A. was historically crucial. Pakistan would not have become a serious military power without U.S. equipment. Virtually her entire Army and Air Force were equipped with relatively modern U.S. weapons, most notably M-47 and M-48 Patton Tanks (once the main battle tank of NATO), F-86 Sabre aircraft, and F-104 supersonic fighters (also frontline NATO equipment), and B-57 light attack jet bombers. In addition, engineering, communications, and transportation equipment was lavishly supplied. These transfers led directly to Indian purchases (largely from the U.S.A., Britain, but later from France and the Soviet Union) of equivalent weapons and very heavy Indian investment in a domestic arms industry.

Until 1962, U.S. weapons were largely a Pakistani asset and an Indian problem. However, after the conflict with the Chinese, they were given and sold to India for the explicit purpose of defense against further Chinese incursions.[5] To this end, the U.S. provided equipment for six so-called mountain divisions, road-building and engineering equipment, and the beginning of a modern air defense system orientated towards the Himalayas.[6] In addition, parts of several ammunition and arms factories were shipped to India, although not all of these were completed before the 1965 war. Negotiations for modern supersonic aircraft fell through, as did talks about refurbishing the aging Indian Navy. According to the terms of the assistance, this equipment was to be used only against the Chinese. A huge U.S. military mission was installed in New Delhi to inspect the disposition of American aid.[7]

This U.S. Military Supply Mission to India (USMSMI), housed in a rented maharajah's palace, operated under direct orders from the Department of Defense. But it was not the first such mission in South Asia: a gigantic Military Assistance Advisory Group had been in Pakistan for years, directing the flow of American weapons and training in that country.

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[4]For three contrasting views see Russell Brines, *The Indo-Pakistani Conflict* (New York: Praeger, 1968), Lt. Gen. B. M. Kaul (Indian Army), *Confrontation With Pakistan* (Delhi: Vikas Publications, 1971), and Brig. Gulzar Ahmed (Pakistan Army), *Pakistan Meets Indian Challenge* (Rawalpindi: Al Mukhtar Publ., n.d.).

[5]See K. Subrahmanyam, "Military and Foreign Policy," *Foreign Affairs Reports* (New Delhi), XVII, 11 (Nov., 1968), p. 118, for an Indian analysis.

[6]This system, "Star Sapphire," has just been completed. Earlier, the U.S. had sold at concessional rates significant numbers of World War II Sherman Tanks (800) and medium C-119 transports (55).

[7]Most of this equipment has stayed in the Himalayas, but some can be used against Pakistan as well as China (the radar net, mountain divisions in Kashmir). There are some indications that the Indian military has spread around equipment intended for the mountain divisions to other units.

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Both of these missions were classic expressions of then-prevalent assumptions concerning the utility of direct military-to-military ties in furthering U.S. policy. As Selig Harrison and others have noted, the Pakistan aid program was based on the belief that even before Ayub's coup the military was a dominant power in that country and that U.S. military personnel were perfectly capable of dealing with them.[8] At that time State was thought to be unable to handle such large military assistance programs so it seemed perfectly natural to let the military do it. They did, with characteristic zeal. Ties between U.S. officials and Pakistani generals date from the early 1950's, and remain a factor in bilateral relations.[9] State Department officials even today note with a mixture of sarcasm and awe the power of Pakistanis—especially the right "martial" types—to influence visiting American dignitaries.[10]

The officers attached to USMSMI had no such ego-building experience. The Indian Government had long been wary of close relationships between their own generals and foreign military personnel: they were quite aware of developments in Pakistan. While their fears of a foreign-inspired coup among their own military may have been exaggerated, they were deeply felt, and Indian civilians in the Ministry of External Affairs and the Defense Ministry were scrupulous in restricting contacts between their own and the U.S. military.

Thus, when the 1965 war finally came the American military found themselves to be the subject of exaggerated expectations in Pakistan and exaggerated suspicions in India. Pakistan expected more help than it could get; India, needing less, was angry when even that was not forthcoming.

Even to the U.S. military the war seemed to undercut much of the rationale for the military aid programs in both India and Pakistan. True, there were still "interests" in both countries, especially Pakistan, in the sense that a number of American generals tended to view substantial U.S. programs and installations as interests in themselves—deriving interest from program. But even in Pakistan this "interest" had deteriorated, and the spy-bases and radar installations located in Peshawar and Gilgit had lost much of their value. Besides, as a number of U.S. officers had observed, India demonstrated substantial improvement over her inept performance against China three years earlier. A number of younger U.S. Army and Air Force officers (the two services most concerned with South Asia at that time) argued for an arms policy which at the very least would not antagonize this growing power.

If Pakistan had lost much of her military lobby by 1965 she had begun to lose support among State Department professionals even earlier. The rapid move of India towards the West after the 1962 India-China war raised the strong possibility that she could become a de facto ally of the U.S., and a strong, powerful, democratic one at that. This position was argued by both Galbraith and Bowles, sometimes to excess, but was shared by foreign service professionals who had seen duty in both countries.[11] While there was some sense of competition between the embassies in Rawalpindi and Delhi before 1965, the war had done much to crystallize opinion and bring them together.

Their shared analysis of both military and strategic possibilities in South Asia remains almost intact today, and is worth presenting in summary form: [12]

a) Militarily, Pakistan could no longer hope to obtain any kind of strategic superiority on the Subcontinent even with a major external arms supplier. This judgement was confirmed by the outcome of the 1971 war and was based largely upon a significantly better Indian performance in 1965 than 1962. Although the war of 1965 was something of a stalemate, and almost degenerated into a war of attrition, it was precisely that kind of war which India was best able to mount against the numerically smaller Pakistani forces. No amount of bluff and bravado about the martial races of Pakistan could conceal the fact that Indians fought well also. Pakistan, in short, was clearly not—and could never become—the dominant or even major military power on the Subcontinent.

b) America had few if any *direct* or bi-lateral military interests in South Asia itself. While the area remained of political importance for a number of reasons (see below) these did not necessarily have military implications. The Soviet threat to the Subcontinent was hardly likely to take military form, the Chinese struggle with India seemed to have cooled down considerably. The Chinese even failed to intervene during the 1965 war, when such intervention would have had a great impact. And, as noted above, the spy bases and other installations in Pakistan were no longer vital to U.S. strategic planning, having been largely replaced by satellites.

[8]Selig Harrison, *India, Pakistan and the United States* (Washington: The New Republic, 1959).

[9]Stephen P. Cohen, *Arms and Politics in Bangladesh, India, and Pakistan* (Buffalo: SUNY, Council on International Studies, 1973).

[10]Typically a senior American officer has been met in Rawalpindi by a higher ranking Pakistani officer, or, in the past, by Ayub or Yahya, and in New Delhi by a middle-ranking civilian Defense Ministry bureaucrat.

[11]For a view of the U.S. policy process in the period after the 1962 Indo-China conflict see Shivaji Ganguly, "U.S. Military Assistance in India 1962–63: A Study in Decision-Making," *India Quarterly* (July-Sept., 1972), 1–11.

[12]I have drawn these from various conversations, official statements, and actions.

c) the U.S. did retain some bi-lateral non-military interests in the region. The general goals of economic development, humanitarian relief, encouragement of democratic regimes, favorable bi-lateral relations and the reduction of Sub-continental tensions were (and still are) shared by foreign service professionals dealing with the region. Strategically, they viewed the region as important in the Cold War, but not as important as in the 1950's, but this importance was based on non-military grounds.

d) As between India and Pakistan, few in Rawalpindi, New Delhi or Washington would be willing to argue for an either/or choice. India was important because of its size, democratic political system, and economic difficulties; Pakistan was itself regarded as a substantial nation, but in addition had been a loyal American ally for a number of years. Politically, India had excellent ties with the non-aligned world, Pakistan with a number of Arab states and other American allies. Of greater concern were the ties of the two states with the two great Communist powers: India with the Soviet Union, Pakistan with China.

While there are of course individual exceptions, it must be stressed that even today there is remarkable agreement on the above analysis among civilian FSOs dealing with South Asia. This shared perception of local conditions and American interests made it possible for a major step in American military involvement in South Asia to be taken.

Shortly after fighting broke out between India and Pakistan in 1965 the USG announced an embargo on military shipments to both India and Pakistan. By the time the war had terminated plans were underway in Washington to study the entire U.S. arms program for the region. The embargo had had an uneven impact, because Pakistan had been almost totally dependent upon the U.S. for her weapons, while India's military had British, French, and indigenous equipment.[13] In fact, the USG never did give or sell frontline combat weapons (tanks and aircraft) to the Indian armed services which had viewed America as the best possible source of weapons. When the then Defense Minister (Y. B. Chawan) went to the Soviet Union in 1964 to examine Soviet weapons he was accompanied by a group of reluctant Indian officers; ultimately it became clear that American weapons were not to be forthcoming, and the Indian military settled for what they could get.

While the Pakistanis had held discussions with the Chinese for some time concerning arms assistance, the 1965 war made this an urgent priority. The Chinese rapidly became Pakistan's major arms supplier, and today just under half of her combat aircraft and well over half of her medium tanks are of Chinese origin.[14]

These developments were of some concern to the MAAG mission in Rawalpindi and they kept pressure on DOD to support the lifting of the embargo to Pakistan. But DOD itself was having second thoughts on arms programs in general, and Pakistan in particular. By coincidence, a major DOD study of military assistance had been completed in 1965 and concluded that most current programs were in great need of reform.[15]

An initial break in the embargo occurred in early 1966 as a consequence of urgent pleas from both the U.S. and Pakistani military in Rawalpindi. India and Pakistan could purchase for cash or credit and on a case-by-case basis, "non-lethal" end items. Additionally, they could purchase spare parts for non-lethal material on a cash basis only. Crucially, India and Pakistan were to be treated *identically*, a reflection of the rough equality of U.S. interests in both states. Further, a unique distinction had been introduced into the arms assistance program: "lethal" vs. "non-lethal" equipment. The former were presumably weapons that fired, the latter included unarmed transport (air and ground), communications equipment, and logistics and engineering supplies.[16] This relaxation of the embargo was no boon for Pakistan. In fact, like the total embargo, it favored India, which had been making large purchases of U.S. "non-lethal" equipment for several years. But the new policy had another effect: it stimulated the Indian and Pakistani search for new sources of weapons.

Meanwhile, the State Department's India and Pakistan desks had undertaken a careful search for an arms policy which would maximize what they perceived to be American interests in the region. A virtual embargo might have been continued had India and Pakistan not been so successful in obtain-

[13]For a careful study of India's attempts to achieve self-sufficiency in crucial major weapons systems see Wayne A. Wilcox, "The Indian Defense Industry: Technology and Resources," in Frank B. Horton III, et al. (eds.) *Comparative Defense Policy* (Baltimore: Johns Hopkins University Press, 1974), pp. 479–481.

[14]This is according to recent International Institute for Strategic Studies figures, which are accurate. In terms of American equipment, this amounted to over 80% of Pakistan's weapons at the peak of the aid program, but is now around 35–40%, and declining. During the 1971 War "friends" of the Pentagon were anxious to prove that weapons used by the Pakistan Army in East Bengal were of predominately Chinese origin. Several articles making this point were inserted in the *Congressional Record* of Nov. 16, 1971, by Cong. John Schmitz (Rep., Calif.).

[15]For a discussion see Roger E. Sack, "United States Military Aid to the Ayub Khan Regime," a companion paper being presented to the Commission.

[16]For the official policy statements plus supporting data see: 93rd Congress, House Committee on Foreign Affairs, Subcommittee on the Near East and South Asia, *Hearings* (United States Interests in and Policies Toward South Asia), March, 1973, and *Report*, May, 1973.

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ing outside sources of weapons from the two Communist powers, France, and Great Britain. Additionally, Pakistan was still putting heavy pressure on the USG and tried to exploit what they perceived as a sympathetic Lyndon Johnson. According to several sources however, Johnson declined to intervene in the decision-making process on the side of the Pakistanis and the final policy determination was formulated within the regional bureau of the State Department.

This policy, announced on September 23, 1967, remains in effect today. It consisted of the 1966 modification of the 1965 embargo, plus the following points:

a) All equipment assistance on a grant basis would be terminated (with the minor exception of the provision of road-building equipment for India to use in constructing the East-West Highway in Nepal),

b) Withdrawal of the substantial U.S. Military Supply Mission and MAAG group in India and Pakistan, respectively,

Resumption of grant aid training programs on a limited scale,

c) "Willingness to consider on a case-by-case basis the cash sale of spare parts for previously supplied lethal equipment." [17]

The criteria for the case-by-case consideration of spare parts were to be the recipient's critical need, "contribution to reduction of military expenditures or arms limitations" and contribution to "reasonable military stability" within the Subcontinent.[18] Thus, the U.S. did not declare its intention to withdraw *entirely* from its earlier efforts to seek some balanced relationship between India and Pakistan, but it did state that such efforts would be quite restricted. The U.S. would not rebuild or expand Pakistani force levels, at the very most it would guarantee that they would remain at approximately 1965 levels; a number of DOD, MAAG, and attache studies had already determined that these levels were adequate for Pakistan's internal security and for her defense against India. The U.S. had tried to remove itself from a position of major arms supplier in South Asia, while still maintaining some limited military-to-military contact and holding some leverage over Pakistan (via decisions on spare parts) and therefore (indirectly) over India as well.

The reaction to this policy statement was stunned anger in Pakistan and wary relief in India. On balance, the policy favored India, to the degree that the U.S. would no longer be Pakistan's major arms supplier. U.S.-Pakistani relations hit an all-time low in the years following the 1966–67 policy decisions, as Pakistan felt vulnerable and betrayed. She even accepted some Soviet military equipment, a development which sent tremors of concern through the Indian government. Ironically, the Soviet justification for arms to Pakistan was the same as that invoked by the Americans: it was needed to provide a token balance to Chinese arms aid. The Soviets now argued in New Delhi that their supplies to Pakistan made that state dependent upon her—the identical argument used before 1965 by the USG in both New Delhi and Rawalpindi. The Soviets, in brief, had assumed much of the same responsibility for balancing Indian-Pakistani relations that the U.S. had carried for a number of years. And the USG, deeply embedded in the Vietnam struggle, was perfectly willing to let the Soviets assume that responsibility.

Maintaining the 1967 arms restrictions has been a difficult task, complicated by continual pressure from Pakistan and its supporters and the occasional difficulty of knowing exactly what U.S. policy *is*. Such a policy is not self-enforcing; it depends upon knowledgeable individuals defending it from encroachment, nibbling tactics, and sheer ignorance. At present, the critical officials are the desk officers and Country Directors for India and Pakistan, plus the Deputy Assistant Secretary of Defense (ISA) that deals with South Asian matters. He, in turn, is assisted by two military officers of colonel rank (who may, however, be drawn from any of the three services), who deal, respectively, with South Asia and the Indian Ocean region. There is a close, continuing relationship between these two officers and the desk level FSOs in the State Department: they form the key relationship in the application of the 1967 and related policy decisions. Others may be brought in for special reasons, but *policy* implementation lies in the hands of these half-dozen individuals.

My observation of this process in recent years indicates some weaknesses. Desk officers usually come to their positions with considerable area expertise, but military experience ranging from very little to advanced training at a war college. They must cope with a variety of complicated military-related issues: when is a weapon "offensive" or "defensive"; what is a spare part and what is a complete weapons system (a 105 mm. shell would be the former, a hand grenade the latter); what are India and Pakistan's "real" military needs, as opposed to their announced needs; what civilian and commercial equipment has military application; what is a "lethal" vs. a "non-lethal" item of military equipment.

The first determination of such issues is made by these civilian officials, and they are on occasion unable to muster the necessary expertise. Their counterparts in ISA *will* have technical expertise, but

[17] *Hearings*, op. cit., p. 86.
[18] *Ibid.*

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may or may not have area knowledge. When ISA did have officers with both kinds of skills the task of coordination and implementation of policy was enormously simplified, and lower-level officials were quite effective in their presentation and defense of existing policy. Thus, during the entire Bangladesh crisis, the 1966–67 policy *was never broken* by the U.S., although a self-imposed embargo was accidentally violated, and illegal third-country transfers of weapons may have been winked at. All of these violations were initiated at the highest levels of the U.S. government, and working level officials were deliberately deceived on more than one occasion.

In retrospect the 1966–67 policy decision to remove the USG from the South Asian strategic balance of power was a remarkable achievement brought about because of several unusual circumstances. The bi-lateral military programs in both India and Pakistan were proving to be personally and politically unsatisfactory to those involved in them; they meant that the USG was fueling both sides of an arms race; external Communist threats to the region seemed to have declined; American resources and war material were urgently needed elsewhere; the bureaucratic and public lobbies favoring arms supplies to India or Pakistan were sobered by the 1965 war. Finally, a President preoccupied by the Vietnam conflict was unwilling to intervene on behalf of one or the other country, and permitted the State Department to make a final determination of U.S. policy. But, as one participant in the process at that time noted, "policy" is a slippery concept: it can serve indefinitely as a guide to future action, or it can be swept away tomorrow. America had a "policy", but even it was to be made subject to "exceptions."

III. Let There Be One, Two, Many Exceptions

When Richard Nixon acceded to the Presidency in 1968 he was determined to make a mark in foreign policy above and beyond the immediate requirement of terminating American involvement in the Vietnam war. With Henry Kissinger as mentor and executor he fashioned a global foreign policy for the United States and presented it to the world during his 1969 trip around the world. Unlike the crude anti-communism of earlier administrations or the ad hocism of Johnson, the Nixon Doctrine envisioned a world made up of several important power-centers, and predicated U.S. foreign policy upon successful dealing with these centers. The "battleground" of the Cold War, the so-called Third World, was clearly relegated to a subservient position in this scheme of affairs, important only as individual countries had a special relationship with one of the major power centers.

Pakistan was one such country. It had stubbornly pursued close ties with China despite American and Soviet objections.[19] It is quite probable, therefore, that when Nixon visited Pakistan in 1969, he initiated discussions about future U.S.-Chinese relations. At the same time he listened with considerable sympathy to President Yahya Khan's request for a change in the 1966–67 arms assistance policy. For reasons which we may never know, Nixon is reliably reported to have said to those in his party that the U.S. should "do something for Pakistan".[20] This could have been a quid pro quo for Pakistan's role in making the China trip possible, it could have grown out of Nixon's long-standing interest in Pakistan itself, or both motives may have played a part.

The command to "do something for Pakistan" came back to the State Department through NSC and State Department channels. Do what for Pakistan? The India and Pakistan desks were to have their first taste of the new, Kissinger-ized system of decision-making.

As a group, the two dozen or so senior officials in Delhi, Rawalpindi, and Washington were not inclined to do anything for Pakistan.[21] They understood that Pakistan needed weapons, that the Pakistanis had continued their pressure to have the 1966–67 policy altered, but by and large they were pleased with the state of affairs in South Asia. No major war appeared likely in the foreseeable future and relations with India were reasonably good. In their view the demand to "do something" probably stemmed from the President's personal interest in the fate of the generals in Pakistan; they were hardly inclined to sympathize, and *none were aware of the secret plans being made for the China trips of Kissinger and Nixon.*

The initial reaction of State was to temporize. Presumably, the decision to assist Pakistan was a whim, and could be dragged out. Thus, papers circulated from the regional desks to NSC and back for numerous modifications and adjustments, coordination with the Pentagon being handled by the staff of the Assistant Secretary of Defense for International Security Affairs. A number of study papers were prepared with various choices laid out for NSC and presidential action. To the dismay of the

[19]See Shivaji Ganguly, *Pakistan-China Relations, A Study in Interaction* (Urbana: Center for Asian Studies, 1971).

[20]This is one version reported (and presumably believed by) a number of officials in State; they speak of offhand and casual presidential commitments, and the one-time exception seemed to be this at one time. In retrospect the commitment may not have been so casually entered into.

[21]A few exceptions, especially the various U.S. ambassadors to Pakistan, have consistently argued over the years for increased military assistance to Pakistan.

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now perplexed desk officers and country directors in State, several of these were sent back with the demand that more "real" choices be presented. At least one desk officer noted at the time that he was not really sure whether *anyone* at NSC was reading the papers from State, or whether he might not be performing make-work tasks. State was in no hurry to rush to a decision but then the NSC staff seemed to be demanding something from State, but not specifying what that something should be. However, since State officials were unaware of the new importance of the Pakistan-China link, they were unable to formulate a policy to accomodate this development. They were serving as technical advisors, blindly offering up suggestions without a clear understanding of the reasons for making an exception to the 1966–67 policy. Some thought that it was Pakistan's relationship with Iran and the Middle East which had triggered presidential concern, but offered this explanation to a visitor with only half-hearted enthusiasm.

State pondered the demand to "do something" for a number of months. Then, in mid-1970, after a meeting with CENTO ambassadors, President Nixon was approached by the Pakistani Ambassador, who reminded him of the 1969 pledge. Furious at the news that "something" had not yet been done, Nixon turned to an aide and demanded immediate action. The bureaucracy was jolted, and a package deal was finally put together.

This was announced in October, 1970 as a "one-time exception" to the 1966–67 policy. Pakistan was to be offered the right to purchase—for cash and hard currency—a number of M-113 armored personnel carriers (300) as an alternative to their request for M-48 tanks. Additionally, the U.S. would enter into negotiations for the purchase of a limited number of combat aircraft—but not the "hot" F-104's so desired by the Pakistan Air Force. And that was all: no really new "offensive" weapons were provided (as the APCs were defined as "defensive") and the aircraft were to be replacements for interceptors Pakistan had lost by attrition and accident (but not combat). The entire one-time exception was publicly justified as a "symbolic offset to Pakistan's growing dependence on Chinese arms." In retrospect this seems an almost comical assertion in view of the fact that Pakistan was by then serving as an intermediary with the Chinese. With the benefit of hindsight the one-time exception emerges as a symbolic reassurance *to* the Chinese that the U.S. would assist a mutual friend. One can only speculate whether the Chinese actively lobbied for the one-time exception as an indication that in areas where their interests were parallel, the U.S. and China could work together, and that the U.S. was willing to share the Chinese' burden in maintaining the Pakistani military.

If such cooperation later was a Chinese or Pakistani expectation the actual content of the one-time exception must have been a disappointment, more symbol than substance. The weapons to be provided were not particularly crucial for Pakistan nor were the terms very good. Pakistan had hoped and tried for weapons through the "third country route", obtaining U.S.-origin equipment from Iran, Saudi Arabia, Turkey, or West Germany.[22] However, Congress had passed restrictive legislation concerning "third-country" transfers and was watching the situation very closely. The White House staff had suggested using third-country transfers as the vehicle for providing weapons under the "one-time exception", but it was pointed out by the Country Directors of India and Pakistan that this would require a determination that the U.S. would be willing to provide those weapons to Pakistan *directly*. Neither State nor the White House staff seemed to be eager to claim that U.S. policy now included the provision of "offensive" weapons. Even the President did not demand this. He was interested only in some visible, public show of sympathy for Pakistan and "symbolic" support was indeed enough.

Ironically, Pakistan will never receive the aircraft that were being negotiated under the one-time exception agreement, and only recently received shipment of the APC's. When fighting broke out in East Pakistan in 1971 a new embargo was imposed on shipments of weapons and war material to both India and Pakistan; despite some leakage of largely Pakistan-owned equipment, the embargo was effective. The APC's, which had been partially paid for, were manufactured right through the Bangladesh crisis and waited for shipment until 1973 when delivery was resumed. Even as the last shipment was arriving in Karachi, though, Pakistan undertook a new campaign to have the U.S. make what could well become "the second one-time exception".

In recent years many Washington officials have looked back upon the "one-time exception" with a sense of frustration and concern. Insisting that it really was "exceptional", a "deviation" or an "aberration" because of the extreme degree of Presiden-

[22]When India or Pakistan wanted to buy U.S.-origin weapons from third countries (Great Britain, West Germany, Iran, Turkey) they had to obtain American permission for the transfer under present agreements. This meant that both South Asian states plus one or more NATO or CENTO allies were simultaneously lobbying the U.S. Government, creating a very complicated and delicate political problem. There have been transfers from the U.K. to India and from West Germany to Pakistan via Iran; some of the latter raised legal and political difficulties. For extensive documentation and testimony see, U.S. Congress, Joint Economic Committee (Subcommittee on Economy in Government), *Hearings* on Economic Issues in Military Assistance, January-February, 1971.

tial initiative, they nonetheless feared a repetition of the episode. It made the working-level officer quite sensitive to South Asia's marginal place in the Nixon-Kissinger world order, and such officials became adept at justifying or explaining bi-lateral policy issues in terms of broader strategic and political consequences. One senses that they did this more out of duty than conviction.

IV. Diego Garcia and The Politics of Persistence

Diego Garcia, a small island located 1000 miles to the southwest of the Indian Subcontinent in the Indian Ocean, has been the object of American naval planning for over thirty years.[23] This interest was intensified in the mid-1960's when the U.S. Navy launched a full-scale effort to obtain Diego as a transit base for ships proceeding to or from Southeast Asia. A project manager was appointed, studies were made, and the "facility" became an annual object of negotiation between the Navy and civilian managers in the Department of Defense. As Earl Ravenal has testified, the staff of ISA/DOD took up the challenge and pointed out that refueling could be done more efficiently and cheaply in the Persian Gulf, that developing a U.S. facility would anger littoral states without yielding any particular benefit, and that even a small facility might be the prelude for a larger and unnecessary establishment.[24] Thus, until very recently, successive Navy project managers for Diego Garcia have had limited success. A small breakthrough occurred in the late 1960's when Diego was leased from the British and used as an electronics communications facility.

All of the public evidence available (and much of the private evidence) indicates a single-minded and intensive Navy interest in Diego, with annual requests for a major facility and the grudging but hopeful acceptance of funds for a minor one. In the scheme of things, until 1973, the Navy was the only agency which wanted to expand Diego Garcia, and they were successfully neutralized by civilian DOD officials in ISA working in collaboration with regional and functional bureaus (Political Military Affairs) of the State Department. Interest outside of these bureaucratic groups, and among the littoral states, was relatively insignificant.

The Middle East war of 1973 changed the entire political, strategic, and bureaucratic context. The Navy claimed that its ship movements in and around the Indian Ocean area (including the Gulf) were artificially constrained because of lack of support facilities (similar complaints had been registered in 1971 during the sailing of the Enterprise into the Bay of Bengal).[25] The Navy was concerned about distances, cost, and the larger Soviet naval presence in the Indian Ocean region, which required a bigger balancing force. Suddenly, the notion of an expanded Diego Garcia facility seemed to make considerably more sense to a number of DOD and State Department officials at all levels, although there was still no unanimity about either the role or mission of such a facility.

However, even before these issues could be fully discussed within the bureaucracy, the decision was made to go ahead with the expansion of Diego Garcia and raise it to the level of a significant support facility (although something less than an Okinawan or Guam-type base). It is widely believed in official Washington that the surprise decision was made "over breakfast" between Secretaries Henry Kissinger and James Schlesinger.[26] A supplementary appropriation bill was rushed to Congress, all-out staffing was begun within the bureaucracy, and littoral states were hastily consulted and/or notified. In brief, Diego was to be expanded, and *then* the expansion would be properly justified in and out of the U.S. government.

The sudden unexpected expansion of Diego Garcia caused as much difficulty for the Administration as the idea of expansion itself. The announcement came during a period of great suspicion over executive secretiveness and stealth, and generated enormous opposition within Congress, the press, and to a lesser extent, the bureaucracy.

Gradually, a full-fledged political battle began to shape up. Some ambassadors to littoral states expressed their strong private dismay at the way in which the Diego Garcia expansion program was being handled; Congress took testimony from a number of well-informed critics of Diego, and even the C.I.A. seemed to be contradicting Administration and Navy estimates of the degree of threat from the Soviet Union in the Indian Ocean.[27] A number of

[23]For an alleged chronology of Navy interest see: U.S. Congress, Committee on Foreign Affairs, Subcommittee on the Near East and South Asia, *Hearings* (Proposed Expansion of U.S. Military Facilities in the Indian Ocean), Feb.-March, 1974, p. 156. The Navy claims initial interest in the 1960's, but studies underway indicate a much earlier concern with an Indian Ocean facility.

[24]*Ibid.*, p. 86.

[25]See the testimony of Admiral Zumwalt, *op. cit.*, pp. 129 ff.

[26]There are various apocryphal stories circulating among the reasonably well-informed. One version has Diego Garcia "traded" by Kissinger for DOD support on the SALT talks; another has it that the Secretary of State thought the island was so unimportant that he "gave" it to the Navy. Both interpretations are possible and not incompatible. If true, the most important aspect of these perceptions is that the decision to expand did come from the very top of the bureaucracy and was only then staffed out in the State Department.

[27]The testimony of the Director of the C.I.A. lent some support to those who were opposed to Diego Garcia. William Colby

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supporters of an expanded Diego Garcia facility, within and out of the Government, expressed public and private reservations over the Navy's actual intentions, fearing a bloated, vulnerable, and costly base which in turn would be used to justify additional aircraft carriers, possibly trapping an undue portion of the American fleet on the wrong side of the Suez Canal.

At the time of writing funds for the expansion of Diego Garcia remain bottled up in Congress, despite direct and public Presidential support for what has now become a "base". It is clear that an initial attempt to rush expansion only led to greater Congressional and public skepticism, which in turn has finally brought about a public and bureaucratic debate over the strategic utility of Diego Garcia.

V. Conclusions

A comparison of the three decisions we have described in this report leads to several conclusions about foreign policy decision-making.

The locus of decision was different in each case. In 1967 it was at the working level of the State Department, the one-time exception was essentially a Presidential command, and the Diego Garcia expansion decision was taken at the Secretarial level. Thus, one came from the "bottom up" and two from the "top down". The latter two decisions were staffed-out only after the basic decision was made.

Other patterns emerge: the two arms assistance decisions were characterized by very heavy foreign governmental input, and strong representational roles on the part of the U.S. ambassadors to India and especially Pakistan. Diego Garcia has had very little foreign input, except in the negative sense that several littoral countries oppose an enhanced American presence in the Indian Ocean. Littoral sentiment has been heavily discounted by most participants in the decision-making process, unlike the two arms assistance decisions, when it was one of the main factors.

Another difference between the decisions has been the role of the Pentagon. As we have argued above, the U.S. military had begun to lose interest in South Asia by 1965 because of local and global developments. While simple program interest and inertia led them to urge a continuation of *some* military relationship with India and Pakistan, no single service or branch was willing to mount a defense within the U.S. bureaucracy on behalf of MAAG or USMSMI programs. However, Diego Garcia had been a pet project of the Navy for a number of years and it had assiduously built up support among the other two services as well as its traditional supporters in Congress and among the public.

Finally, the public and Congress have played quite different roles in the three decisions. Again, the major contrast is between Diego and the two arms assistance decisions. Diego has become a minor cause celebre, and was even the subject of a question at President Ford's first press conference; hardly any politician or journalist has taken a substantial interest in arms assistance to South Asia (except during the Bangladesh crisis). For Diego, the Navy mobilized its entire Congressional and public-relations lobby; arms assistance was simply not a matter of much public interest in the U.S. in either 1967 or 1970. At the very most a few scholars expressed their concern publicly but with no perceptible impact. Also, a few arms manufacturers lobbied the Pentagon and the State Department to have various restrictions relaxed or eliminated. But these companies are probably more interested in selling equipment and weapons to India (the larger market) than Pakistan, and have had no substantial impact on policy-making.

As we have indicated, *evaluation* of the three decisions in this case study presents certain problems and is strongly affected by one's stance or perspective. From the viewpoint of American relations with South Asia as a *region* the original 1967 arms assistance cut-off made considerable sense and the subsequent one-time exception of 1970 was calamitous. It further strained relations with India without substantially aiding Pakistan and kept alive the hope in both countries that the U.S. might once again enter into a permanent and arms assistance relationship on the Subcontinent.

But from a so-called "global" perspective a different calculation was made by Kissinger and Nixon. Did not the enormous gain of better U.S.-Chinese relations (including the effect of this on U.S.-Soviet relations) outweigh the temporary and relatively trivial setback to U.S.-Indian relations? When one adds the gains the U.S. obtained in Pakistan itself, the impact of this on Iran and the Middle East, *and* the success of the China trip, it would seem to outweigh the losses suffered in U.S.-Indian relations. Is not India, in the global scheme of things, a marginal factor anyway? Put in these terms the one-time exception was a sound decision as was U.S. policy in Bangladesh.

However, this ex post facto rationalization is no more complete than a purely regional perspective. Had a broader circle of participants been involved in the actual policy decisions during the 1970–71 period it is quite probable that a

noted three times in that testimony that it was the C.I.A.'s judgment that an increase in the U.S. presence in the Indian Ocean region would lead to an increase in the Soviet force levels. However, he did also state that should the U.S. do nothing, Soviet force levels would gradually increase anyway. His testimony before the Subcommittee on Military Construction (Senate) is reprinted in the *Congressional Record* of August 1, 1974.

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way could have been found to minimize the harmful impact on U.S.-Indian relations and still bring off the China visit. The fundamental *organizational* implication of our study of U.S. strategic and military policy in South Asia pertains to the form and quality of coordination of that policy with other, allegedly more important areas. Are bi-lateral ties ("good" relations with India and Pakistan) to be consistently sacrificed to extra-regional considerations? If not, who is to determine when relations with South Asian policy must suffer, when an extra-regional interest must give way, or whether regional and global policies can be integrated and coordinated? One solution would be to insist upon more interregional transfers of personnel and periodic consultation between relevant Country Directors (most urgently, the India, China, and Soviet CD's). But this is obviously not enough. Additionally, the Assistant Secretaries might consult more frequently with each other on issues which cut across their geographic boundaries. The Bureau of Political Military Affairs and the Munitions Control Board cannot bring about such coordination in military and arms assistance matters because they lack day-to-day contact with the regions. Ultimately, however, even this is not enough in a situation where policy is made at the very top of the hierarchy, as in the one-time exception and Diego Garcia cases. The failures in these decisions were not of organizational structure but of leadership, and of a leadership which felt comfortable with an organizational structure which could be manipulated to permit the intermittent shutting off of influence and participation of some concerned actors.

On the other hand, if one takes the view that U.S.-South Asian relations should be permanently subordinated to some global vision then the present structure *is* perfectly adequate. It provides for extraordinary regional expertise without regional influence within the State Department. South Asia claims only half of an Assistant Secretary's responsibilities (and probably the lesser half). American interests in South Asia receive attention at higher levels, but relatively little *advocacy*. Yet one must ask whether the present organization reflects a realistic judgment of the region's importance. It does, if one gives overwhelming weight to security and strategic concerns and is prepared to perpetually subordinate humanitarian, developmental, and certain libertarian and ideological interests. A kind of Seeley's Law appears to operate in these matters at least in recent years: the U.S. will eagerly trade off "soft" long-term interests, for which there is a small and weak Washington constituency, for "hard" and short-term military and global gains which may have a tremendous political and domestic payoff. The tragedy does not lie in the fact that government seeks such visible, tangible gains, but that it does so little to reconcile them with other, longer-run interests.

Our case study shows that such a reconciliation is possible. The 1967 revision of arms assistance policy was the result of a confluence of favorable forces, and any organizational reform should be directed towards creating such a situation. In that case relatively little attention was paid to global military or strategic considerations: U.S.-regional relationships had high priority. It was what I have elsewhere termed a strategy of bilateral or balanced relations, in which South Asia would not be treated as a dependent variable vis-a-vis the rest of the world.[28] That decision did not please the states of the Subcontinent, but it did establish the basis for a realistic relationship between the U.S., India, and Pakistan by removing a terrible impediment to normal economic, political, and cultural ties. Had regional factors been given at least as great a weight in policy as global factors in formulating American policy in South Asia from 1969 onward, it is not likely that the U.S. would again be the object of military pressure from both Pakistan and India—the former pleading for another dose of weapons, the latter threatening to develop nuclear arms. It may well turn out that the gains of 1970–71 will be paid for during the rest of the decade.

[28]Stephen P. Cohen, "U.S. Policy in South Asia," unpublished memorandum, Center for Asian Studies, University of Illinois at Urbana, June 15, 1972. See also William Bundy, *op. cit.* and William Barnds, *India, Pakistan, and the Great Powers* (New York: Praeger, 1972).

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B. After The "Tilt": The Making Of U.S. Foreign Policy Towards Pakistan, 1972-1974[1]

Gerald A. Heeger
September 1974

The essence of ultimate decision remains impenetrable to the observer—often, indeed, to the decider himself.

John F. Kennedy

Within the past few years there has been a spate of books about government decision-making in general and about that process in the creation of foreign policy in particular.[2] As one scholar has characterized the principal paradigm of these studies: "The decisions and actions of governments are intranational political resultants: *resultants* in the sense that what happens is not chosen as a solution to a problem but rather results from compromise, conflict, and confusion of officials with diverse interests and unequal influence; *political* in the sense that the activity from which decisions and actions emerge is best characterized as bargaining along regularized channels among individualized members of government." [3]

This "governmental politics" paradigm has proved to be an extremely useful means of comprehending foreign policy-making, and it will be utilized, to some degree, in this study as well. Yet, the paradigm has its costs. Studies utilizing it often succumb to a kind of intellectual "tunnel vision." Viewed as resultants, as the end-points of a process, government decisions assume an autonomy from one another that does not exist in reality. Often ignored is the role which one decision—in terms of the way in which that decision was made as well as its content—can play in shaping the policy-making environment in which future decisions are to be made.

This is no small point. Placed in the context of foreign policy decision-making, it raises a multitude of questions concerning the relationship between the top-most and the lower levels of the foreign affairs bureaucracy. To what degree, for example, do policy outcomes influence the selection of information subsequently provided to decision-makers by middle level bureaucrats? Is it true that bureaucracy is characterized solely by its inertia, its lack of response to innovative direction; or, rather, are particular bureaus and offices able to recast their interests and perceptions in terms of new goals and directives from the top? If such "coherence" can be achieved, can it go too far, yielding a policy process which is increasingly blind to policy options?

This study is about such problems. Concentrating on a period in American-Pakistani relations which follows a major crisis and an active Presidential involvement in the making of policy towards Pakistan, it examines the relationship between earlier Presidential decisions and subsequent policy made by middle level State Department bureaucrats. More specifically, it suggests that the enigmatic basis of Presidential decisions and the isolation of regional bureau personnel from "global" policy making have functioned to restructure perceptions of South Asia and Pakistan on the part of the "working level" State Department officials primarily concerned with those areas. Such a "re-

[1]Data for this study were collected, in part, through interviews conducted at the Department of State, June–September, 1974.

[2]See, for example, Roger Hilsman, "The Foreign Policy Consensus," *Journal of Conflict Resolution*, (December, 1959), 361–382; Richard C. Snyder, H. W. Bruck, and Burton Sapin, *Foreign Policy Decision-Making* (Glencoe, Ill.: Free Press of Glencoe, 1962); Karl Deutsch, "Problem Solving: The Behavioral Approach," in Arthur S. Hoffman, ed., *International Communication and the New Diplomacy* (Bloomington: Indiana University Press, 1968); Glenn D. Paige, *The Korean Decision* (New York: The Free Press, 1968); Graham T. Allison, *The Essence of Decision* (Boston: Little, Brown and Co., 1971).

[3]Allison, *op. cit.*, p. 162.

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structuring" may give the President and his advisors greater control over the foreign policy-making process. It may also, however, limit information made available to high-level decision-makers and serve to mute the clear policy choices essential to the creation of a rational foreign policy.

SHAPING THE POLICY-MAKING ENVIRONMENT: THE PRESIDENT, THE STATE DEPARTMENT AND SOUTH ASIA, 1969–1971

The President

It would be less than useful to attempt a detailed assessment of the presidential role—both potential and actual—in the formulation of American foreign policy in South Asia. Such a study demands volumes, not paragraphs. On the whole, however, it is possible to say that presidential involvement in the making of South Asia policy has been intermittent and crisis-oriented. This has traditionally posed problems for the regional bureaucracy concerned with South Asia; for, Presidents have tended to intervene into the policy-making process with seemingly little regard for coordinating their "crisis" policies with previously existing short- and long-term goals.

In spite of Richard Nixon's well-known concern for rationalizing both the foreign policy machinery and the presidential role in that machinery, it does not appear—at least insofar as South Asia is concerned—that his presidency varied from this pattern of intermittent involvement. In 1970, for example, it was largely at the President's instigation that a "one time exception" sale of "lethal" military equipment was made to Pakistan. Although the sale was officially justified as an attempt to counter Pakistan's growing dependence on China for military supplies, it had apparently been pressed for by the President with little regard for its possible "fit" into ongoing South Asia policy. As it was, the maneuver proved too limited to accomplish its official goal but sufficient to disrupt the effort (since 1966-1967) to wean Pakistan gradually away from the United States so as to strengthen U.S. ties with India.

Events surrounding the emergence of Bangladesh provide, of course, the most graphic examples of the nature and impact of intermittent Presidential involvement in South Asia. It was largely because of the President's intervention that the United States initially assumed its "noncondemnatory" policy vis-a-vis Pakistan's crackdown on Bengali dissidents, that a more antagonistic policy towards India was articulated, and, when war between India and Pakistan came, that a "tilt in favor of Pakistan" was attempted. Again, ongoing policies were radically affected.

More important—at least insofar as the policy-making process is concerned—was the extremely episodic and secretive nature of Presidential involvement. It gave no indication to the foreign affairs bureaucracy of the exact interests of the President. This posed serious problems for the bureaucracy. It is one thing to make policy when the President's positions are known, i.e., as Morton Halperin has noted:

> . . . Obviously, the deeper the President involves himself in operations, the more influence he will have over what is being done. In part, this is simply because he is able to do more of it himself, but also the President, by devoting a substantial amount of time to an issue, makes it clear to his subordinates that it is something that he cares a great deal about. Officials recognize that to fight the President on such an issue is likely to cost them dearly in terms of their relation to the President.[4]

It is quite something else when the "degree of presidential involvement" is less than clear. During the crisis, President Nixon was explicit about Pakistan's being "something that he cares a great deal about." Yet, the reasons for that concern and, therefore, an assessment as to whether those reasons were salient in a radically altered South Asia remained elusive—at least at the lower levels of the bureaucracy. As one official commented: "The problem was not the fact that policy was made in response to a crisis. South Asia policy is generally a crisis-to-crisis thing. The problem was that these particular policies did not really provide any direction for the period following the war."

THE NIXON FOREIGN POLICY SYSTEM AND THE BUREAU FOR NEAR EASTERN AND SOUTH ASIAN AFFAIRS

Throughout the 1971 crisis in South Asia, the regional bureau within the State Department closest to the crisis, the Bureau for Near Eastern and South Asian Affairs, appears to have played a less than consequential role in the actual policy-making process. That role was less the result of the crisis itself than of the whole structure of the foreign policy process in existence at that time. As I. M. Destler has suggested in his study of Presidential-State Department relations, the initial Nixon foreign policy system (and the one largely intact when the South Asia crisis occurred) was one of leaving the State Department and building above it.[5] The National Security Council and, more particularly, the National Security Council staff and its chief,

[4]Morton Halperin, *Bureaucratic Politics and Foreign Policy* (Washington, D.C.: The Brookings Institution, 1974), p. 289.

[5]I. M. Destler, *Presidents, Bureaucrats, and Foreign Policy* (Princeton: Princeton University Press, 1972), p. 132.

Henry Kissinger, comprised the focal point of the policy-making system. As was the case with policy analysis in general, regional affairs were brought into the policy process not through the standard department and bureau lines, but rather through a variety of NSC-centered committees. Destler summarized the system thusly:

> To support the NSC and strengthen central management of foreign policy issues, a network of general inter-agency committees was established. The Johnson Administration's IRG's were renamed IG's (Interdepartmental Groups,) with . . . State's Assistant Secretaries remaining as Chairmen . . . these State-chaired groups reported . . . to the Kissinger-chaired NSC Review Group . . . resolving one serious problem in the Johnson system—its lack of any strong link to the Presidency. Another change was that the main role of the regional groups was not operational coordination, as it was intended to be under Johnson, but overseeing the preparation of NSC policy papers. These were then examined by the Review Group . . . After appropriate revision, the most important papers were presented to the President and the National Security Council.[6]

As Alexander George has noted, the Nixon-Kissinger-NSC-focused system had the advantage of involving more personnel at the working-levels of the bureaucracy more systematically in preparatory stages of the policy-making process than was the case in earlier administrations.[7] A number of South Asia bureau personnel, for example, participated in the creation of the National Security Study Memoranda on South Asia. On the other hand, as George has also noted, the NSC-focused system also served to weaken the bureaus and bureau heads in their roles as policy advocates and advisors.[8] Instead of bureaus functioning to support the involvement of their senior staff members and heads in the final stages of the policy-making process, near or at the locus of decision-making, the input of bureau expertise was primarily restricted to the earliest stages of that process. From there it was distilled into a limited number of policy options by the NSC committees chaired by Dr. Kissinger and, through him, presented to the President. The Assistant Secretaries, for example, appear to have had only limited participation in the policy process. Their principal access was to the Secretary of State and not to the White House; and even where they did function within the NSC-system, their role was limited. The Interdepartmental Groups which they headed functioned to coordinate the NSSMs assigned to them but as little else. Such committees could not serve as platforms for the Assistant Secretaries on critical policy issues simply because the "action," the focus of decision-making, lay elsewhere, in the proliferation of committees chaired by Kissinger himself.[9]

The 1971 South Asia crisis brought these discontinuities in the policy process to the fore. With no systematic access to critical decision levels on a "crisis" basis, the personnel of the Bureau of Near Eastern and South Asian Affairs was pervaded by a strong sense of isolation from the policies that were being produced. To varying degrees, all of the FSO's working in the South Asia section of the bureau were critical of the reluctance of the United States to pressure the Pakistani government against further action against the Bengali dissidence.

This situation worsened as the "tilt" became more formal. When an "official" rationale for the policy was given—that India had launched its attack despite the fact that the United States was on the verge of success in bringing about negotiations—it was almost immediately rejected throughout the Bureau. March to December, 1971, to quote one respondent, was "an orgy of second-guessing in the Bureau as those of us here at the time sought some rationale for the South Asia policy. I have never had the feeling of isolation from the logic of a policy as bad as then." This isolation was to continue to be a major characteristic of the South Asia policy-making process.

THE MAKING OF UNITED STATES POLICY TOWARDS PAKISTAN, 1972–1974

If nothing else, the events of 1971 made obvious the limits of actual American interests in South Asia. The loss of a war by an ally and the animosity between the United States and India were irritants; yet, they were irritants which seemed to have no long-term consequences for the United States. Accordingly, the absence of any immediate American interests of any significance served as a kind of base line for American policy, giving the United States considerable freedom to formulate its policy towards the countries of South Asia on the basis of its conception of a desirable international order.

Yet, policy is seldom generated on the basis of such "cosmic" considerations. There are real, more mundane issues which demand a response on the part of policy-makers, and the linkages between such mundane problems and "cosmic," "globalist" considerations are seldom clear. Nor do "globalist"

[6] *Ibid.*, pp. 121–122.

[7] Alexander L. George, "The Case for Multiple Advocacy in Making Foreign Policy," *American Political Science Review* LXVI, 3 (1972), p. 754.

[8] *Ibid.*

[9] These committees included the Under Secretary-level Washington Special Action Group (WSAG), established to oversee crisis management, and the Defense Program Review Committee as well as more specialized groups such as the "Forty Committee" which supervised covert intelligence operations.

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considerations always easily point to a single best policy.

It is in terms of these problems that, after 1971, difficulties arose in the American foreign policy-making process regarding South Asia in general and Pakistan in particular. On the one hand, a consensus rather quickly emerged among policy-makers as to the role of South Asian countries in the international order and as to specific policies vis-a-vis those countries. On the other hand, the continuing isolation of the regional bureau from the goals of the larger foreign policy structure sought by the President resulted in ambiguity as to the extent of the linkage between American policy towards Pakistan and American policy elsewhere, particularly towards China. Thus the policy-making process became an extremely limited one in terms of the kinds of options it could consider.

The end of the Indo-Pakistani war presented the United States with sharply defined limits in terms of further aid to Pakistan. In the first place, the decisiveness of Pakistan's defeat was visible to all. If President Nixon had any aspirations to continue the "tilt"—and there is no evidence of this—India's overwhelming victory foreclosed that option. There was no realistic way that the ratio of power on the subcontinent could be returned to its pre-1971 status. President Nixon, himself, rather quickly acknowledged India's regional dominance:

> We are prepared for a serious dialogue with India on the future of our relations. . . . our political as well as our economic relationship will be the subject of our dialogue. If India has an interest in maintaining balanced relationships with all major powers, we are prepared to respond constructively. Of interest to us also will be the posture that South Asia's most powerful country now adopts towards its neighbors on the subcontinent.[10]

Secondly, Congress' vociferous reaction to the "tilt," set alongside its growing unwillingness to countenance military assistance programs which seemed only to feed local wars, served as a continuing restraint on the options available to policy-makers. A GAO report in February, 1972, confirming the shipment of $4 million in military equipment to Pakistan after March 25, 1971, the alleged cut-off date for such shipments, and the Administration's admission that Jordan had transferred American-supplied jet aircraft to Pakistan during the war (a violation of the Foreign Assistance Act) renewed Congressional resistance to any possible resumption of military supplies to Pakistan.

What emerged in the context of these constraints was a rather broadly shared view of South Asia within the regional bureau, not unlike that which had been characteristic of the bureau in the late 1960's, i.e., that: 1) Pakistan could no longer aspire to superiority or even to parity vis-a-vis India in terms of military capability; 2) South Asia was an area of low priority for the United States except to the degree that affairs within the subcontinent were seen to impinge upon American relations with other regions and, especially, with other great powers; 3) Pakistan could remain a concern for the United States not only because it was an ally but also because its further fragmentation could jeopardize stability on the subcontinent and, more importantly, elsewhere in Asia and in the Middle East.[11] Policy was formulated on the basis of this consensus, "catalyzed," so to speak, by Bureau personnel but, often "cued" in terms of timing by the highest levels of the foreign affairs bureaucracy and the President.

Economic assistance to Pakistan is illustrative of this process. The war's end found substantial agreement within the Bureau that economic assistance programs throughout the subcontinent should be restarted as quickly as possible. Insofar as Pakistan was concerned, it was felt that an early start of economic aid would emphasize to Pakistan, as one State Department official commented, "that economic and food assistance was where the American emphasis was and should be." Proposals to this effect were quickly cleared with the senior levels of the Department and, apparently, with Kissinger. Despite this consensus, however, the resumption of aid to Pakistan—or to any other South Asian country—seems to have awaited Presidential "cue." Aid to Pakistan was rather quickly resumed, following a statement by the President that Pakistan had returned to normal and that, as a result, aid to Pakistan was no longer subject to congressional restriction. Presidential reluctance to "cue" similar policies, it might be added, appears to have been primarily responsible for the initial American hesitation to extend a systematic economic assistance program to Bangladesh and to renew suspended economic assistance programs to India. (The latter were not restored until March, 1973.)

White House "cues" were not always so clear, however. This was especially the case with the issue of renewed military assistance to Pakistan. As was the case with the economic assistance issue, a consensus as to the desired direction of American policy seems to have been easily obtained within

[10]Richard M. Nixon, *United States Foreign Policy for the 1970's: A Report to the Congress*, 1972 (Washington, D.C.: Government Printing Office, 1972).

[11]These were not formal policy guidelines but, rather, were common "themes" which have tended to recur in assessments made by State Department officials in their discussions of South Asia. Stephen Cohen, in another study prepared for the "organization of complexity" project, also discusses these "themes." See his "South Asia and United States Military Policy."

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the Bureau itself. The United States, it was generally agreed, had no real role to play in an arms race in South Asia, especially as an arms supplier to Pakistan. Several things, however, seemed to deter officials within the Bureau from pressing for a decision on the issue. First, it was generally recognized that any decision—for or against further arms sales to Pakistan—would require a release of that equipment already owned by Pakistan but not transported there because of a total embargo placed into effect at the outbreak of the 1971 war. Such a transfer, especially in the light of the GAO revelations about previous arms shipments to Pakistan, threatened to seriously inflame Congressional tempers. Second, the position of President Nixon and Dr. Kissinger was still ambiguous. Pakistan remained a formal ally, and the President had publicly expressed his continuing close friendship with that country. Technically, the Presidential pronouncement of a "return to normal conditions" in Pakistan cleared the way for renewed military as well as economic assistance. Yet, the White House had made no effort to move the State Department in that direction. In general, it evinced little or no visible concern to reevaluate American arms policy in the subcontinent. No systematic NSC study to that effect, for example, was undertaken. In this context, despite a general consensus on the appropriate policy, the issue was simply postponed by the bureau.

However, the question of renewed military sales to Pakistan continued, in a less than critical way, to plague the State Department throughout 1972. It hampered not only American efforts to get Pakistan to focus on its economic needs, but also the Department's efforts to reestablish sound ties with the Indians. So long as the potential of renewed arms assistance to Pakistan existed Indo-American relations remained troubled. There were more mundane problems as well. Logistical problems caused by the need to store and maintain the embargoed Pakistani-owned equipment, for example, were becoming irritants. In any case, by early 1973, it appears that there was general agreement at all levels that a decision on an arms policy for South Asia could not be indefinitely postponed, that some decision had to be made. The means by which White House acceptance of this proposition was communicated to the Bureau remains obscure. That such communication did occur is apparent; according to officials interviewed, there was little doubt as to the White House view by this time.

A set of proposals was formulated within the Bureau and rather quickly translated into policy. The decision provided that: 1) shipment to Pakistan would be allowed for $1.1 million in military equipment previously ordered but barred from shipment by the total embargo imposed in 1971; 2) the "total" embargo of 1971 would be relaxed while reaffirming the 1967 policy decision to limit military sales to nonlethal items and spare parts for equipment previously supplied; 3) delivery to Pakistan would be permitted for the 300 armored personnel carriers contracted for during a "one-time exception" sale in October, 1970.[12] Coupled with this decision were announcements that $87 million in economic aid previously suspended was being restored to India, and that India would be allowed to complete the purchase of $19 million in communications equipment for an air defense system.

It was in terms of "global" foreign policy—of South Asia's linkage to the major themes of American foreign policy—that the isolation between the regional bureau and the White House (and Dr. Kissinger) was most acute. I. M. Destler has commented that:

> The Nixon NSC system had been partially designed and totally explained as a means of enhancing the quality and responsiveness of the bureaucracy's contribution to foreign-policy decision-making. But it became increasingly, in practice, a vehicle for excluding or diverting the bureaucracy while Nixon and Kissinger did the "real" business on their own. The primary targets of attention were China, Russia, and Vietnam. Kissinger handled the most critical negotiations personally, even secretively, keeping the rest of the U.S. bureaucracy in the dark. His one client was the President. . . .[13]

The problem for the regional bureaucracy at that time was to assess correctly to what degree, if any, South Asia related to the "primary targets of attention." The relative isolation of the bureau from systematic discussion on these issues made such an assessment, at best, extremely difficult. The lack of concrete data on this subject makes any discussion necessarily intuitive. Yet, if interviews within the bureau are any indication, it would seem that the isolation of the regional bureau from the rationale of the White House's actions during the 1971 South Asia crisis resulted—especially in 1972 and early 1973—in a tendency among the regional bureaucracy to overstress the role of China in South Asia, particularly as a factor in U.S. policy towards Pakistan. Rather than focusing on Pakistani interests and activities in South Asia and suggesting appropriate policy responses, these functionaries appear, to an increasing degree, to have focused on their interpretation of Chinese interests as the crucial variable

[12]From the testimony of James Noyes, Deputy Assistant Secretary of Defense for Near Eastern, African, and South Asian Affairs, House Foreign Relations Committee, Subcommittee on Near East and South Asia, "United States Interests In and Policies Toward South Asia," (Washington, D.C.: Government Printing Office, 1973), p. 88.

[13]I. M. Destler, "The Nixon System: a further look," *Foreign Service Journal*, February, 1974, p. 10.

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in determining American policy towards Pakistan. Chinese interests were (and to a considerable extent are) assumed to have been explicitly defined to the White House; and policy options considered within the Bureau have tended to reflect that assumption. Bewilderment as to the rationale for American actions in South Asia during 1971 was replaced by a widespread conviction that those actions were part of a general White House effort to enhance American relations with the People's Republic of China.

Presidential "cues" as to the linkage between American South Asia policy and its China policy were certainly visible. In his discussion of the South Asia crisis in the 1972 foreign policy report to the Congress, President Nixon gave particular emphasis to the impact that the events in South Asia might have for China and, indirectly, for Chinese-American rapprochement:

> . . . it was our view that the war in South Asia was bound to have serious implications for the evolution of the policy of the People's Republic of China. That country's attitude toward the global system was certain to be profoundly influenced by its assessment of the principles by which this system was governed—whether force and threat ruled or whether restraint was the international standard.[14]

The communique issued at the end of President Nixon's visit to China also figured here. Although the communique revealed significant differences in the degree of support expressed for Pakistan by the United States and China, it also revealed significant congruence of American and Chinese interests in the subcontinent. Yet none of these "cues" offered any guidance as to specific policies or positions which might be desired by the White House. This lack of consultation has perpetuated the "second guessing" which became so characteristic of the regional bureaus during the 1971 crisis.

The effect that this stress on China's role in South Asia has had on actual policy decisions is difficult to judge—largely because it seems to have influenced the selection of information by policymakers rather than policy choices directly. That is to say, the emphasis placed on China's role in Pakistan appears to have further reduced the salience of local and regional issues which cannot be linked to China or one of the other great powers. Information on local and regional issues, while circulated at all levels, appears to have been given relatively little weight. Complaints have been made not only that the present system is too centralized, that too many issues require clearance at the senior-most decision-making levels, but also that their assessments of local and regional problems, which they believe have relevance for American policy, do not always get a proper review. Isolation and the possible misconceptions spawned in that isolation have served to limit the information brought into the policy-making process.

ORGANIZATION AND POLICY: AN ASSESSMENT

It would not be new or startling to state that, under Henry Kissinger, presidential-level involvement in and control of foreign policy formation and implementation substantially increased. Operating within a policy framework which allowed a high degree of discretionary presidential action, the President and Henry Kissinger were able to impose a significant degree of coherence on American foreign policy. This was particularly true of American foreign policy actions directed at the great powers, which comprised the principal focus of the Nixon-Kissinger foreign policy structure. Here the "Nixon-Kissinger diplomacy at the top" was able to alter significantly the direction of American foreign policy and to secure major bilateral agreements.

The Nixon-Kissinger system has, however, demonstrated some limitations. One particular limitation has been its relatively closed character, its inability to integrate the foreign affairs bureaucracy into the policy-making process. This, in itself, would not be a criticism if the Nixon-Kissinger system had not needed such a bureaucracy. This was not the case, however; for, the range of problems which could be dealt with within the framework of personal diplomacy was, in fact, very narrow. Although this was true even for American relations with the major world powers, where the breadth and complexity of relations required extensive staff support, it was particularly true of American relations with countries and areas which were viewed as having relatively low priority in the American foreign policy structure. The emphasis placed by the White House on the great powers meant that the bureaucracy, more specifically the regional bureaucracy, would have to be the focus of policy-making for these countries.

Yet, the peculiar kind of centralization in the Nixon-Kissinger policy-making system frustrated this very possibility. The NSC-focused foreign policy system organized by Nixon and Kissinger, as was noted earlier, yielded a policy structure in which assessments by the particular offices and bureaus most concerned with a problem were screened through the NSC system. The particular offices and bureaus were not linked directly to any "arena" whereby their data and assessments could be presented undistilled to the President. As Alexander George has noted:

> . . . While providing orderly procedures for widespread participation of foreign policy specialists

[14]Nixon, *op. cit.*

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in the departments and agencies in the "search" and "evaluation" phases, the present NSC system restricts the process of "choice," and not merely the final decision to the President. Those few advisors who participate in the final discussions before he makes his choice of policy all largely depend on the same body of distilled analysis of options that has emerged from the centralized, "advocate-free" search and evaluation system.[15]

Thus what emerged was not so much an orderly presentation of options, as President Nixon was seeking when he organized the system, but an ignorance of options. The President and his Adviser for National Security Affairs seem to have been isolated from the input of the regional bureaus in the State Department, at least insofar as South Asia was concerned. While the expertise of individual bureau personnel was sought in the formulation of the NSSMs, neither their individual points of view nor the bureau's point of view were really considered during the 1971 crisis.

Such isolation had consequences not only for the top levels of decision-making but for the middle levels as well. Isolation of the latter from anything but the most preparatory stages of the decision-making process made it difficult for bureau personnel to comprehend the basis for the policy choices made. Decisions assumed the character of "lightning bolts" from above, mysterious in substance and inexplicable in cause. Several things seem to have happened in this context insofar as the making of South Asia policy was concerned. First, the regional bureau, unable to assess the White House's perspective on South Asia, was extremely reluctant to assume the initiative for making specific policies. There was a regional bureau view of American policy in South Asia. This was not, however, translated into policy unless Presidential "cues" were clearly given. In the absence of such cues, given the focus of the Nixon-Kissinger system on other areas and issues, there was really no "South Asia" or "Pakistan" policy. Second, the absence of an apparent rationale for the 1971 decisions at the top stimulated a search for one in the middle level of the bureaucracy. The rationale which "working level" officials ultimately assumed to be the basis of policy and which they, in turn, adopted as the premise of their policy assessments may have been wholly erroneous. The continuing isolation of those officials from the final stages of the decision-making process would only perpetuate the possibility of error.

The secretiveness with which foreign policy was conducted during this period had much to do with this problem of isolation on the part of the regional bureaucracy. Henry Kissinger has been quoted as saying, "No foreign policy—no matter how ingenious—has any chance of success if it is born in the minds of a few and carried in the hearts of none." Despite this admirable sentiment, secrecy has been a much discussed characteristic of the Nixon administration and its foreign policy—not only secrecy between the Government and the people but also secrecy within the Government itself.

In their recent study of Kissinger, Marvin and Bernard Kalb repeatedly relate how Dr. Kissinger has misjudged or misevaluated other Governments' positions despite the fact that more realistic assessments were available to him elsewhere in the bureaucracy.[16] Secrecy had a no less grave effect on the rest of the bureaucracy, intensifying, in particular, the isolation of the "working level" officials. Insofar as Pakistan policy was concerned, the secretiveness surrounding the decisions during the 1971 crisis and the restructuring of the United States' policy toward China served only to accentuate the gap between the geographic bureau and the President and his chief foreign policy advisor. The continuing secrecy of China policy placed it outside of the standard "clearance" procedure whereby Desk Officers consult with their counterparts in other bureaus and departments on issues of mutual concern. Lacking this, the actual "weight" of a particular variable, e.g., China's interest in South Asia, could be wholly misperceived.

Set against the background of a Nixon-Kissinger "world-view" which minimized the role of "third world" states such as those in South Asia and which tended to consider those countries only in terms of their linkages to major powers, organization and secrecy telescoped to inhibit the ability of those middle-level bureaucrats responsible for assessing changing local and regional circumstances and their possible impact on U.S. interests from doing just that.[17] The premises of the Nixon-Kissinger "world-view" were challenged less and less by the people best equipped to make such challenges—the regional bureaucracy. What ensued as a result was less policy than self-fulfilling prophecy.

Correcting the problems discussed here requires both organizational and intellectual changes. So far as the first is concerned, the issue is not so much one of a "White House-focused" system as op-

[15]George, *op. cit.*, p. 755.

[16]Marvin Kalb and Bernard Kalb, *Kissinger* (Boston: Little, Brown and Co., 1974).

[17]On the Nixon Doctrine, which was first discussed by President Nixon during his Guam press conference on November 3, 1969, see: Richard M. Nixon, *U.S. Foreign Policy for the 1970's: A Report to the Congress*, 1971 (Washington: Government Printing Office, 1971); and President Nixon's Kansas City speech on July 6, 1971, *Department of State Bulletin* (July 26, 1971). The best systematic critique of the Doctrine and its practical implications can be found in Robert E. Osgood, et al., *Retreat From Empire?* (Baltimore: The Johns Hopkins Press, 1972).

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posed to a "strengthened State Department" as it appears to be one of developing ways in which options not be so finely distilled before they reach the apex of the decision-making process. Ironically, President Nixon himself expressed this point most succinctly in his first "U.S. Foreign Policy for the 1970's" address:

> The new NSC system is designed to make certain that clear policy choices reach the top, so that various positions can be fully debated in the meeting of the Council. Differences of view are identified and defended, rather than muted or buried. I refuse to be confronted by a bureaucratic consensus that leaves me no options but acceptance or rejection and that gives me no way of knowing what alternatives exist.[18]

Alexander George has suggested that "the executive would be in a position to make better decisions if *multiple centers of analysis and stronger staffs* were available to senior departmental officials who serve as advisers to the President in the final stages of foreign policy decisions."[19] It would seem that this recommendation is a useful one. Regional bureaus must be strengthened and, more importantly, the individuals who head them must be participants in the decisive stages of policy process.

Intellectual changes are more difficult to obtain. The tendency of the "big-power" balance of power to occupy almost completely the focus of American foreign policy demands considerable reevaluation. In the absence of such a reevaluation, an organizational framework which constantly makes senior policy-makers aware of inputs ignored by their general intellectual paradigm is all the more necessary.

[18]Richard M. Nixon, *United States Foreign Policy for the 1970's: A Report to the Congress*, 1970 (Washington, D.C.: Government Printing Office, 1970).

[19]George, *op. cit.*, p. 754.

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C. The Breakup of Pakistan

Philip Oldenburg
September 1974

Introduction

CHRONOLOGY

The crisis of the breakup of Pakistan can be divided, in terms of U. S. participation, into roughly four major phases. The first began with the Pakistan army crackdown in the East Wing of Pakistan on the night of March 25/26, 1971.[1] This followed a three week period of civil disobedience and the exercise of *de facto* governmental power by the Awami League led by Sheikh Mujibur Rahman. The Awami League had won an overwhelming victory in the December 1970 election for the Constituent Assembly, the climax of a movement toward greater autonomy for East Pakistan which began in 1954 or perhaps even earlier. The drive for autonomy was fueled by the economic, political and bureaucratic discrimination against East Bengal by the West Pakistan-dominated central government, exacerbated by the West Pakistani belief (held particularly by the Punjabi-dominated military) that Bengalis were culturally and racially inferior.

The crackdown, in which Sheikh Mujib was captured and thousands of Bengalis were killed—students, Hindus, and members of the police and army, particularly—precipitated a full-scale civil war, a declaration of independence by the Awami League leaders who had fled to India, and, in the view of most observers within the State Department and without, the inevitable breakup of Pakistan. As Tajuddin Ahmad, Prime Minister of the Awami League government-in-exile, put it in April, "Pakistan is now dead and buried under a mountain of corpses."[2]

The second phase of the crisis began with the announcement of Henry Kissinger's visit to Peking (July 15) and the signing of the Indo-Soviet friendship treaty (August 9). This phase featured the buildup of guerrilla forces (the Mukti Bahini) inside East Bengal, and the increase of direct and indirect Indian support, against the backdrop of a refugee population in India of nearly ten million by November. It ended with the outbreak of full-scale war between India and Pakistan on December 3rd.

The third phase was the war, in which India, with the help of the Mukti Bahini, quickly defeated the Pakistan army in the East, and while fighting a holding action on the ground on the western front, used air and naval power to damage Pakistan's military capability. The final phase began with the transfer of power to Sheikh Mujib on January 12, 1972 and ended with U.S. recognition of Bangladesh, on April 4, 1972.

DECISION-MAKING AND RATIONALES

Virtually all the decisions made by the U.S. in this crisis originated in the White House. By and large, explicit rationales for those decisions were *not* communicated to State Department officials, still less to the Congress and the public. Since the end of the crisis, some rationales have been presented, most notably by President Nixon in his "State of the World" message to Congress of February 9, 1972, but what interviewees* agreed were the *real* reasons for U. S. policy have never been publicly stated. I will discuss some of those decisions in detail below, mentioning others only briefly because of lack of information and space. Having presented what I believe the rationales of each of these decisions were, I will move to a detailed discussion divided

[1]All dates with no year given are from 1971. The most readily available detailed chronology for the 1971 crisis can be found under the heading "Pakistan" in the *New York Times Index 1971; A Book of Record*, pp. 1287–1310. (Cited hereafter as: NY Times Index.)

[2]Marta Nicholas and Philip Oldenburg, compilers; Ward Morehouse, general editor. *Bangladesh: the birth of a nation; a handbook of background information and documentary sources* (Madras: M. Seshachalam, 1972), p. 82. (Cited hereafter as: Bangladesh handbook. This contains the "Anderson Papers" reprinted (in pp. 112–34) from the *New York Times* of January 6 and 15, 1972; the Kissinger background briefing of December 7, 1971, reprinted (in pp. 134–42) from the *Congressional Record—Senate*, December 9, 1971; Mrs. Gandhi's letter to President Nixon, reprinted (in pp. 143–45) from the *New York Times* of December 17, 1971; and other documents.)

*Much of the material in this study is drawn from interviews with government officials and private individuals, conducted in the summer of 1974. The line of argument presented is entirely my own, however, and when it is necessary to identify the source of a statement as an interview, an asterisk in parentheses is placed in the text, thus: (*).

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into two parts: the facts of the case, and the implications. The study will conclude with a brief sketch of the implications of these decision cases taken together.

Those decisions I will discuss in detail are:

1) the decision *not* to comment on the initial "bloodbath" in East Bengal, and, later, the decision not to criticize Pakistan as the killing continued;

2) the decision to cut off most arms aid to Pakistan, while continuing to supply some;

3) the decision to provide humanitarian relief to refugees in India and to the people who stayed in East Bengal;

4) the decision to pursue a political solution of the crisis with the Pakistanis, the Indians, and the exiled Bengali leadership;

5) the decision first to attempt to prevent the outbreak of war between India and Pakistan and then to end it once it had begun.

The rationale for the first decision was that the civil war was an internal affair of Pakistan; but the reason for not letting concern for violations of human rights override that principle was the "historical coincidence" that Pakistan was the intermediary in the arrangement of the opening to China. These delicate negotiations, which were initiated in 1969 [3] and had reached the stage of the exchange of notes via Pakistan by early 1971, became very serious on March 15th, and a specific invitation (in a sealed envelope) for either Kissinger or Rogers to visit China was conveyed by the Pakistan Ambassador sometime before April 6th.[4] Presumably the secrecy of the negotiations, and thus the opening itself,[5] would have been jeopardized by an "unfriendly" gesture to Pakistan at the very moment a breakthrough was achieved.

The reason for not criticizing Pakistan over the violent repression in East Bengal is tied to the generally favorable position vis a vis Pakistan that the U. S. adopted. As stated publicly, the pro-Pakistan "tilt" was meant to retain "leverage" with President Yahya Khan. It is likely that the desire to remain the friend of China's friend contributed to the decision, as did the factor of President Nixon's personal rapport with President Yahya, and his positive feeling toward Pakistan. (This factor has been emphasized by too many to be discounted, despite Kissinger's remark that "I do not think we do ourselves any justice if we ascribe policies to the personal pique of individuals.") [6]

The rationale for cutting off arms aid was simple: the Pakistan army was making use of them in a situation contrary to the agreement under which the U. S. supplied them. The reason for continuing a comparatively small flow of spare parts, etc. was symbolic, and was tied to the general pro-Pakistan U. S. stance. The decision to provide humanitarian relief needed no justification, but the proportions of aid given to India compared to aid earmarked for East Bengal underlined the White House position that humanitarian aid was to be the "centerpiece" of the U. S. political-diplomatic effort.

The "political solution" was juxtaposed to a military solution: if the U. S. and others did not succeed in getting a political settlement of the civil war, India in one way or the other would see that Pakistan was broken up. The rationale was that the U.S. did not wish to see the breakup of Pakistan occur, especially with outside intervention, because that would "destabilize" the region. The need to preserve Pakistan's "integrity" was even greater in view of her alliance to the U. S. and friendship with China.

The decision to exercise U. S. influence first to prevent the outbreak of war between India and Pakistan and then to end it was of course justified on the ground that war is not a way to solve international disputes (a rationale which, it should be noted, the U. N. General Assembly agreed with by a vote of 104 to 11, with 10 abstentions). A deeper rationale for the U. S. was that since India would win decisively, the "destabilization" of the subcontinent would occur. Also, the defeat of a U. S. ally would place the U. S. in a weak position vis a vis the USSR in upcoming summit talks. This latter reason bulks very large during the war. And underlying the "tilt" which was made explicit during the war—i.e. the war should stop because Pakistan was losing it —is the personal factor of President Nixon's attitude. In Kissinger's words at the Washington Special Action Group (hereafter WSAG; the minutes constitute the bulk of the "Anderson Papers") meeting, ". . . the President is not inclined to let the Paks be defeated." [7]

Let me discuss briefly decisions on economic aid to Pakistan and on the recognition of Bangladesh.

[3] G. W. Choudhury, *The Last Days of United Pakistan* (Bloomington: Indiana University Press, 1974), p. 68. Choudhury was a senior advisor to President Yahya at the time, "one of the very few whom [Yahya] took into his confidence about his top secret mission [to Peking]." (Ibid., p. 70.)

[4] See Marvin Kalb and Bernard Kalb, *Kissinger* (Boston: Little, Brown, 1974), pp. 237–38. Unfortunately, they do not give a date, but simply set the time as cherry blossom season in Washington.

[5] On President Nixon's and Kissinger's belief that secrecy was required, see I.M. Destler, "The Nixon System, a further look" *Foreign Service Journal*, February 1974. See also Secretary Rogers' reply to a question at the Sigma Delta Chi convention, *Department of State Bulletin*, Vol. LXV, No. 1693 (December 6, 1971), pp. 652–53.

[6] Made in his background briefing of December 7th. As reprinted in Bangladesh handbook, p. 139. The remark refers to Nixon's alleged hostility to Mrs. Gandhi; in the earlier part of his reply, Kissinger denies that either he or President Nixon had a preference for Pakistan or for Pakistani leaders.

[7] "Anderson Papers" as reprinted in Ibid., p. 125. All statements about WSAG deliberations hereafter are from this source.

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The focal points for Congressional action during the crisis were the Gallagher and Church/Saxbe amendments to the Foreign Aid bill which would have cut off economic aid to Pakistan until the civil war ended. The administration not only opposed those amendments, it also dissented from the Aid-Pakistan consortium recommendation to suspend aid to Pakistan (made in the wake of the leaked World Bank report which noted that the repression in East Bengal was so severe that economic aid could not be utilized there). Again, the rationale for this policy was to preserve leverage with the Pakistanis.[8]

Finally there was a decision to delay the recognition of Bangladesh—the U. S. recognized Bangladesh on April 4, 1972, fully two months after most of the nations of Europe had extended recognition and nearly a month after Indian troops had left Bangladesh. No plausible rationale was ever given to the State Department (*), still less the Congress,[9] but it was clearly tied to the China opening —President Nixon postponed considering it until after his trip to China (in late February 1972). Certainly, too, there was a desire to defer to Pakistan, even as the Muslim nations of the Middle East and Africa were doing.

Violent Repression; and the Register of Dissent

THE FACTS

After the crackdown on March 25/26 a decision was made to downplay the seriousness of the action and to avoid admitting to the facts of the "bloodbath". In the initial phase of the civil war, there was, as Senator Kennedy said on the Senate floor on April 1, 1971, "indiscriminate killing, the execution of political leaders and students, and thousands of civilians suffering and dying every hour of the day." [10] It soon became clear from press reports that Hindus were being singled out for killing,[11] and by June the London *Sunday Times* could use the title "Genocide" for its introduction to one of the best accounts of Pakistan army activities.[12] Senator Kennedy, in a news conference in New Delhi in August, called the Pakistan military action "genocide",[13] but that word was absent from debate by public figures both before and after August.[14]

The administration was even less willing to come to terms with the possibility that "genocide" was occurring in the later phase of the civil war than they had been willing to condemn the initial violence of March. The first indication of this stance was Washington's resistance to the Dacca Consul-General's decision to have Americans evacuated from Dacca in the first week of April (*), at a time when Pakistan was claiming that the situation had already returned to normal. According to Senator Kennedy, "instead of calling it an 'evacuation' . . . the State Department reached into its bag of euphemisms and termed the exodus of Americans a normal 'thinning out.' " [15]

The U.S. issued a statement deploring the violence at the end of the first week of April, but one view is that that actually represented a decision *not* to pressure Pakistan because it was made so late, nearly two weeks after the crackdown. U.S. officials were reluctant to make public mention of the widespread killing or of the facts on actions which could be labelled "genocide". Archer Blood, Consul-General in Dacca until early June, testified before Senator Kennedy's subcommittee on refugees on

[8]See the study for the Commission by Joan Hochman, printed in Appendix H.

[9]*Recognition of Bangladesh,* Hearings before the Committee on Foreign Relations, U.S. Senate, March 6 and 7, 1972; testimony of Christopher van Hollen, Deputy Assistant Secretary for Near East and South Asia, pp. 6–25, passim.

[10]As reprinted in *Relief Problems in East Pakistan and India, Part I,* hearings before the subcommittee to investigate problems connected with refugees and escapees of the Committee on the Judiciary, U.S. Senate (hereafter: Kennedy subcommittee), June 28, 1971, p. 87.

[11]Many reports, from the onset of the crisis, mention this; see, for example, some of those reprinted in *Ibid.*, pp. 95 ff.: Peggy Durdin, "The Political Tidal Wave That Struck East Pakistan" (reprinted from the *New York Times Magazine* of May 2, 1971), *Ibid.*, pp. 95–105; Mort Rosenblum, "Army, Rebels Fight Over Ruined Pakistan" (reprinted from the *Baltimore Sun,* May [?] 1971), *Ibid.*, pp. 110–11; *et al.*

[12]As reprinted in *Ibid.*, pp. 118–20; the article introduced is by Anthony Mascarenhas, "Why the Refugees Fled", *Ibid.*, pp. 120–32.

[13]New York Times Index, p. 1296, col. 1 (original article: *New York Times,* August 16, 1971, p. 6.).

[14]The International Genocide Convention (not ratified then by the U.S.), defines genocide as "acts committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group . . ." Quoted in Michael Bowen, Guy Freeman, Kay Miller (Roger Morris, Project Director), *Passing By; The United States and Genocide in Burundi, 1972* (Washington: The Carnegie Endowment for International Peace, 1973), p. 18. In addition to eyewitness testimony (see note 11, above), the fact that after May virtually all the refugees were Hindus supports the view that actions by the Pakistan army in East Bengal constituted genocide by this definition. However, the language used in public even by critics of U.S. policy did not include the word "genocide"; for instance, in Senator Kennedy's report *Crisis in South Asia,* we get only an indirect usage: "Our national leadership has yet to express one word that would suggest we do not approve of the genocidal consequences of [the Pakistan Government's policy of repression and violence]". (*Crisis in South Asia,* a report by Senator Edward M. Kennedy to the [Kennedy subcommittee], November 1, 1971, p. 55.) Nor is there any evidence that a "demand" was made by any member of Congress, or by any FSO, to condemn Pakistan for committing "genocide". There was some indirect evidence in the interviews I had that policy positions which would have had the U.S. strongly condemn the killing—and place the blame on the Pakistan Government—were put forward within the State Department; the issue was raised, even if the word "genocide" was not used.

[15]*Crisis in South Asia,* p. 56.

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June 26th. Part of his testimony is worth quoting at length:

SENATOR FONG: When the insurgents were put down, were there actions taken by the East Pakistan Army which forced the people to leave?

MR. BLOOD: I don't see any direct relationship between the level of insurgency and the flow of refugees.

SENATOR FONG: Then why would the refugees leave?

MR. BLOOD: . . . And, subsequently, many Hindus have left because of the way they were treated.

SENATOR FONG: Did many of them leave because they say conditions were imposed on the Hindus that they thought they couldn't live with?

MR. BLOOD: I assume so, yes.

SENATOR FONG: What would those conditions be, sir?

MR. BLOOD: I wouldn't want to go into every detail, because we have reported this in the classified messages—. . . . I would prefer not to answer in open session . . .[16]

The official position was that the refugee outflow was due to continued fighting and the poor economic situation. U. S. efforts were thus aimed at stopping the "fighting" (between the Pakistan army and the Mukti Bahini guerrillas) not at stopping the killing of Hindus and the destruction of their property. Official policy plus the constraints of "cliency" make it most unlikely that "genocide" ever figured in any private communication with the Pakistan government.[17]

While the Dacca consulate was urging condemnation of the violence, seconded by the New Delhi embassy, the Islamabad embassy discounted the reports from Dacca on the grounds that the consulate officials, being limited in their movements, could only be getting "partial" reports (*). The fact that the Islamabad embassy seemed to give greater credence to its Pakistan government sources than to its own officers in the field, despite close personal ties between the Deputy Chief of Mission and the Consul-General, must have hurt the morale of officers in Dacca. On the other hand, the Islamabad embassy protested on July 15 to the State Department that field reports on predictions of possible famine in East Bengal were being denied in public statements in Washington.[18]

All interviewees agreed that the "tilt" policy position of the U. S. did not affect the reporting of facts to Washington. Even after it had surfaced, during the war, Consul-General Spivack cabled details [19] of his and U. N. Assistant Secretary General Paul Marc Henry's inspection of damage and bomb-rack fragments which indicated Pakistani responsibility for the bombing of the Dacca orphanage (which was blamed on India with much publicity). The Islamabad embassy sent in a report to Washington in which the Defense Representative to Pakistan and the Defense Attaché questioned Spivack's conclusion.[20]

The discounting of reports because of their tone and the presumed "cliency" bias of the drafters extended to the reporting of facts as well as to the presentation of estimates and advice on policy. (Ironically, the presumed cliency of Dacca begat cliency in Islamabad.) But the professionalism of the Foreign Service dictated that the reporting of facts known to be unpalatable not stop.

IMPLICATIONS

The maintenance of contact with the Pakistanis, both in the context of the opening to China and with a view toward exerting "leverage" in the future (once the situation in the East had become clear), was clearly a matter of great importance. One non-U.S. source, who discussed the findings of the leaked World Bank report of July with Yahya Khan, says the Pakistan President could not credit its finding that official violence had and was occuring in East Pakistan. The result of a U. S. decision to raise the question of "genocide" might thus have resulted in cutting off communication with the Pakistanis (and especially with Yahya Khan) rather than in changing Pakistan's policies.

Most sources agreed that almost everyone at the State Department recognized what was going on in East Bengal and would have liked to see if not a U. S. condemnation at least a dissociation of the U. S. from the Pakistan regime. The facts reached the policy-makers in the White House, although there is some difference of opinion on how forceful and articulate the presentation of State Department views were; according to one official, lower levels of State felt it could have been much better, but according to Marvin and Bernard Kalb, Assistant Secretary of State Sisco "battled" with Kissinger in WSAG meetings in December.[21]

Those within the system were apparently satisfied with the channels of dissent open to them.

[16]Relief Problems in East Pakistan and India, Part I, Kennedy subcommittee hearings, June 28, 1971, p. 46.

[17]Roger Morris, "Clientism in the Foreign Service" *Foreign Service Journal*, February 1974. Ambassador Farland, while perfectly correct in his relationship with the Government of Pakistan and his superiors in Washington, did "represent" the point of view of Pakistan to Washington (*).

[18]See *Crisis in South Asia*, p. 57, for exerpts from the cable.

[19]Jack Anderson, with George Clifford, *The Anderson Papers*, (New York: Random House, 1973), pp. 242–45.

[20]*Ibid.*

[21]Kalb and Kalb, pp. 258–59.

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"Official informal" letters were seen by my sources as having considerable importance in making an impact on policy decisions in most cases (in part because they are considered leak-proof, and the leaks of dissent positions seemed to distress the dissenters as much as anyone), but, it was implied, not in this crisis, because policy was being made beyond the reach of the "official informal."

No one who dissented from U.S. policy in this crisis resigned. It would not be necessary or desirable for an FSO to threaten to resign whenever he objected strongly to a decision. But if the forceful presentation of policy alternatives is considered desirable, it might be worthwhile to make it easier for the FSO to leave the Service, by training him during his career so that he could enter a different career (e.g. university teaching, international business), or by bringing in people from outside the Service into middle-level slots.

Finally, the existence of career sub-cultures, FSOs with academic interests, for example, can provide sub-communities of knowledgeable professionals who can informally sustain the dissenter in responsible dissent. There is some evidence that the South Asia specialists—encompassing both India and Pakistan "wallahs"—constituted such a sub-community in 1971.

The Arms Aid Cut-Off Decision; and the Use of Public Statements

THE FACTS

A decision was made to cut-off the supply of arms to Pakistan. In a letter to Senator Kennedy dated April 20, 1971, David Abshire, Assistant Secretary for Congressional Relations, wrote, "we have been informed by the Department of Defense that [no non-lethal military end items (of) spare parts and ammunition have] been provided to the Pakistan government or its agents since the outbreak of fighting in East Pakistan on March 25–26, and nothing is presently scheduled for such delivery." [22] But "delivery" here meant that items contracted for and licensed for export before March 25 were considered "delivered" even though they had not left U.S. shores. This continued movement of arms to Pakistan was revealed in a *New York Times* article—presumably as the result of a leak—while the Indian Foreign Minister was returning from Washington to Delhi with what he thought were assurances that Pakistan was not receiving U.S. arms. These events contributed to Indian distrust of the U.S. (which became crucial in U.S. attempts to prevent a war; see below).

A General Accounting Office report released on February 4, 1972 [23] revealed that not only had $3.8 million worth of Munitions List articles been exported under valid licenses, but also "Department of Defense agencies, despite departmental directives issued in April, continued to release from their stocks spare parts for lethal end-items" and "the U.S. Air Force delivered to Pakistan about $563,000 worth of spare parts between March 25 and mid-July 1971 on a priority basis using the Military Airlift Command. Some of these spare parts were needed to place inoperable aircraft, such as F-104's, into operable condition." [24] It was discovered in late August that until the practice was stopped by informal order on July 2nd and formally on August 12th, "military departments" entered into foreign military sales contracts of about $10.6 million with Pakistan . . . ," [25] though no licenses were issued for these contracted items. On November 8th the State Department revoked all outstanding licenses (for goods worth about $3.6 million), and the flow of arms to Pakistan ended.

There were several factors at work here. On one level there was something of a bureaucratic "snafu" (*) in the instances of continued spare parts supply. This might of course be interpreted as a deliberate effort on the part of Defense agencies to continue supplying a country they considered to be a good ally. The "business as usual" signing of new contracts was justified as proper because U.S. military supply policy was "under review." If the continued supply under valid licenses had been a "snafu" in which State Department and Defense Department signals had gotten crossed, then presumably shipments would have ceased when it was revealed in late June. But the licenses were not revoked until November—and Kissinger wondered aloud in the WSAG meetings whether that step had been wise—making it clear that the supply of a limited amount of arms to Pakistan had been U. S. policy. Christopher van Hollen, Deputy Assistant Secretary for NEA, in testimony before Senator Kennedy's subcommittee on October 4, made U. S. policy explicit:

> SENATOR FONG: The administration did not feel it should revoke the licenses that had been issued?
>
> MR. VAN HOLLEN: That is correct. The judgement was made that this would be a political sanction, and that it would not be in keeping with our efforts to maintain a political relationship

[22] *Relief Problems in East Pakistan and India, Part I,* Kennedy sub-committee hearings, June 28, 1971, p. 82.

[23] *Relief Problems in Bangladesh,* Kennedy subcommittee hearings, February 2, 1972, Appendix III, pp. 85–92.

[24] *Ibid.*, p. 90.

[25] *Ibid.* Note that none of these shipments were illegal, nor did they violate overall U. S. policy on arms to Pakistan.

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with the Government of Pakistan, looking toward the achievement of certain foreign policy objectives of the United States.[26]

That is, these arms shipments were continued as part of U. S. attempts to maintain "leverage" on Pakistan.

During the December war, Jordan and possibly other countries offered to transfer U. S. supplied weapons to Pakistan. The question was discussed in two of the WSAG meetings whose minutes were leaked. State Department and Defense Department officials pointed out that it would be illegal for the U. S. to permit third country transfers, since the U. S. itself was barred from supplying arms to Pakistan. Kissinger, however, asked that King Hussein be kept in a "holding pattern", noting that the President "may want to honor" requests from Pakistan for military aid of this kind.[27] It was later reported that "military sources" disclosed that Libya and Jordan had indeed provided aircraft to Pakistan.[28]

Humanitarian Assistance; and the Role of Congress

THE FACTS

One interviewee told me that in August the President described the relief effort—which would be carried on no matter what, for humanitarian reasons—as the centerpiece of the U. S. political effort vis a vis Pakistan. This view of U. S. policy was however not conveyed downward even to middle-level State Department officers. The decision was to provide aid both to the refugees in India and to those in the East (especially in the cyclone-affected areas) who did not leave. The threat of famine would be met and India's burden would be shared. Congress, on the other hand, wanted to give more aid for refugee relief than the administration requested, and less to the people in East Pakistan, on the grounds that with a crippled transport system and the acknowledged diversion of some relief supplies and transport vehicles to the Pakistan army, there was no guarantee that such aid would reach those for whom it was intended.[29]

The amount of U. S. assistance was consistently overstated by U. S. spokesmen, including the President, even after the crisis was over. A GAO report of June 29, 1972 listed authorized contributions for victims in India as $94.5 million, and pointed out that of the $276.7 million authorized for victims in Pakistan (and this included "old" money intended specifically for pre-March cyclone damage relief and normal bi-lateral food aid), *$201.2 million (73%) was not implemented.* The repeated U. S. assertion that the U. S. was contributing "more than the rest of the world combined"—a formulation the Delhi embassy finally gave up protesting(*)—appears to have been a self-serving public relations effort. The World Bank's estimate of the cost of refugee relief to India was $700 million by March 1972 (India claimed in the U. N. debate in December that she was spending $3 million a day); the U. S. thus would contribute about 15% of the total and the "rest of the world" about the same or more,[30] leaving India with nearly 70% of the cost of refugee relief.

There was, moreover, a coordination of public utterance in this instance. Another GAO report (of April 20, 1972, but requested in July 1971 by Senator Kennedy) stated in the introduction:

> Our review efforts were impeded by Department of State and AID officials. They withheld and summarized records prior to our access and thereby limited information needed for a complete and thorough report. In connection with the GAO review, U. S. Embassy officials in Islamabad were instructed not to make available messages reporting on sensitive discussions with the GOP [Government of Pakistan], Government of India, or U. N. agencies, or certain sensitive documents relating to development of U. S. policy.

IMPLICATIONS

The U. S. relief effort provided a major focus for Congressional attention to the 1971 crisis. While the GAO, an arm of the Congress, was having difficulty in conducting its investigation, Senator Kennedy was able to get copies of confidential cables from Pakistan. Congressional sources I spoke

[26] *Relief Problems in East Pakistan and India, Part III,* Kennedy subcommittee hearings, October 4, 1971, p. 376. Christopher van Hollen's testimony.

[27] "Anderson Papers" as reprinted in Bangladesh handbook, pp. 132 and 125.

[28] *New York Times,* March 29, 1972, p. 1.

[29] The position that the bulk of U. S. relief should go to East Pakistan was congruent with administration policy after August to portray the refugee outflow as the result of the threatened famine. But before August, the official view that all was "normal" in East Pakistan as the Government of Pakistan contended led the administration to resist Congressional efforts—especially those of Senator Kennedy—to get recognition of the danger of famine. Aid to the refugees in India, I surmise, was to ease India's burden so that she would not have that excuse to go to war to stop the drain on her economy. Interviewees, however, discounted these explanations for the "humanitarian aid was centerpiece" view.

[30] As of October 19, 1971, the U. S. had contributed 42 percent of the "world's" total to refugee relief in India (and 71% of the total for East Pakistan relief). *Ibid.,* p. 40. Senator Kennedy, pointing out India's burden, concludes "we realize how little the outside world is really doing, and how paltry the American contribution is comparatively." (*Ibid.,* p. 41.)

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with seemed satisfied with the institutional arrangements in the foreign policy field, arguing that the lack of Congressional activity during the crisis (the Foreign Relations Committee never held a public hearing, for example) reflected not the lack of power or expertise but the lack of Congressional interest in foreign policy and especially vis a vis South Asia.

The Congressional concern with humanitarian issues reflected the U. S. public perception of the problem—a record amount of money was contributed to refugee relief from private sources—but Congress had little impact in the face of a U. S. policy which sought first to downplay the refugee issue, then to shift the focus of concern from refugees and from "genocide" to East Pakistanis suffering because of civil strife (cause unspecified), and finally, to overstate the amount of U. S. assistance.

The Political Solution; and the "Checklist" Danger

THE FACTS

President Nixon in his "State of the World" message of February 9, 1972 called "the problem of political settlement between East and West Pakistan" "the basic issue of the crisis." [31] In May, in letters to President Yahya and Prime Minister Gandhi, President Nixon referred to the necessity of a "political accommodation;" [32] by summer, this was communicated to "all parties" as being a political solution "on the basis of some form of autonomy for East Pakistan." [33]

During August, September and October, eight contacts with the "Bangladesh people" in Calcutta were made, according to Kissinger.[34] And, according to President Nixon, "by early November, President Yahya told us he was prepared to begin negotiations with any representatives of this group not charged with high crimes in Pakistan, or with Awami League leaders still in East Pakistan." [35] One interviewee felt that the contacts were a "sterile exercise" and another felt that they were not serious, since follow-up cross-checks were discouraged by Washington. The difficulty here was perhaps differing perceptions of what the contacts meant.

These contacts were to lead to negotiations between Pakistan "and Bangladesh representatives approved by Mujibur," according to Kissinger.[36] The negotiations never began, nor was the U. S. ever involved "on substance." [37] The next step was to establish contact with Mujib to get his approval of Awami League negotiations, and Kissinger claimed that the U. S. "had the approval of the Government of Pakistan to establish contact with Mujibur through his defense lawyer," and that India had been so informed.[38] Prime Minister Gandhi, however, wrote to President Nixon on December 15th that "there was not even a whisper than anyone from the outside world had tried to have contact with Mujibur Rahman." [39] And Ambassador Keating, reacting to the news of Kissinger's backgrounder, pointed out that a move to contact Mujib had been rebuffed on December 2nd, and the initiative had been suggested on November 29th [40] *(one week after the war had begun, by President Nixon's account).*[41]

The negotiations, President Nixon admits, were to be with those not charged with "high crimes,"—i.e., the entire top leadership of the Awami League. Given the gap between "contacts" (the latest in October) and the attempted contact with Mujib (end of November), plus the conditions set by Yahya in "early November," one can understand the belief that it was all a "sterile exercise."

There is also some doubt in another area, the proposal for a timetable for East Pakistan's autonomy. The U. S. claim was that "in mid-November, we informed India that we were preparing to promote discussion of an explicit timetable for East Pakistani autonomy." [42] Kissinger told the press, "we told the Indian Ambassador . . . that we were

[31] *U. S. Foreign Policy for the 1970's: the Emerging Structure of Peace,* A report by President Richard Nixon to the Congress, February (9) 1972, (hereafter: State of the World message) p. 159.

[32] *Ibid.*, pp. 159–60.

[33] *Ibid.*, p. 162.

[34] Kissinger backgrounder, as reprinted in Bangladesh handbook, p. 136.

[35] State of the World message, p. 162.

[36] Kissinger backgrounder, as reprinted in Bangladesh handbook, p. 140.

[37] *Ibid.*, p. 141. These points only emerged from close questioning of Kissinger at the backgrounder of December 7th.

[38] *Ibid.*, p. 140.

[39] *Ibid.*, p. 144.

[40] *Ibid.*, p. 134.

[41] The Pakistan point of view was that the war broke out with India's large scale incursion in support of Mukti Bahini operation on November 21st. President Nixon's phrase was "when war erupted toward the end of November" (State of the World message, p. 164). This view is supported by Wayne Wilcox (*The Emergence of Bangladesh,* Foreign Affairs Study 7, American Enterprise Institute for Public Policy Research, Washington, 1973), p. 51, but a *New York Times* report of November 24th (NY Times Index, p. 1301, col. 3) says that "U. S. officials . . . dispute Pakistani charge that India has launched fullscale invasion," and an important Pakistani General (Farman Ali), as reported on November 26th (*Ibid.*, p. 1302, col. 1), said that "field reports indicate conditions on East Pakistan border [were] returning to normal tenseness." India, of course, held that the war began with the Pakistani air attacks on 8 Indian airfields on December 3rd; most observers agree.

[42] State of the World message, p. 162.

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prepared to discuss with them . . . a precise timetable for the establishment of political autonomy in East Bengal." [43] Ambassador Keating, relying on the news report, pointed out that he had not been informed of this "critical fact" that "Washington and *Islamabad* were prepared" to discuss the timetable (emphasis added).[44] But it seems clear from another remark by Kissinger that the U. S. was seeking a timetable from *India;* [45] he also said "[India] knew that we believed that political autonomy was the logical outcome of a negotiation . . ." [46] Prime Minister Gandhi indeed wrote that "the United States recognized that . . . unquestionably in the long run Pakistan must acquiesce in the direction of greater autonomy for East Pakistan . . ." [47] There is no indication, however, that *any* timetable for political autonomy (which went beyond the scheduled restoration of civilian government in East Pakistan) was presented *to Pakistan,* or that the U.S. had publicly favored autonomy in a form acceptable to the Awami League.

Many officials, both in Delhi and Islamabad, believed by April that Pakistan would break up, and this assessment was supported by the intelligence community (*). Those in Islamabad felt that direct Indian intervention would be inevitable while those in the Delhi embassy felt that the guerrillas would succeed on their own (*). An interim solution of autonomy leading to independence was not ruled out as unacceptable to the Bengalis (and to India, who did not recognize an independent Bangladesh until December 6, despite considerable internal political pressure). Whether such a facade would have been acceptable to Pakistan is questionable. The Pakistan government's qualified amnesty, its willingness to accept a limited U. N. role, and the return of East Pakistan to "civilian rule" under a man totally unacceptable to the Bengalis—all pointed to as significant steps by President Nixon—were dismissed by the Awami League. The proposal to station U. N. observers on the border was called a "non-starter" by the Delhi embassy (*). Ambassador Keating dismissed the amnesty proposal in only slightly less direct terms.[48]

[43] Kissinger backgrounder as reprinted in Bangladesh handbook, p. 137.

[44] "Anderson Papers" as reprinted in *Ibid.*, p. 133.

[45] Kissinger backgrounder as reprinted in *Ibid.*, p. 138. "We were urging movement at the greatest speed that the Pakistan political process could stand. We felt that one way to resolve this would be for the Indians to give us a timetable of what they would consider a reasonable timetable . . ."

[46] *Ibid.*, p. 139.

[47] Mrs. Gandhi's letter to President Nixon, as reprinted in *Ibid.*, p. 144.

[48] "Anderson Papers" as reprinted in *Ibid.*, p. 133.

IMPLICATIONS

Ambassador Keating concluded his December 8th cable by implying that he realized he might not have been informed of some of the specific developments mentioned in the story of Kissinger's backgrounder. Several interviewees agreed that no "political solution" was pressed on Pakistan until very late, and none could say what that solution was. If indeed it was formulated as a package by the White House, it was certainly not presented as such to the State Department. The proper presentation of alternative policy proposals was frustrated in this instance by the lack of policy guidance. State Department officials seemed to have had no idea that the White House felt it was pressing a coherent strategy toward getting a political solution, and was forced to react to proposals piecemeal.

There is a danger inherent in compiling a "policy checklist" and then ticking off items as they are accomplished (or partially accomplished), because one has the illusion that the policy, overall, is then "working." The U. S. managed to get Yahya to agree to a series of steps—maybe the civilian government was not acceptable to the Awami League, but at least it was a *civilian* government; maybe Mujib would not get a public trial and would not be permitted to participate in negotiations, but at least he was *alive;* maybe the amnesty was less than complete, but at least Yahya had accepted the idea in principle; etc.—and the President and Mr. Kissinger apparently felt that progress was being made. And so they were angry (if not furious) with India for not giving Pakistan time to come to accept a political solution in such terms. But it was obvious to many officials at State that these steps came far, far too late to provide the basis for a solution; that satisfying a number of items on the checklist did not constitute a viable policy or strategy of action.

The review process in charting policy progress must be constant: whether an objective has been achieved "too late" is the kind of judgment that demands considerable reliance on the area experts (centered on the Country Director), who have a feel for the political parameters of a situation. High-level decision-makers, especially in the White House, have neither the time nor the expertise to develop such judgment adequately. In this instance, apparently, the White House relied on its own judgment, and wound up pressing for a solution which the Bengalis would have accepted before March 25th but which would not do in the fall of 1971. The White House belief that the U. S. could play the role of honest broker seemed to fly in the face of Indian distrust of U. S. motives and

allegiance; area experts in the State Department who did keep the situation under review were not so sanguine. To the extent that the White House belief that a political solution was aborted by Indian actions influenced U. S. policy during the December war and after, this instance points to the failure of a White House centered system.

Prevention of War; and Policy-Making Crisis by Crisis

THE FACTS

The danger of India going to war against Pakistan was clear from the first phase of the crisis. On May 28, President Nixon wrote to both President Yahya and Prime Minister Gandhi urging "restraint" and warning of the danger of war.[49] In the second phase of the crisis (August-November), it seemed to be only a matter of time before war broke out. U. S. policy was to urge restraint on India and Pakistan, as part of a diplomatic effort which included humanitarian relief and the effort to broker a political solution. Specific suggestions focused on a disengagement of Indian and Pakistani troops from East Pakistan borders, and the U. S. supported a Pakistani proposal that U. N. observers be posted on the border. India rejected these moves on the grounds that the threat of war arose from the situation in East Bengal, nor border confrontations.

When the war broke out on December 3rd, President Nixon apparently felt that India had not given the U. S. time to achieve a solution to the crisis, and that India was thus the "aggressor." As the war developed, officials from the U. S. ambassador to the U. N. on down followed instructions to "tilt" in favor of Pakistan. The minutes of the WSAG meetings reveal that from the outset no one believed that India would halt until she had achieved an independent Bangladesh, resolutions in the U. N. calling for a cease fire notwithstanding. The focus of attention in WSAG was the halting of the war against West Pakistan. President Nixon reported in February that "during the week of December 6, we received convincing evidence that India was seriously contemplating the seizure of Pakistan-held portions of Kashmir and the destruction of Pakistan's military forces in the West. We could not ignore this evidence. Nor could we ignore the fact that when we repeatedly asked India and its supporters for clear assurances to the contrary we did not receive them." [50] He continued, "if we had not taken a stand against the war, it would have been prolonged and the likelihood of an attack in the West greatly increased . . . The war had to be brought to a halt." [51]

The means to this end that President Nixon mentioned was the United Nations, but it is not implausible that the U. S. did threaten to cancel the upcoming U. S.-USSR summit unless the Russians put pressure on India to stop. The sending of the *Enterprise* task force into the Bay of Bengal, after the war in the East was won, has been interpreted as a signal to the USSR and to Pakistan that the U. S. would not let an ally "go under." [52]

An important aspect of this case is the seeming gap in communication between India and the U. S. The U. S. urged "restraint" on India; India would say "yes, but only when the Pakistan army in East Bengal shows 'restraint.' " More directly, after Mrs. Gandhi's trip to Washington in early November, during which she repeatedly said that India was nearing the end of her tether, she said that reports "that she and President Nixon found no common ground in their talks are 'entirely correct.' " [53] The U. S. standing vis a vis India, and the influence it could hope to exercise was of course seriously undercut by the clear U. S. commitment to an individed Pakistan and its unwillingness to condemn Pakistani excesses.

Another instance of communications breakdown: President Nixon claimed that no assurances denying the report of Indian intentions to seize Pakistan-held Kashmir had been received. The CIA report which I infer had touched this off held that Mrs. Gandhi intended to "straighten out the southern border of Azad [Pakistan-held] Kashmir," and to "eliminate Pakistan's armor and air force capabilities." [54] In the WSAG meeting of December 8, however, Assistant Secretary Sisco reported that India's "Foreign Minister Singh told Ambassador Keating that India has no intention of taking any Pak territory." [55] And in a public statement in New York on December 12th, Singh said India had no wish to "destroy Pakistan." [56] But, as Sisco also pointed out, "Kashmir is really disputed territory." [57] On balance, he doubted that India had any intention of breaking up West Pakistan.

President Nixon apparently wanted more iron-

[49] State of the World message, pp. 159–60.

[50] *Ibid.*, p. 165.

[51] *Ibid.*, p. 166.

[52] Reports of the *Enterprise* task force movements first appeared on December 13th (when it went through the Straits of Malacca), when the Indian army was within artillery range of Dacca. The most detailed account of the task force deployment is in Anderson, op. cit., pp. 259–69 (the chapter is titled "The Brink of World War").

[53] NY Times Index, p. 1301 (news story of November 16).

[54] "Anderson Papers" as reprinted in Bangladesh handbook, p. 128.

[55] *Ibid.*, p. 130.

[56] NY Times Index, p. 1306, col. 2.

[57] "Anderson Papers" as reprinted in Bangladesh handbook, p. 130.

clad assurances; the State Department spokesman reported on December 15th that "India has not replied to U. S. request for assurances it will not attack West Pakistan after defeating Pakistan in the East." [58] (General Niazi, the commander of the Pakistan army in the East, had asked the U. S. to convey his request for a cease fire on the morning of December 14th, Washington time). It is difficult to understand why Washington expected India *not* to attack while Pakistan continued to wage war in the West. Even before the outbreak of the war, on December 2nd, Mrs. Gandhi said: "If any country thinks that by calling us aggressors it can pressure us to forget our national interests, then that country is living in its own paradise and is welcome to it." [59] In the event, President Yahya only agreed to the Indian cease-fire offer under pressure (*). Yahya's broadcast to the nation, delivered four hours before the cease-fire was announced, in which he spoke of a fight to victory, suggests that the cease-fire was indeed hard to accept. Here, as in much of the crisis, the U. S. misunderstood both the Indian position and, probably, the intensity of Pakistani feeling.

IMPLICATIONS

Communication and contact between the countries involved was not impeded by cliency—the unwillingness to carry unpleasant messages to the government concerned, e.g., as it had been in the 1965 war, when Ambassador Bowles was said to have shown such reluctance—nor by any other organizational constraint. There may well have been failures in communication at even the most rudimentary level: misunderstanding Pakistani English usage, for example (*). More important is the apparent belief that conveying a message means that the recipient has digested its meaning. This dichotomy is neatly illustrated by the words of an American official in Islamabad, speaking around November 20: "we've been in it up to our necks—making suggestions, talking privately with Yahya and others night and day—but this is a closed society. They don't pay any attention—there's no flexibility left. We no longer have any reason to expect the Pakistanis to behave." [60] One suspects that India and Pakistan had similar difficulties in conveying *their* position to American officials.

There are two facets of the communication problem which relate to the U. S. effort to prevent a war. 1) The problem of ambiguity in statements and intentions, and the possibilities of "weathervaning" in analysis which this opens up, and 2) the variant definitions of the size and time dimensions of the "crisis" itself.

President Nixon and Henry Kissinger were apparently unsatisfied with Indian assurances because of the ambiguity inherent in any interpretation of a domestic political situation—they overestimated the importance of Indian "hawks" like Defense Minister Jagjivan Ram, in this instance—and in the less than sweeping nature of the assurances received (which were, to be sure, perfectly understandable from the Indian standpoint). Ambiguity can be used as a tool, however: Kissinger emphasized in the WSAG meeting of December 8th that "we cannot afford to ease India's state of mind" presumably about U. S. intentions to come to Pakistan's assistance.[61] Ambassador Keating had made it clear to Indian officials that third country transfers of weapons required U. S. approval and was told by Under Secretary of State John Irwin, on Kissinger's orders, "in view of intelligence reports spelling out military objectives in West Pakistan, we do not want in any way to ease Government of India's concerns regarding help Pakistan might receive from outside sources." [62] Again, there is no reason to believe that India or Pakistan would not pursue *their* foreign policy vis a vis the U. S. by using the same technique.

Although as noted above interviewees agreed that the reporting of facts to the highest levels was not restricted, I was told that there was "weathervaning" in analysis: the preferences of the top levels were fed back to them. The ambiguity which is inherent in the communications between nations—and to a degree within one nation's foreign service—opens the way to anticipatory compliance in reporting and analysis that does not compromise professional responsibilities.

The second facet of the communication problem here has to do with the dimensions of the crisis and ideas of crisis management. The U. S. treated the threat of war and its outbreak as a separable crisis amenable to what one interviewee called the "standard crisis manual" which says "first, urge restraint; second, get the fighting stopped; third, get the parties talking." India's position was that the crisis of a threat of Indo-Pakistan war could not be and should not be separated from the overall crisis which began on March 25th.

U. S. policy toward South Asia was very much a crisis by crisis affair. From the U. S. point of view "the crisis" did not mean the totality of events in 1971 (as it did for India and Pakistan), but rather a

[58] NY Times Index, p. 1307, col. 1.

[59] Quoted in Robert Shaplen, "The Birth of Bangladesh—II," *The New Yorker*, February 19, 1972; as reprinted in *Relief Problems in Bangladesh*, Kennedy subcommittee hearings, February 2, 1972, p. 117.

[60] *Ibid.*, p. 114.

[61] "Anderson Papers" as reprinted in Bangladesh handbook, p. 132.

[62] Anderson, *op. cit.*, p. 228.

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series of interrelated crises, like the war. Officials were taking up new posts in the summer of 1971, as is usual, and though the overall crisis was relatively subdued—no headlines, just one constant stream of refugees—they did not go into the details of previous "crises." Nor were the ex-incumbents sought out when new "crises" or decisions were encountered. Familiarity with the current file coupled with overall expertise was believed to be sufficient.

In 1971 decisions were made at the White House. During the "smaller" crises—the initial crackdown, the first realization of the magnitude of the refugee flow, the December war, etc.—raw intelligence reports and reports of facts direct from the field reached the highest policy-making level and probably were read. During the less active phases, analytic reports warning of the danger of continued armed violence against Hindus by Muslims reached that level (*), but there is little reason to believe that it made an impact. By the time of the crisis of the war, Indian motives might well have been difficult to discern or appreciate. A problem in an area like South Asia which is a low priority in U. S. national interest terms has to be more serious than in other areas before it reaches a "crisis" level, and the failure to appreciate the dimension of the crisis from the point of view of the other parties is exacerbated by the tendency to shift not only decision making *but also analysis* to levels in which expertise is severely limited. It is hardly surprising that the U. S. failed to head off war on the Indian subcontinent in 1971.

Conclusions

From the point of view of the White House, I suspect, U. S. policy in South Asia in 1971 was a qualified success. The key goal of the opening to China was not jeopardized by events on the South Asian subcontinent. The progress toward detente with the USSR was not harmed, and valuable lessons were learned on how effective ties with the Soviet Union could be. Relations with Pakistan remained firm, with all that meant for U. S. flexibility in the Middle East (recall that Middle Eastern nations, by and large, gave Pakistan considerable support during 1971). Relations with India were none too good to begin with; a further deterioration could be borne with equanimity, with the added thought, perhaps, of letting the Russians enjoy that headache for a while. Bangladesh and Sheikh Mujib —with whom the U. S. had had close ties—might well want U. S. friendship and aid to counterbalance India and the USSR.

On the other hand, of course, Pakistan had been reduced in power, though India's military development since 1965 precluded a position of parity for Pakistan in any case. A nation state, an ally, had been dismembered by its neighbor, but Pakistan was, in the view of some observers, doomed from its birth, and in the view of others, better off without the drain East Pakistan was becoming. Vigorous U.S. opposition to the war had been concurred in by almost all the nations of the world, and especially third world nations. The U. S. was vilified in moral terms both at home and abroad, but in the context of the war in Vietnam (which was to be ended, after all, with the help of new relations with China and U. S.—USSR detente), that was hardly unusual. Moral outrage evaporates while national interests remain; even India would come around eventually.

But couldn't U. S. policy have been better? (In both senses of the word: couldn't the opening to China have been achieved *without* the costs incurred in South Asia, and *with* the U. S. supporting a democracy instead of yet another military regime, condemning officially sanctioned violence against the civilian population and making every effort to get it stopped?) And would a different organizational structure have made any difference?

There were, on the whole, no problems in the flow of information upward, nor in the carrying out of instructions from the White House. There is no indication that President Nixon or Kissinger felt any lack in the information they received or in the responsiveness of officials in Washington or in the field (with the exception of Kissinger's famous remark in the WSAG meeting that he was "getting Hell from the President every half hour" because State Department officials were not "tilting" sufficiently toward Pakistan).[63]

There were, however, severe restrictions in the flow of information downward. Rationales for policy never reached lower levels of State. Similarly, the upward flow of analysis and advice was impeded because it had to be considered irrelevant. Until July 15, when the China opening was announced, the State Department was working in the dark—receiving no guidance on what the reasons for U. S. policy were and sending up analysis and policy advice which had to be ignored, since it could not confront the real rationale. Even after July 15, rationales for U. S. policy which took account of the China opening were not spelled out, and so meaningful alternatives could not be presented.

The secrecy of the rationale for U. S. policy meant that there was no one other than President Nixon and Kissinger who could make decisions, even on minor matters. They were the only ones

[63] "Anderson Papers" as reprinted in Bangladesh handbook, p. 115.

able to monitor effectively the implementation of the decision, and they alone could assess its impact in terms of the goals they had set. But they also did not have the time (or the expertise) to perform those tasks well—the delay in the recognition of Bangladesh is a case in point.

Alternatives to policy were not presented effectively to decision-makers in the White House, as might be expected under the circumstances. Those sending up proposals were unaware of the "global strategy" which determined U.S. decisions. Moreover, their proposals would inevitably be framed in terms of U.S. policy toward the region or to one country or the other, and would be discounted accordingly. Ultimately, the serious consideration of bi-lateral and regional dimensions of policy while global objectives are pursued—sorely needed as the U.S. dealt with South Asia in 1971—depends most on having a President or Secretary of State willing and able to work with knowledgeable professionals and with organizational arrangements that effectively represent them.

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D. The U.S. Response to the JVP Insurgency in Sri Lanka, 1971

Barnett R. Rubin
October 1974

Introduction

This is a case study of the U.S. government's response to a military political emergency of moderate importance. Although it took place at a time when the Nixon-Kissinger National Security Council (NSC) system dominated American foreign policy, the emergency was mainly handled within the State Department, where the regional bureau staff had the action. Recourse was had to the Political Military Affairs (PM) and Intelligence and Research (INR) Bureaus in State, as well as to the Office for International Security Affairs (ISA) of the Defense Department, and to the Senior Review Group (SRG) of the NSC in the White House. The President personally made one major policy decision, which was communicated to State at an SRG meeting. Nevertheless, no agency opposed the action leadership of the Bureau for Near East and South Asia Affairs (NEA) in the State Department. Most of the coordination took place within that bureau, at the level of the country director. The policy proved a successful one, and this case gives an idea of the conditions under which a State Department, regional bureau centered foreign policy process can work, and what its limitations might be.

U.S.–SRI LANKA RELATIONS UNTIL THE ATTACK ON THE U.S. EMBASSY

Towards noon on March 6, 1971, the Deputy Chief of the U.S. Mission in Colombo, who was chargé d'affaires during the home leave of Ambassador Robert Strausz-Hupé, was chairing a meeting of his staff on the second floor of the American Embassy in a room which overlooked the embassy compound's front yard and the wall along the Galle Road. To the rear, but not visible from this room, lay first the railroad tracks of the southwest coastal line and then the Arabian Sea, at this season placid, brilliant, and warm. Ceylon, as the Republic of Sri Lanka was known prior to January 25, 1972, bears a superficial resemblance to paradise, and although the Sri Lanka cabinet was proposing a new law to deal with a threat of violent insurrection reported by the Criminal Investigation Department (CID), the men in Mr. Petersen's office had little reason to suspect an impending break in their routines.

Elsewhere, some of their governmental colleagues were backing, or even sponsoring, an incursion into Laos by the South Vietnamese military. There were protests heard from sources in the U.S. and around the world, including, of course, numerous members of the government of Sri Lanka. These protests underlined some of the delicate diplomatic problems these men had been dealing with for the past year.

Prime Minister Mrs. Sirimavo Bandaranaike's United Front (UF) of her own radical nationalist Sri Lanka Freedom Party (SLFP), the Trotskyist Lanka-Sama Samaja Party (LSSP), and the Communist Party (Moscow Wing) had swept 116 out of 150 seats in the parliamentary elections of May, 1970. The UF then proceeded to implement the radical activist foreign policy for which it had campaigned. Many UF members harbored a suspicion that the U.S. had played a role in their electoral defeat in 1965, and might now try to sabotage or overthrow their government. Over the next few months they followed a policy of uniting with friends to oppose enemies. They expelled Western organizations such as the Peace Corps, and the Asia Foundation (a private U.S. organization). They suspended diplomatic relations with Israel and established them with North Vietnam, the Provisional Revolutionary Government of South Vietnam, East Germany, and North Korea. They invited a large group of Chinese technicians and construction workers to build an international conference hall in memory of S.W.R.D. Bandaranaike, Mrs. Bandaranaike's hus-

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band, the founder of the SLFP, who was assassinated by a communalist Buddhist monk in 1959. Her government opposed much of U.S. policy in Asia, particularly in Indochina and the Indian Ocean.

It was the Sri Lanka government's stand on the Indian Ocean which most concerned the U.S. During her first term as prime minister (1960–1965), its policy was that no naval vessel could dock in Sri Lanka without declaring that it carried no nuclear weapons. The U.S. responded that it never made such declarations, but would take the feelings of the littoral countries into account. This assurance sufficed for the more pro-Western government of Dudley Senanayake's United National Party (UNP) from 1965 to 1970, but when Mrs. Bandaranaike returned to power her government reactivated the note on non-nuclear declarations. U.S. Navy ship visits came to a halt.

The government of Sri Lanka was suspicious of the continued Anglo-American naval presence in the Indian Ocean, particularly of the plans to build a naval communications facility on the island of Diego Garcia, one thousand miles south of Sri Lanka. Mrs. Bandaranaike criticized these plans at the Commonwealth Heads of Government Conference held in Singapore in January, 1971, where she also started a campaign to have the Indian Ocean declared a nuclear-free "Zone of Peace."

Nevertheless, during the few months before March, 1971, there were signs that U.S.-Sri Lanka relations might be improving. During the UF's most radical foreign policy period, immediately after its election, the U.S. did not overreact. The embassy sent notes of regret over UF actions like the recognition of the Indochinese revolutionary governments, but it did not recommend any sanctions. Soon the UF government realized that they were not going to get as much aid from the socialist countries as they had hoped. The U.S. diplomatic mission, led by Ambassador Strausz-Hupé, was trying to reassure the UF that the U.S. would not interfere in Sri Lanka's politics and had no desire to overthrow the government.

Besides the gradually developing improvement in U.S.-Sri Lanka relations, there were several other reasons for the men in Mr. Petersen's office to feel reasonably secure. Plentiful and powerful as they were, the radicals in Sri Lanka had no tradition of organized political violence. The conventions of parliamentary democracy had been more or less observed through five changes of government and seven national elections in the last twenty-five years. Politics aside, the people seemed friendly and easy going. The Sinhalese majority had been Buddhist since the time of Ashoka, and its leaders proclaimed non-violence an essential part of the national culture.

So it was with shock, surprise, and a feeling of growing uncertainty that the diplomats in Mr. Petersen's office heard the shouts of a mob and the crash of broken glass and saw Molotov cocktails explode beneath their windows. Three minutes later the commando raid from the Galle Road was over. The hundred and fifty or so participants had coalesced, accomplished their limited goal, and scattered into the city and along the sea front with discipline and precision. They left behind a fatally stabbed Ceylonese policeman, the remains of six or seven home-made bombs, an equal number of prisoners in the hands of the police, the burnt shells of a few embassy cars, and a pile of leaflets denouncing U.S. aggression in Laos, signed by the "Mao Youth Front."

The DCM picked up the phone and called the Director General of the Sri Lanka Foreign Office to inform him, protest, and ask for protection and compensation. Other members of the staff drafted a flash cable to Washington which arrived on the desks of the desk officers in the India-Nepal-Ceylon (INC) country directorate, the State Department Bureau of Intelligence and Research (INR), the Office for International Security Affairs of the Defense Department (ISA), and the National Security Council at the White House on top of the morning traffic on March 6.

THE JVP AND THE "MAO YOUTH FRONT"

Over the next few days the minds of the speculative in Colombo were exercised by the puzzle of the "Mao Youth Front." The name had never cropped up before. Some of the country's youth had organized New Left (or "ultra-left") groups, which were commonly referred to collectively as the "Che Guevara movement." The largest and best organized of these groups called itself the Janata Vimukti Peramuna (JVP) which means People's Liberation Front.

The JVP dated back to 1966, when its best known leader, Rohan Wijeweera, resigned from the Communist Party (Peking) and began to organize among students and other youths. Wijeweera was educated at Moscow's Lumumba University, and probably received some training in North Korea, but the Russians apparently found him too radical and cancelled his scholarship while he was home.

Wijeweera and his colleagues called into question the legitimacy of the Ceylonese Marxist tradition as practiced by the Old Left parties. The JVP held that the old left parties (primarily the LSSP and the CP-Moscow and sometimes the CP-Peking as well) had capitulated to bourgeois nationalism and revisionism by allying themselves with the SLFP and choosing the "parliamentary path to power." But the JVP was by no means ideologically orthodox or consistent. It was both indigenous and

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eclectic. The Indian political scientist K.N. Ramchandran has described its ideology as "molded out of diverse elements, such as a general Marxist-Leninist outlook, a Maoist itch for revolutionary practice, the Guevarist obsession with instant revolution, Sinhalese ethnocentrism, and the frustrations smoldering in the subconscious of the unemployed youth." [1]

The JVP was thus not unlike other youth organizations growing up during the 1960's all over the world, such as the Naxalites in India or certain factions of SDS in the U.S. The difference was the wide range of its appeal. As was amply demonstrated by the events of April, 1971, the JVP caught the imagination and enlisted the support of thousands, mostly unemployed or underemployed youths and students, who had been educated in traditional style Sinhalese medium schools. The most important reasons for their allegiance were frustration over the lack of opportunity for the rapidly growing youthful population, the absence of visible economic progress, and their feeling of alienation from the closed and privileged ruling elite, almost all of whom, regardless of political allegiance, lived in a few well to do neighborhoods in Colombo, communicated with each other in English, and married only among themselves.

The JVP made its debut in the society of Ceylonese politics during the elections of 1970. It supported what it considered progressive candidates of the UF while emphasizing that its support was based on agreement with the more radical aspects of the UF's program, such as the nationalization of foreign owned banks and plantations. The UF viewed the JVP as primarily directed against the UNP, and some of its members considered the JVP's paramilitary preparations a possible aid. When the UNP government arrested Wijeweera on the grounds that the JVP was plotting to attack polling booths, the JVP mounted a poster campaign for his release with astonishing rapidity and coordination. After their victory the UF government released Wijeweera, whose followers launched a short lived campaign of thuggery against UNP supporters.

Starting in August, 1970, the JVP held large public rallies all over the country to explain their program to the public. They began to form ties with like minded groups among the urban workers and even the plantation workers of recent Indian origin, whom they had originally wanted to expel from the country as agents of "Indian expansionism." [2]

Meanwhile, in domestic as well as in foreign affairs, the UF was coming up against unforeseen contradictions. To nationalize the foreign banks, whose short term credits were enabling the government to buy rice, or the foreign (mostly British) owned tea plantations, would have meant a loss of precious foreign exchange. The UF did not abandon its goals, but it moved more slowly and cautiously than its campaign rhetoric had led many of its supporters to expect.[3]

To the JVP, this caution looked like the expected sellout. They continued their preparations, political and military, for revolution. The UF, which had dismissed the "reactionary" police officials responsible for intelligence on the JVP, remained largely ignorant of these developments. This ignorance was compounded by the failure of the UF to appreciate the depth of the criticism made by the JVP. Its members persisted in believing that any leftist movement in the country would be directed only against the UNP and imperialism. Even when, in early 1971, the CID made disturbing reports of preparation for insurrection, the reaction of the UF, especially of the more radical members, was that "reactionaries," domestic and/or foreign, had to be behind it if it was directed against them. These reports nevertheless were disturbing enough that on March 1, 1971, Mrs. Bandaranaike's cabinet approved a proposal by Minister of Justice Felix Bandaranaike to offer a bill entitled, "An Act for the Prevention of Violent Insurrection."

By this time the JVP was suffering from internal dissension. Mahinda Dharmasekera (popularly known as "Castro"), one of the JVP's cofounders, argued for immediate attack on imperialist targets as part of a long range revolutionary strategy, rather than the policy of careful preparation for a successful revolution in 24 hours, the strategy followed by the main body of the JVP under Wijeweera. He and a group of followers split off from the JVP and prepared to go on the attack. And so they did, on March 6, 1971, under the pseudonym of the "Mao Youth Front."

GOVERNMENT CRACKDOWN AND INSURGENCY

After the attack the embassy staff had to re-define the tasks at hand. They organized increased security measures (such as taking unusual routes to and from the embassy) to avoid kidnappings or attacks. To their Ceylonese counterparts they argued that the attack was directed not primarily against the Americans, but rather against the government of Sri Lanka.

[1] K.N. Ramachandran, "China's South Asia Policy," *Journal of Institute for Defense Studies and Analysis* (JIDSA), IV:1, July, 1971, p. 54.

[2] Jayasumura Obeysekara, "Revolutionary Movements in Ceylon," in Kathleen Gough and Hari P. Sharma ed., *Imperialism and Revolution in South Asia*, p. 389.

[3] Urmila Phadnis, "Insurgency in Ceylonese Politics: Problems and Prospects," JIDSA, III:4, April, 1971, p.591.

Mrs. Bandaranaike quickly deplored "this high handed attack against the diplomatic mission of a friendly country" and condemned "the miscreants responsible for these criminal acts." [4] After a seven hour cabinet meeting the government decided on a dual strategy: a military crackdown to destroy the JVP and other groups stockpiling arms, and a political offensive to deprive the JVP of mass support by picturing it as the tool of reactionary forces who opposed the march toward socialism.

The government called out the armed forces, who began arresting suspects. They uncovered surprisingly large caches of homemade bombs, stolen guns, blue uniforms and revolutionary literature (including North Korean literature). A bomb factory was discovered on March 15 when it exploded, killing five young men. (This explosion, which took place in the constituency of former UNP Prime Minister Dudley Senanayake, was widely publicized by the government.) Mrs. Bandaranaike then declared a state of emergency. To the subdued bemusement of the UNP, Rohan Wijeweera was re-arrested, and another poster campaign was mounted for his release. On March 20 an explosion in a university hall at Peradeniya led the army and police to a huge cache of dynamite, gelignite, gasoline, detonators, and hand bombs. The next day Mrs. Bandaranaike invoked additional emergency powers providing for the death penalty for certain offenses. By the end of March almost 400 people had been arrested.

Government ministers held meetings all around the country denouncing the JVP as the tool of reactionary forces. Some government ministers believed, or at least charged, that the CIA had organized the attack on the American Embassy in order to weaken the government. All evidence, including these men's subsequent behavior, indicates these charges were false. The American diplomats, especially those such as the labor attaché who were regularly in touch with the leftists, tried to convince them that they were equally ignorant and equally endangered.

The embassy also kept up a steady stream of reporting to Washington, which was mostly based on conversations with counterparts in the Sri Lanka government and other embassies, such as the Canadians and especially the British, who were particularly well connected with Ceylonese military officials. The U.S. defense attache, a navy commander, had special responsibilities for gathering information on the military situation. Despite the hopes of some Ceylonese, who called the Americans for information, believing that the CIA knew everything, the U.S. seems to have had no reliable sources of intelligence on the JVP.

The remaining JVP leaders faced an unhappy problem. Their forces were poorly armed, and they were losing men and supplies daily. Their organization in the cities was still extremely weak. They had relatively strong forces in many Sinhalese villages, but none on the plantations. They decided that, rather than allow their organization to be dismantled by the government without a fight, they would counter-attack with all the forces at their disposal. The first strike was to be aimed at the undermanned rural police stations, which might provide additional arms. There was also an ill-conceived plan to paralyze the central government by kidnapping or killing the prime minister and other government figures in Colombo.

Shortly before the attacks were scheduled to go off, a bhikku who had been involved in the plan to seize government ministers confessed to the police, leading to the destruction of the JVP's Colombo group. Before the rest of the armed forces and police could be notified, on the night of April 5–6, the insurgents struck, with devastating effect. No one knows how many there were. Estimates give a hard core of 3000 to 5000 with supporters somewhere between 20,000 and 100,000; at one point, the Sri Lanka government estimated 80,000.[5] The government forces of about 7000 army regulars, 1900 navy, 1500 air force, and 12,500 police, were outnumbered.[6] Their equipment, which had never before been used in combat, was meager and aged. Mrs. Bandaranaike appealed for military aid, which eventually came from India, Pakistan, the U.S., Britain, the U.S.S.R., Yugoslavia, and Egypt.

On April 17, the North Korean embassy was ordered closed and all staff and their families ordered to leave the country immediately. The Sri Lanka government never announced what the North Koreans had been doing, but it is possible to piece together an account. The North Koreans had organized North Korea—Ceylon Friendship Societies all over the island. These societies distributed large quantities of revolutionary literature, much of which had been found in insurgent hideouts. A few of the insurgent leaders had received some training in North Korea. The North Koreans may also have brought large amounts of foreign currency into the country which they changed on the black market and distributed to the JVP, but evidence for this is equivocal. There is no evidence of any arms aid to the JVP.

With the help of their new military equipment, the government forces moved from the defensive to a position of strength by the end of April. Mrs. Bandaranaike called upon the insurgents to surrender over May 1–4, and almost 4000 did. The government forces then went on the offensive. By the

[4] *Ceylon Daily News*, March 7, 1971.

[5] *New York Times*, April 10, 1971; April 11, 1971.

[6] Phadnis, *op. cit.*, p. 610.

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end of June, almost 14,000 alleged insurgents were in detention camps, and most of the rest had lain down their arms and gone home.[7] No one knows how many were killed. The government claims that 60 of the government forces and 1200 insurgents died. Other sources gave fatality estimates as high as 6000, including civilian deaths. A widely accepted compromise figure is about 3000 insurgent and civilian deaths.[8]

SRI LANKA AND THE INTERNATIONAL SYSTEM

During the insurgency, India lent Sri Lanka six helicopters with crews, sent five frigates to seal off the island's coast from any outside intervention, sent 150 troops to guard the airport used for delivery of aid, and provided arms, ammunition, and full kit and equipment for 5000 combat troops.[9] Great Britain ferried supplies of arms and ammunition from Singapore, provided seventeen scout cars, and delivered six Bell helicopters that the U.S. had sold for transfer to Sri Lanka. Pakistan lent two helicopters with crews and provided hand grenades and communications equipment. The USSR provided five MIG-17 jet fighters and a MIG-15 trainer along with sixty Russian maintenance and training personnel, who were asked to leave Sri Lanka in June. The UAR and Yugoslavia provided small amounts of arms and ammunition.[10]

The U.S. sold and delivered 8000 pounds of spare parts for four Bell helicopters the UNP government had bought in 1968. Washington approved the sale of six surplus helicopters to the British for transfer to Sri Lanka. And on June 7, 1971, President Nixon formally determined that the national security of the U.S. and the cause of world peace would be strengthened by a $3 million grant of military assistance to the government of Sri Lanka.

Clearly, the greatest resource which the government of Sri Lanka had at its command was its legitimacy within the international system. The linkages of Sri Lanka to the international system formed the context within which U.S. government officials evaluated and acted upon the requests for aid which they received. It would be well to review these linkages before describing their activities.

It is a truism that Sri Lanka is of interest to global powers because of its "strategic location." It is also a euphemistic way of saying that Sri Lanka contains no natural, economic, or human resources which are of intrinsic interest to the U.S. or any powerful nation.[11] Nor do American companies have substantial holdings in Sri Lanka.[12] As a result of this lack of direct, bilateral linkages, the U.S. government maintains a consistently low level of involvement in Sri Lanka. This is difficult to keep in mind in a paper devoted largely to U.S.-Sri Lanka relations, but it has important practical implications for the nature of U.S. policy and the way that policy is formulated and carried out.

Within the South Asia region, Sri Lanka is of interest to India and, less so, to Pakistan. The tribulations of the Tamil minority in Sri Lanka have often been echoed in the Lok Sabha by the DMK. More important, Sri Lanka functioned as a base for expansion in India by colonial powers—Portuguese, Dutch, and British—and Indian defense planners include the island within the Indian defense perimeter. The growth of Sri Lanka-Chinese friendship has caused them some discomfort.[13] Prior to the completion of its disintegration in December, 1971, Pakistan relied on Sri Lanka as a stopping off point for transportation and communication between its two halves in the event of hostilities with India. Sri Lanka played that role in 1965 and again in 1971. Stability in Sri Lanka was thus linked to stability on the subcontinent.

What interest the global powers have in Sri Lanka is mainly based on its geographic position and its influence among other nonaligned countries. Sri Lanka lies at the center of the Northern Indian Ocean, along the sea route from the Persian Gulf to Southeast Asia and Japan, or midway between the two great Soviet naval bases of Vladivostok and Sevastopol. The naval base at Trincomalee was a link in the chain of British bases from Suez to Singapore until S.W.R.D. Bandaranaike asked the British to leave in 1956. Since then no foreign power has been granted any base in Sri Lanka, and despite

[7]The "insurgents" in the camps included many who had been only marginally involved with the JVP, but who surrendered out of fear of reprisals or at their parents' urging.

[8]S. Arasaratnam, "The Ceylon Insurrection of April, 1971: Some Causes and Consequences," *Pacific Affairs*, 43:3, Fall, 1973, p. 363.

[9]It was widely believed in Sri Lanka that India's reaction indicated the existence of contingency plans for intervention in Sri Lanka and a readiness to implement them. Indian government sources claim that the Indian aid in fact was delayed by the lack of any such contingency plans and, only timely improvisation provided what aid was forthcoming.

[10]IDSA, *India in World Strategic Environment, Annual Review*, 1970–71: 7, p.379.

[11]Partial exceptions are China, which receives a good part of the island's rubber production in return for rice (but is not dependent on Sri Lanka for rubber) and Great Britain, some of whose tea companies have holdings there.

[12]The American and British oil companies' holdings were nationalized by Mrs. Bandaranaike's first government in 1962. The U.S. felt the compensation offered was inadequate, and cut off aid under the Hickenlooper amendment. Relations were poor until the UNP government settled the matter on terms acceptable to the U.S. in 1965.

[13]One example among many: J.I.S. Kalra, "Growing Navy Needs Greater Punch," *Illustrated Weekly of India*, June 23, 1974, p.23: "China has made it quite clear that the Indian Ocean comes under its sphere of influence. And if Pakistan, Ceylon, and some East African countries provide the Chinese with base facilities, the menace would assume astounding proportions."

occasional alarmist rumors that the Chinese or Soviet navies have been given Trincomalee, no foreign power is likely to get one in the near future.

The late 1960's saw a change in the naval power configuration in the Indian Ocean. The Labour Government in Britain began a policy of disengaging from the East of Suez. The base in Aden was evacuated, and the base in Singapore was turned over to local sovereignty. The U.S. and Britain announced a plan under which active naval bases would be replaced by a chain of staging posts for long range aircraft, naval fuelling, and communications. This policy led to the decisions to establish the British Indian Ocean Territory (BIOT) and the Anglo-American "facility" on Diego Garcia.[14]

In March, 1968, the Soviet Navy put in its first major appearance in the Indian Ocean, making calls around South Asia, the Arabian Sea, the Persian Gulf, and East Africa. The U.S. and Britain began to be concerned over Soviet "expansion," especially in the light of the increase of Soviet influence in the Middle East. After the reopening of the Suez Canal, the Soviets seemed likely to link up their Mediterranean fleet, based at Sevastopol, with their Pacific fleet, based at Vladivostok. Sri Lanka, as noted, is right in the middle. The U.S. navy task force in Bahrein was decrepit and superannuated. The navy inaugurated a policy (since spring, 1971) of detaching part of the Seventh Fleet in the Pacific to make calls around the Indian Ocean from time to time. Stops at Colombo for bunkering and shore leave facilitate these trips.

China's policy makers also became concerned over the Soviet expansion, which they christened "The gunboat policy of the new czars." [15] China is competing with the Soviets for influence in most of the Indian Ocean littoral areas, such as Southeast Asia, the Middle East, East Africa, and, of course, South Asia. China's navy has also embarked on a program of intensive shipbuilding and expansion. The Chinese, perhaps because of their concern with Soviet activity, have been relatively quiet about U.S. activity in the area.

U.S. INTEREST IN SRI LANKA AT THE TIME OF THE INSURGENCY

No one in the U.S. government expects to get a military base in Sri Lanka. The U.S. government wants Sri Lanka to permit occasional visits by ships of the U.S. Navy, to refuse to give base facilities to any power, and not to oppose U.S. naval activity too vehemently in international forums, where Sri Lanka is influential, especially in matters pertaining to the sea or to non-alignment, out of proportion to its size.

Because of the low level of involvement in Sri Lanka, there are few bureaucratic struggles over policy toward that country within the U.S. government. The one service with a particular bureaucratic interest in Sri Lanka is the Navy, and there have been some relatively minor disagreements between the Navy and State. Generally, State wants the Navy to be restrained in order not to place the government of Sri Lanka in an awkward position, while the Navy feels State overestimates the amount of restraint needed. But the activation of the facility on Diego Garcia, an island conveniently devoid of population, politics, and governments, would render these arguments moot. The Navy also realizes that in any situation of actual international conflict it would be unable to use Sri Lanka—a Seventh Fleet destroyer escort called there in October, 1971, but the *Enterprise* did not call in Sri Lanka during the Indo-Pak war. Ship visits serve mainly political rather than military purposes.

When the requests for aid against the insurgents were received, all U.S. government participants agreed that a JVP victory would have been contrary to the interests of the U.S. Although the JVP was an indigenous organization with little or no foreign support, a JVP government would presumably have been anti-American and favorable to China or Russia (or both: no one was quite sure), as well as disruptive to stability in Sri Lanka and the region, which the U.S., as a status quo power, attempted to maintain. The decision makers saw Sri Lanka as an increasingly friendly non-aligned country of some strategic importance, whose government was under attack by forces likely to align themselves against the U.S., and which had requested aid in order to strengthen itself.

The aid was also likely to reassure the UF government regarding U.S. intentions and make it politically easier for Mrs. Bandaranaike to improve relations with the U.S. Although this was not raised explicitly in discussions in Washington, it was generally understood that "improved relations" would manifest themselves in U.S. ship visits and a more tolerant attitude toward U.S. activity in the Indian Ocean and the region. In the context of competition in the Indian Ocean there was some discussion of the need to offset the Russian aid (although in itself there was nothing objectionable in their aid). But the Russians did not really enter the picture with military aid until after the major U.S. decisions had been made.

Given the desire to improve relations, the fact that the Sri Lanka government would probably win regardless of what the U.S. did, and what was then called the "Nixon Doctrine," that the U.S. should not take on primary responsibility for defense of the whole world but should share the burden with other interested countries, NEA, in consultation with ISA, initially determined that U.S. interest

[14] IDSA, *India in World Strategic Environment, Annual Review*, 1969–70, p.252–3.

[15] *Ibid.*, p.267.

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would be served best by staying in the background. The policy was to encourage those countries with a more direct interest, such as India and Britain, to give aid. Later, in response to a request from Mrs. Bandaranaike, the President decided to enter into a direct non-lethal military supply relationship with the Ceylonese government. This decision was consistent with the increasing warmth of U.S.-Sri Lanka relations.

Whatever different perceptions of U.S. interest there were, were differences of emphasis, and complemented rather than contradicted each other. Policy disagreements were only on matters of detail, and they reflected personal opinions rather than bureaucratic viewpoints.

REQUEST FOR AID I: HELICOPTER SPARE PARTS

On the night of April 7, the defense attaché, who was stranded in his home in Colombo by the curfew, received a visit from the Commander of the Sri Lanka Air Force and the Permanent Secretary of the Ministry of Defense. The Deputy Chief of Mission, who had a pass enabling him to go out in the curfew, was also asked to come. (Ambassador Strausz-Hupé returned from leave either the next day or the day after.) The Ceylonese informed the Americans that the situation was serious and that they badly needed spare parts for their American helicopters. The defense attaché noted that U.S. military planes were not allowed to land in Sri Lanka. He was assured there would be no problem. The Americans then pointed out that they lacked reliable intelligence on the insurgency, and could not very well ask Washington for aid without full information. The Ceylonese assured them that they would be briefed fully and regularly. The Americans were driven to the American Embassy in a Sri Lanka Air Force jeep. They sent off a cable relaying the request.

The cable arrived in a State Department bureau, NEA, which was already overloaded with work. Since March 25, when Yahya Khan ordered the crackdown in East Pakistan, the staff of the Pakistan-Afghanistan (PAF) country directorate had been working around the clock in the seventh floor Emergency Control Center. The Deputy Assistant Secretary for South Asia, Christopher van Hollen was similarly preoccupied with Pakistan. Assistant Secretary Sisco's time was taken up not only by the crisis in Pakistan, but also by the upcoming Middle East peace initiative (the so-called "Rogers Peace Plan"). The INC Country Director (CD), David Schneider had to monitor India's reaction to the Pakistan crisis, but, since the outbreak of the insurgency, he had devoted most of his time to the situation in Sri Lanka. Together with Andrew Kay, the Ceylon desk officer, and Peter Burleigh, the Nepal desk officer, who had also served in Sri Lanka, he set up an *ad hoc* operations center in the country director's office, which was manned around the clock. The desk officers prepared daily situation reports (SITREPs), which were ready for distribution by 8 A.M. The CD briefed his superiors on the basis of these SITREPs. He also discussed the situation with them daily at the meetings on Pakistan that were being held in Secretary Rogers' office. Present at the meetings, besides Rogers, Sisco, van Hollen, and Schneider, were Special Deputy Assistant for press affairs Robert McCloskey and PAF CD William F. Spengler.

The problem posed by the request for helicopter spare parts was more practical than political. There was no real question of how to respond, nor were there any legal difficulties in the way of direct supplying of spare parts for equipment bought under a Foreign Military Sales Credit agreement. The State Department Bureau of Political-Military Affairs raised no objection, nor did ISA. The Secretary of State gave his approval, and Dr. Kissinger indicated White House agreement. Despite the non-controversial nature of the decision, approval by the White House was required by the law governing military assistance.

The main problem then became finding the spare parts, getting an airplane to the proper place, and getting the parts flown to Sri Lanka. This process involved close collaboration of the NEA staff with their counterparts in ISA. After a few days of chaotic phone calling, during which the formal division of labor was overlooked in the interests of efficiency, the spare parts, which had been found at the Bell factory in Texas, were loaded on a USAF C-141 transport plane and flown off to Sri Lanka. The defense attaché was given a lift to the Bandaranaike International Airport in a Ceylon Air Force helicopter in order to meet the incoming delivery on April 13. He was, he says, favorably impressed by the speedy delivery. So, too, were the Ceylonese.

REQUEST FOR AID II: HELICOPTERS

The Sri Lanka government requested additional aid from many countries. They especially asked for helicopters, which they had found useful for observation and for breaking up concentrations of insurgents during the day, enabling the army to get some rest. Apparently, on or about April 10, the embassy received a request for helicopters on an emergency basis from the Commander of the Ceylon Air Force.

This request presented the NEA bureau with several problems. The Ceylonese were asking the U.S. for direct supply of new equipment to fight the insurgents, yet several cabinet ministers had accused the U.S. of organizing the insurgency. Furthermore, it was assumed that India and Britain, Sri Lanka's commonwealth partners, who traditionally

had a more direct interest in Sri Lanka's security, would bear most of the aid burden. The bureau thus recommended that the U.S. stay in the background and coordinate its actions with governments that were more directly interested. There was also a legal problem: the U.S. had no continuing military assistance program in Sri Lanka, and any direct aid would have required either an Act of Congress or a formal presidential determination. Either of these procedures would be relatively slow. They further recommended, in agreement with ISA, in line with the U.S. desire for a low level of involvement and the policy, followed since 1966, of providing only "non-lethal" military aid to South Asia, that any helicopters provided by the U.S. be unarmed.

The U.S. embassy in New Delhi contacted the Indians, to seek their assessment of the situation and find out what they intended to do. The U.S. embassy in London contacted the British government. The State Department also worked with the British embassy in Washington. The British supplied arms and ammunition from Singapore, but they said they were unable to supply helicopters. ISA meanwhile had dug up six surplus helicopters of the type the Ceylonese were already using, which were stored at the Air Force base in Fort Lewis, Washington. The bureau recommended that these helicopters be sold to the British for transfer to Sri Lanka, in order to stress the Commonwealth ties and evade the slow legal procedures required for direct U.S. aid. This recommendation was cleared with the PM and European Affairs Bureaus and by the Secretary of State.

Under Sec. 506 (a) of the Foreign Assistance Act, such a transfer of military aid by the recipient to a third country required the "consent of the President." This consent was obtained through the SRG. On April 13 there was an SRG meeting on Pakistan. At that time such meetings were held about once a week. As the Pakistan crisis deepened later in the year these meetings became the controversial WSAG meetings. At the end of the meeting on April 13, the insurgency in Sri Lanka was discussed. The SRG approved the proposal to send the helicopters to Sri Lanka through the British. After the meeting, Gen. Haig called Gen. Purlsley (Secretary Laird's military aide) and instructed him to have the helicopters flown from Fort Lewis to an RAF base in England. On April 16 the RAF landed the helicopters at Bandaranaike International Airport.

REQUEST FOR AID III: A SHOPPING LIST

Sometime between April 14–18, the defense attaché was asked to come to the Sri Lanka Army Headquarters. He met the Commanders of the Army and Air Force, who told him that now that the insurgency was coming under control, they were starting to plan for the future. They did not want to be caught in such an unprepared state again. They requested a whole "shopping list" of items to be delivered on a long term rather than an emergency basis. The list was intended to fill in the major deficiencies in the equipment exposed by the insurgency, which were in the areas of communication, observation, and transportation. They asked for more helicopters, fixed wing transport planes, field radios, road building equipment, and certain lethal items such as machine guns, rifles, and ammunition. The defense attaché returned to the embassy and talked the request over with the DCM and the Ambassador. They sent off a cable describing the request and endorsing it, [with appropriate qualifications.].

This request required a different kind of policy decision in Washington, one having to do not with the reaction to the crisis but with shaping U.S.-Sri Lanka relations for the next few years. The Ceylonese were asking the U.S. to enter into a direct long term military supply relationship. Before NEA had formulated a recommendation, the president made a decision on his own initiative. On April 19, at another SRG meeting mainly concerned with Pakistan, Dr. Kissinger said that the president wanted to be helpful, and directed Sisco to have his bureau put together a package in response to the request. The avowed purpose of the aid was to improve U.S.-Sri Lanka relations, to reassure the UF government about the U.S.'s intentions toward it, and to continue to build upon the mutual interest that had been growing.

NEA had to find legal authority for the aid, decide the terms under which it would be given, fix a budget, and determine the content of the package. These four things were all done at once, and not necessarily in any logical order, in collaboration with the PM bureau, ISA, the embassy in Colombo, and the government of Sri Lanka. I have not been able to reconstruct the process in full detail, but I can outline the role played by each group.

The subsidiary policy issue of what the general "thrust" of the aid should be was settled jointly by NEA and ISA. Both agreed not only to continue the policy of giving "non-lethal" equipment, which ruled out guns and ammunition, but, further, to give equipment which, as far as possible, would serve dual purposes, military and developmental, or "civic action" equipment as described in section 505 (a) of the Foreign Assistance Act. The purpose of the aid was to improve relations, not to build a sophisticated military machine. This decision was also consistent with the main body of the request made by the Ceylonese.

There was no question that the aid had to be in the form of a grant, given Sri Lanka's economic

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situation, which the insurgency had seriously aggravated. The legal authority for grant aid coincidentally solved the budgetary question. A military aid specialist in either State's PM bureau or in Defense informed NEA that if the president made a formal determination under section 503 of the Foreign Assistance Act that military aid to Sri Lanka would "strengthen the security of the United States and promote world peace," he could then authorize a grant of military assistance under section 614a. Under the rules of eligibility in section 506(b), the grant could not exceed $3 million in any fiscal year unless the President determined, among other things, that the recipient would use the arms to strengthen "the defensive strength of the free world." Such a determination, besides its innately dubitable qualities, might have created political difficulties with Congress or with the non-aligned Ceylonese. NEA had been estimating the needs of the Ceylonese at about $2 million, but they decided to go for the legal limit.

The budget figure was sent to the embassy in Colombo and conveyed to the Ceylonese military by the American defense attaché. The military commanders, in consultation with Permanent Secretary of Defense Ratnavale and Mrs. Bandaranaike, as well as with the U.S. defense attaché, prepared a more detailed list for transmittal to Washington, in view of the "dual purpose" policy and the budgetary requirements.

NEA sent the list to ISA for pricing. It turned out to overrun the budget, and had to be sent back to Sri Lanka, where, presumably, the different military services tried to make sure that the reductions were equally shared. Eventually, the CD received an agreed upon list which he incorporated into the memorandum he drafted for the president. This memorandum, after being approved by NEA, the PM bureau, and the Secretary of State, was signed by President Nixon on June 7, 1971.

Procurement and delivery were the responsibility of the Department of Defense, under the supervision of ISA. The first installment was delivered on January 25, 1972, by the Seventh Fleet supply ship *Mobile*. The decision to deliver the aid by a navy ship rather than by merchant marine or by air was made mainly on the basis of economy and convenience, though the Navy was naturally happy to have an opportunity for friendly contact with Sri Lanka. Some NEA officials at first questioned the political wisdom of this decision. They thought it might seem like a sneaky way of getting a ship visit. But they did not press the point. In fact, the delivery made a fine ceremony—Mrs. Bandaranaike turned out to meet the ship and had lunch on board as the ambassador's guest. The last delivery, which the ISA desk officer personally accompanied, was made by air in early 1973.

BETTER RELATIONS WITH SRI LANKA

The timely and tactful aid given by the U.S. played a role in consolidating the tentative steps that had been taken toward an improvement in relations. The destruction wrought by the insurgency intensified the need for aid. The U.S. and China became the biggest donors.[16] The rapprochement between the U.S. and China made it easier for the Ceylonese to befriend both countries, while the Soviet Union and India became objects of suspicion in influential circles.

There was plenty of speculation in Sri Lanka about what big power, if any, was behind the activities of the North Koreans. A number of incidents cast suspicion on the Soviets. There were reports from Mexico of the arrest of a guerrilla group whose leaders had been trained at Moscow's Lumumba University and in North Korea. When the North Koreans left Sri Lanka, staff of the Soviet embassy saw them off at the airport. The Soviet embassy also took over responsibility for North Korean interests in Sri Lanka. Furthermore, after delivering their aid, which was useless for fighting the insurgents, arrived late, and was accompanied by an oversized military mission, the Soviets may even have made a clumsy attempt to secure a permanent presence in Sri Lanka, which the Ceylonese naturally rejected.

Later events in 1971 consolidated these suspicions. The Indo-Soviet pact was widely regarded in Sri Lanka as a betrayal of non-alignment by a neighbor the Ceylonese have viewed as expansionist for at least two thousand years. They were concerned by the influx of sophisticated Soviet military equipment into India and by the actions of the Soviet Union and India in the December war, which destroyed the South Asian "balance of power" which Sri Lanka, as well as the U.S. and China, had favored. By early 1972 many Ceylonese defense strategists concluded that Soviet expansion in the Indian Ocean area was the primary external threat to Sri Lanka.[17] Not surprisingly, this conclusion affected the way they viewed U.S. activity in the region. Around the time of the Indo-Soviet treaty, partly in response to the efforts of the U.S. ambassador and defense attaché, the government of Sri

[16]In a letter to Mrs. Bandaranaike, Chou En Lai denounced the insurgents as ultra-leftists infiltrated by foreign spies. I have not discussed China's attitude to the insurgency because they did not give military aid. There is no indication that the activities of the Chinese affected the U.S. government's activities.

[17]For a pseudonymous account of this process, seemingly written by an insider, see Pertinax, "Ceylon's Non-Alignment after the Indo-Pak War: Can SWRD's Dynamic Neutralism Flourish Today?" *Tribune*, 17:29, May 20, 1972. U.S. officials maintained an attitude of agnosticism toward charges of Soviet involvement in the insurgency. Whether or not they actually believed the Soviets were involved, they didn't consider this question to be of great importance.

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Lanka agreed in principle to consider requests for U.S. navy ship visits as a sign of a more even-handed foreign policy. The first visit under the new policy took place on October 11, 1971, about a week before Mrs. Bandaranaike's visit to the U.S. to present the Indian Ocean Peace Zone proposal to the U.N. and meet with President Nixon. Like so many world leaders, Mrs. Bandaranaike hit it off with President Nixon, who viewed her as quiet and practical.

In March, 1972, she welcomed Admiral John S. McCain, Commander of the Pacific Fleet on a three day "orientation visit" to Sri Lanka. The "chop line" dividing the Pacific from the Mediterranean Fleet had been moved westward in January, bringing Sri Lanka (and Diego Garcia) within the Pacific Fleet's official range. Admiral McCain was visiting littoral countries wherever possible to work out plans for future relations. The government of Sri Lanka let him know that in the absence of fulfillment of the plan for an Indian Ocean Peace Zone, Sri Lanka would not single out U.S. naval activity in the Indian Ocean as a target for criticism.

EVALUATION OF INFORMATION

The information available to the decision makers was imperfect in certain ways. In particular, no one knew how many members or weapons the JVP had, how it was organized, what international contacts it had, or what, exactly, it intended to do. A little while before the attack on the embassy, the CIA seems to have believed that an insurgency was likely, but this view affected policy about as much as an article in a journal of political science. This view was apparently not based on definite inside information, but on an intelligent reading of the situation. What evidence there is indicates that the CIA did not infiltrate or develop sources within the JVP.

The main, one might almost say the exclusive, source of information during the crisis was foreign service reporting both directly, in cables, and indirectly, as analyzed by State's Intelligence and Research Bureau. (INR was most useful for coordinating information on the activity of other aid donors, since it received cables from all U.S. missions.) The foreign service reporting formed the basis for the daily situation reports composed by the desk officer and used by the country director to brief higher officials.

Although the U.S. mission in Colombo was well aware of the JVP's existence, the staff never went out of their way to find people who could tell them about it. Given the suspicions of the U.S. current in the UF and the ambassador's overriding goal of allaying these suspicions and improving relations, the mission made it a policy to restrict travel and unofficial contacts. It seemed better to remain ignorant of some things than to do anything which might have been misconstrued as subversive. For the month or two before the attack on the embassy, this general policy was reinforced by security considerations, as information on the JVP's preparations trickled out.

Hence the U.S. government had no specific warning of the attack on the embassy or the insurgency, had no idea how strong or extensive an insurgency the JVP was capable of mounting, and remained unsure of the extent of the insurgency for some time after its outbreak. Nevertheless, it was about as well informed as any other government, including Mrs. Bandaranaike's. Once the crisis was on, the mission's development of a good working relationship with government and military officials in Colombo provided Washington with reliable information from Ceylonese official sources. Although many questions, such as the number of insurgents and the extent of foreign involvement, were never completely answered, the decision makers had enough information to decide the issues confronting them. The lack of information was partly the result of a political calculation, the justice of which was proved in the event.

EVALUATION OF FIELD ORGANIZATION

The embassy played a somewhat limited role during the crisis. Most of the staff's time was taken up with gathering information. The defense attaché, the ambassador, the deputy chief of mission, and the first secretary also received and evaluated the aid requests before sending them on to Washington. But this evaluation never included the full range of policy considerations that were introduced to the discussions in Washington. During the insurgency, embassy reporting focussed mainly on the insurgency itself and issues directly involving the U.S. For them the question was, how can we respond to this crisis in such a way as to improve relations? They did not simply become advocates of "their" government's requests. Although they endorsed the requests, they did so after noting possible reasons for reserve, such as UF ministerial accusations of CIA involvement with the JVP. But details of policy, such as the decisions to supply only non-lethal equipment and to send the helicopters through the British, originated in Washington. Officials who participated in the Washington meetings on the crisis repeatedly mentioned that they considered the U.S.'s reaction to the insurgency in the light of the "Nixon Doctrine." Those in the embassy were aware of wider policy considerations, but did not take the time to think through the full implications of those considerations, such as the "Nixon Doctrine," for U.S. policy.

At times other than crisis, the embassy had more

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initiative in shaping U.S.-Sri Lanka relations. Both before and after the insurgency the trend toward improvement of relations was assisted considerably by the personal efforts of Ambassador Strausz-Hupé, a Viennese born professor of international relations from the University of Pennsylvania. President Nixon originally nominated Strausz-Hupé to be ambassador to Morocco, but the Senate Foreign Relations Committee found his views too right wing and blocked his confirmation until he was renominated for the presumably less important post of ambassador to Sri Lanka. His political philosophy did not seem to hamper his relations with Mrs. Bandaranaike and her cabinet, with whom he got on "swimmingly," nor did he have any conflicts with the professionals working under him in the mission. The excellent personal relations between the ambassador and the prime minister created an atmosphere which facilitated the work of other members of the mission and contributed to the entente.

The ambassador also worked to obtain permission from the Government of Sri Lanka for the renewal of ship visits. The defense attaché, a Navy officer, participated actively in this effort. The decision to provide military aid increased both the frequency and the intimacy of his contact with Ceylonese officials concerned with defense, both in the military and civil services. He took advantage of these contacts to argue that renewed ship visits would bring benefits of many kinds to Sri Lanka, including the financial benefits of foreign exchange. After some discussion the officials agreed, and, in due time, the government of Sri Lanka approved the proposal.

The defense attaché was distinct in belonging to a service (the Navy) which had a well defined specific area of concern in Sri Lanka. Because of the Navy's "primary interest" (among the military services) in Sri Lanka, Navy officers are routinely assigned the defense post in Colombo. The attaché's duties include not only contact with the Sri Lanka government, but liaison with sea captains, the updating of harbor maps, and other duties concerning maritime matters. There is no evidence that this particular interest (or any disagreements between the navy and State in Washington) led to conflicts in the Colombo embassy.

EVALUATION OF DECISION MAKING IN WASHINGTON

The NEA bureau had the action in Washington. The country director in particular did almost all of the drafting of policy documents and hence most of the coordination of information and policy inputs from different sources. Much of the evaluation of alternatives and options went on in the daily meetings in Secretary Rogers' office, rather than in NSC papers prepared for the president. The NSC and its subgroup, the SRG, were accessible to the State Department officials working on the case, and provided quick clearances and quick communications of the President's decision. ISA and the military services were content to act as support for State; they provided information on "nuts and bolts" questions without pushing for greater authority or special military interests. In this case policy making was centered around the country director, who worked closely with those immediately above and below him, coordinated matters with horizontal counterparts in other agencies, and had easy access to the Secretary of State and the White House whenever necessary. The treatment of this case thus differed considerably from that of other foreign policy questions at the same time. The policy making process resembled the organizational model that inspired the institution of the country director in the first place, but was never fully realized.

These characteristics of the organizational environment were mainly determined by the simultaneous crisis in Pakistan and the lack of strong bureaucratic or national interest in Sri Lanka. The crisis in Pakistan prevented the action from going above the country director's level and provided him with greater access to higher officials. The Deputy Assistant Secretary and the Assistant Secretary were too preoccupied with Pakistan to take much responsibility for Sri Lanka. The same is true of counterparts in other agencies (such as ISA or NSC) who worked on South Asia. The Pakistan crisis was also the reason for the daily meetings with Secretary Rogers and the weekly meetings of the SRG, where all South Asia officials from country director up were present. The country director did not normally have such frequent access to high officials, especially on matters pertaining to Sri Lanka.[18]

The lack of strong interest removed another possible source of challenges to the CD's authority. The Defense Department had no reason to demand more of the action, which might have led to the formation of an interdepartmental working group or pushed the level of policy formation up to the White House. Nor did the NSC regard the insurgency as a vital national security matter which needed to be centered in the White House.

[18]One official suggested an analogy with the Sino-Indian war, which occurred during the Cuban missile crisis. The analogy applies in so far as the action officers had a great deal of initiative because superior officers were preoccupied. It does not apply in that the Cuban missile crisis sealed off access to higher levels by the South Asia line men rather than opened it. In the spring of 1971, there was a crisis in both the country directorates under the South Asia DAS.

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Unlike the Embassy staff, the officials who worked on this case in Washington viewed the issue in the context of broad foreign policy considerations. They tried to apply the "Nixon Doctrine" and considered Sri Lanka's position in the international political system. Whatever differences (if any) might have existed in the initial approaches of the country director, deputy assistant secretary, assistant secretary, and secretary of state, they seem to have reached a consensus during their daily meetings. It seems apparent in this case that constant contact with high level officials and increased responsibility for policy lead working level line officers to see issues in a broader perspective. "Clientelism" may not be built into the regional and subregional roles *per se,* but into the organizational structure which isolates the line officers from decision making and planning.

It is possible only to speculate about the view from the Oval Office. It is possible that Nixon and Kissinger saw improved relations with Sri Lanka as a way of enlarging common interests with China. This consideration might have been behind the President's quick positive response to Mrs. Bandaranaike's request for direct aid, while NEA was still unsure what to recommend. But even if other participants were ignorant of some motivations behind the President's decision, the decision appeared reasonable in the light of what they did know.

Last, one should not forget that small crises create small problems. Suppose the insurgents had managed to capture parts of Colombo or the airport. It might have appeared that only direct foreign military intervention could have defeated the JVP. India might well have moved to take such action, which would have threatened to place an Indian military presence along what was then Pakistan's only route of transportation between its East and West wings. Such a development would have summoned the attention of partisans of India and Pakistan to the crisis in Sri Lanka. At that point the problem would have required a coordinator with more clout than the CD, and the conflicts that surfaced later in the year might have come to the fore then. Although the country director centered process functioned well in this case, it was as much because of the weakness of the insurgency, a factor out of the U.S. government's control, as because of the virtues of the process.

RECOMMENDATION

Since this is a case of success in planning and implementation, recommendations take the form not of correcting flaws in the policy process, but of drawing positive lessons. The major respect in which this case differed from other cases was in the high involvement of the regional bureau line officers in the policy making process. Such involvement both brings regional expertise to bear on problems where it is needed and forces the experts to apply their expertise within a larger policy context.

This suggests not only that the State Department be given a greater role relative to the NSC in foreign policy planning, but that within State itself policy planning should more deeply involve the line officers. Those with responsibility for setting policy would have to change their pattern of consultation. At present, the regional staffs provide informational inputs early in the policy process, but later policy evaluation is done elsewhere. Under the system proposed here, the regional bureau officials would be involved in discussion and drafting of policy papers at every step of the process. Such an arrangement could operate within the present system of formal organization, but it would require a commitment from the highest levels to change the informal processes through which policy is formulated.

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A. Public Law 480 and the Policies of Self-Help and Short-Tether: Indo-American Relations, 1965–68

James Warner Bjorkman
May 1975

American agricultural abundance offers a great opportunity for the United States to promote the interests of peace in a significant way.
John Fitzgerald Kennedy, 1958

Food is power and the basis of a happier world.
George S. McGovern, 1962

Food, and the ability to produce it, and the means of teaching others to produce it, are the most powerful weapons that America possesses.
Orville L. Freeman, 1966

We know that a grain of wheat is a potent weapon in the arsenal of freedom.
Lyndon Baines Johnson, 1968

I. Introduction

The politics of food and agricultural aid have become an increasingly large component of American foreign policy. Unlike traditional foreign policy concerns like diplomacy, espionage, and war, food policy deals with a very prosaic subject. But it is a vital subject on which the strength of nations, both morally and physically, depends. Since *Famine 1975!* (Paddock and Paddock, 1967) and *The Limits to Growth* (Meadows *et al.*, 1972), the imperatives of agricultural production and distribution systems have become increasingly apparent to policy-makers both here and abroad.

The Achilles heel of writings on contemporary problems is the seeming impossibility of political prediction, and evaluations of a particular decision's consequences are likewise unlikely. Although retrospectives often seem passe, a historical case-example permits judicious estimates of such causes and consequences. No single study can discuss all the issues involved in the political economy of food-aid, but an example focussed on Public Law 480 can illuminate the operation of US food policies toward the Republic of India. The time-period selected for detailed examination lies in the mid-sixties and coincides with the troubled presidency of Lyndon Baines Johnson. The period was selected because it spans the revision of ground-rules for American food policy and because it illustrates the vulnerability of a seemingly well-insulated program to presidential manipulation. It also marked a reorientation of India's strategy for economic development, even as Indo-American relations cooled.

Two broad decisions within the PL-480 ambit have been selected for special consideration. These are the requirement that India demonstrate sincere efforts at 'self-help' before food-aid would be granted, and LBJ's 'short-tether' on food shipments during the latter half of the 1965–67 famine. The self-help provisions include a discussion of their origin, the negotiating of their terms, and the monitoring of their implementation. And the short-tether policy includes its source, its coordination with other nations, and its political effects.

After the background of PL-480, its shifting complex of players, and its mechanisms for coordination and surveillance have been discussed, a narrative history will be presented of PL-480 programs in Indo-American relations and how they affected bureaucratic politics in the respective countries. This history indicates how an incremental policy affected by many players was abruptly placed under close presidential supervision, and describes some effects of this changed situation on the US policy-making system. The essay ends with brief observa-

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tions and recommendations about coordinating American foreign policies.

II. Background of a Well-Insulated Program

The Agricultural Trade Development and Assistance Act of 1954 authorized the "sale" of American farm surpluses to other countries on concessional terms. These terms included payments in foreign currency, reduced rates of interest, and grace-periods before repayments began. Proceeds from these commodity sales were deposited in special local currency accounts. Other than a small percentage transferred to the United States Government (USG) for use by its in-country agencies, the counterpart funds in these accounts belong to the recipient country.[1] The USG cannot spend this balance because "in essence, with the exception of the portion set aside for US uses, counterpart is a conditional grant—the condition being agreement by the United States on the final uses of the funds" (Galdi, 1974: 5).

The 1954 Act had several goals which can be rank-ordered. First, it sought to protect and sustain standing patterns of American agricultural commerce or, in other words, to ensure the profitable disposal of American farm produce; second, to expand old markets and develop new ones for US agricultural goods; and third, to help other countries to grow to the point of economic self-sufficiency. No specific assistance, however, would be allowed that jeopardized America's international or domestic commercial interests.

Furthermore, PL-480—as this Act of the 83rd Congress came to be called—included non-agricultural aims. It authorized the purchase of goods and services on behalf of other countries, the promotion of trade, and the financing of international educational exchange. Like the successive Mutual Security Acts of the 1950s, PL-480 also sought to purchase materials for the US strategic stockpile, pay US obligations overseas, and provide military equipment, materials, or facilities. Over time, amendments and extensions added other aims to Section 104.[2]

The act is administered through the Commodity Credit Corporation (CCC) under a remarkably flexible financial arrangement. US domestic agricultural policy is committed to a price-support program and, therefore, to a type of national subsidy for agriculture. In order to respond to market forces, CCC was designed to operate independently of the Congress since market fluctuations made it impractical to put line-items for specific commodities in the annual budget. Thus, in 1949, Congress reluctantly agreed to allot CCC a blanket authorization against which annual appropriations are requested. Other than the comparable example of the Tennessee Valley Authority, CCC's authority is unique in American government.

In order to finance commodity "sales" abroad, the funding arrangements for PL-480 provide an annual ceiling between $1.5 and $3 billion with which to pay the CCC for its surplus commodities. Since CCC goods cost cash dollars, congressional appropriations are required to pay for the commodities purchased. Appropriations, of course, entail taxation to pay for government expenditures, which put a strain on the normal domestic US budget. In turn, the US Treasury accepts foreign currencies as payment for the PL-480 goods overseas, although after 1971 most sales were shifted into freely convertible currencies.

In addition to the annual appropriations for PL-480, there are "reflows" which come back from overseas agreements. These reflows now total about $200 million per year and can be carried over to subsequent years. As a consequence of these cumulative reflows, the CCC budget for PL-480 can always facilitate the export of US agricultural commodities. Furthermore, CCC is empowered to purchase commodities on credit, using its reflows and annual appropriations as security collateral. Today Title I has about $10.8 billion on tap for underwriting concessional sales while Title II, which authorizes the outright donation of surplus commodity stocks through voluntary agencies, has about $1.4 billion.

These funding arrangements through CCC have always provided the PL-480 program with considerable fiscal autonomy. It is not subject to quick congressional leverage since the purse-strings cannot be drawn shut very easily—a situation which is perhaps the *sine qua non* of a well-insulated program. Until the Soviet wheat deal of 1972,[3] the Commodity Credit Corporation had operated prudently and responsibly within the increasingly restrictive constraints of the American executive budget. Since that deal, the problem confronting PL-480 operations has not been one of funds to cover ex-

[1]Through 1971 when PL-480 shipments to India were interrupted, 87 percent of PL-480 receipts had been earmarked for use in India (63 per cent for loans, 18 percent for grants, and six percent for the so-called 'Cooley loans' to American business ventures) and the remaining 13 percent had been allocated for use by USG agencies (Veit, no date: 4).

[2]See Annex A.

[3]Although CCC is formally within the jurisdiction of USDA, the negotiations for the ultimate signing ceremony of the Soviet-American wheat deal occurred in the US Department of Commerce. However, recent presidential interventions in CCC operations and their consequences for domestic inflation and American investments in Siberia are beyond the scope of this case-study.

ports but the availability of the commodities themselves.

III. The Range of Players: Organizational Actors and Their Interests*

Like all programs attesting to the high art of the politically possible, PL-480 met a number of needs simultaneously. As a staff member of the Senate Committee on Agriculture and Forestry put it, "PL-480 was an act which has been all things to all people." The attached chart depicts some of the organizational players involved in the PL-480 program during the mid-'60s. Most importantly, it provided a vehicle to dispose of the unwieldy American farm surpluses generated by price-supports so that, while *American farmers* received cash for their produce, the *United States Department of Agriculture* (USDA) saved the costs of commodity storage. As the annual carry-overs of surplus commodities diminished, the payoffs from PL-480 became less economical and more political.

American shipping interests, including both the heavily subsidized *merchant marine fleet* and the *maritime unions*, received welcome business since at least half of all PL-480 goods had to be transported on American bottoms. In 1964, a representative year before the massive shipments to India, "the total value of freight payments for the movement of PL-480 cargoes amounted to almost $222 million, including more than $81 million in rate premiums which represented the difference between world market rates and the rate required by US-flat ships" (N. Johnson, 1965: 1). Cargo-preference requirements originated in the Merchant Marine Act of 1936 but were reinforced in its 1965 amendments after the Joint Economic Committee had sharply criticized the Agency for International Development (AID) and other USG agencies for shipping such a small percentage of US-financed goods on American vessels. Furthermore, while shipping charges are paid by recipient countries, the USG financed the "differential" between world-rates and American-rates of shipping. Until 1969[4] USDA financed this "differential" for PL-480 shipments from its own dollar budget.

Initially the *US Department of State* had opposed PL-480 because of its presumed repercussions on international trade and because it was assigned to "those cowboys" at USDA.[5] When PL-480 did pass Congress, the State Department then proceeded to ignore it during the 1950s. By the time Foggy Bottom awoke to the considerable political leverage afforded by PL-480 shipments, USDA would not relinquish its control. Over time, State/AID came to value PL-480 because the provision of food supplies was a very direct, immediate gesture of goodwill and was also a disguised source of development capital. For the humanitarian interests which persist in the American character, the PL-480 program offered tangible evidence of our native generosity. And even the cold-warriors couldn't take full offense at PL-480 because, although India maintained neutrality in the "Dullesian" anti-communist crusades, it was an operational democratic state with "a democratic political accountability almost as real and exacting as that of the United States government itself" (Lewis, 1964: 273).

The *US Department of the Treasury* at first did not object to PL-480 because the American balance of payments in the 1950s was healthy and in fact through PL-480 the US Government reduced its storage costs for surplus commodities. Although agricultural exports account for up to a quarter of total US exports, for many years long-term credit sales in soft-currencies were permissible. As the balance of payments turned unfavorable, the Treasury sought cash rather than credit sales and emphasized sales in convertible currencies. Nonetheless, because PL-480 funds existed for American use, US Embassy and AID Mission operations in excess currency countries like India have had virtually no balance of payments cost to the United States.

In the *United States Congress*, three sets of committees are relevant: agriculture, foreign affairs, and appropriations. Within the jurisdictional division of power on the Hill, PL-480 falls under the House and Senate *agriculture committees*. The *foreign affairs committees* have an obvious interest in trying to handle this major component of foreign economic aid since in some years PL-480 aid totaled nearly one-third of all non-military assistance. The third set of Congressional committees are those dealing with appropriations, since the surplus commodities must still be paid for and then reallocated as foreign aid. In simple terms, the *appropriations committees* are interested in keeping government expenditures, and therefore taxes, down. Give-away programs (other than porkbarrel projects) have never been

*See also the schematic representation: Chart I.

[4]In contrast to previous presidencies, the current Administration's strategy for making the US merchant marine more competitive entails subsidies for ship-construction and for flying the American flag rather than the imposition of cargo-preference requirements. While the American shipping fleet and the maritime unions are both well-entrenched interests in US politics, GOP administrations tend to favor the former and Democratic administrations the latter.

[5]One experienced interviewee observed that during the Marshall Plan, to the disgust of domestic American agriculture, the State Department persistently slighted US exports in favor of European-grown agricultural produce. Thus when PL-480 was drafted in 1954, it was specifically designed for USDA's interests. The bill's basic intent was to move surplus commodities but not to interfere with commercial trade.

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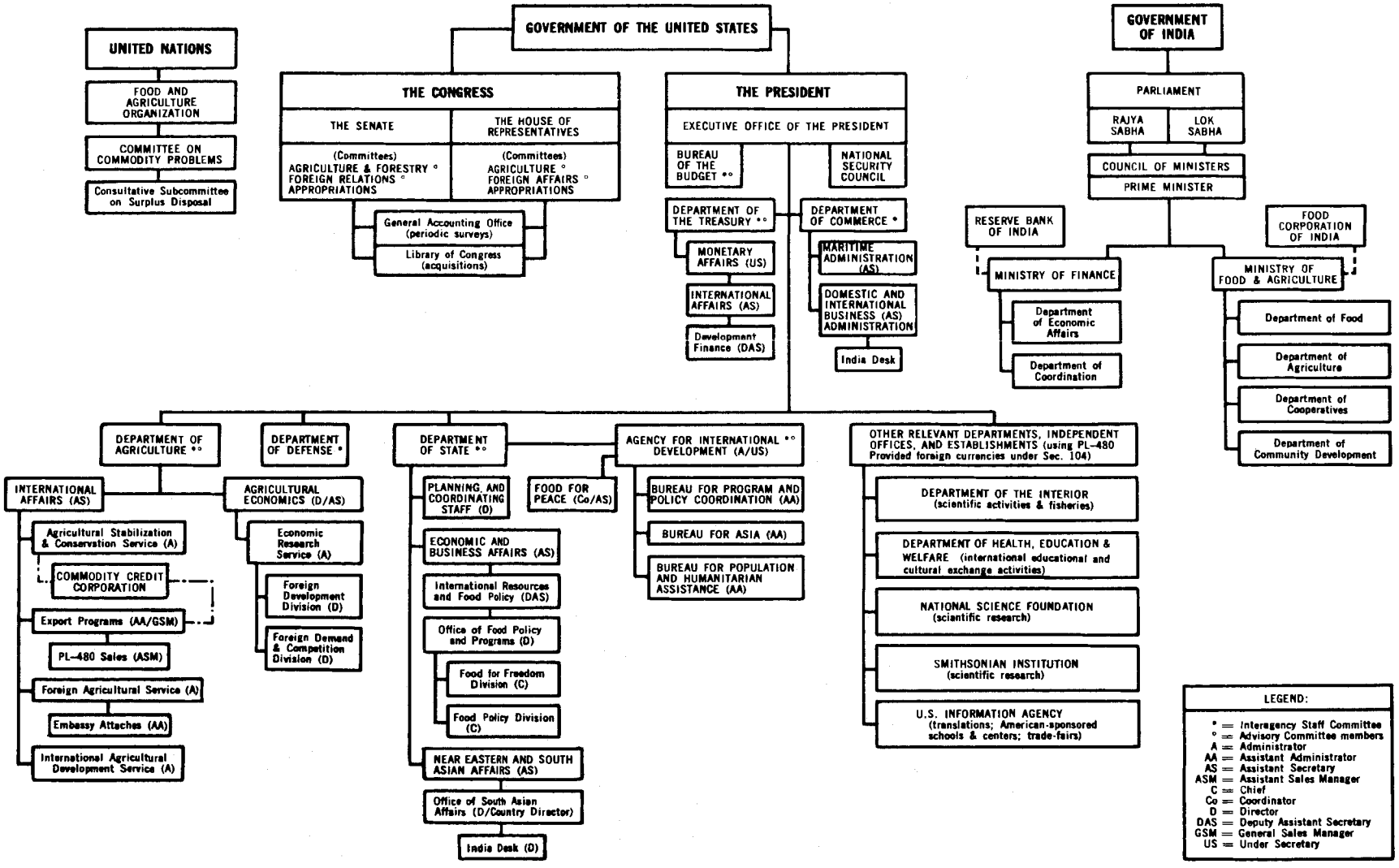
CHART I.—SOME ORGANIZATIONAL PLAYERS IN PUBLIC LAW 480 POLICY: A SIMPLIFIED CHART



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popular with these committees, even when the proceeds go to the powerful agricultural barons.

Finally, the *Government of India* (GOI) had a considerable stake in the PL-480 program. The GOI received the food supplies necessary to maintain political stability while it devoted its slim resources to industrial investments (the Nehru-Mahalanobis strategy of development). And in fact, by allowing India to concentrate on industrialization, PL-480 indirectly helped US firms to sell India capital goods. Furthermore, at a time of general inflation, Nehru in particular repeatedly pointed with pride to the cheap-food policy of his government.[6] While price indices of all other commodities kept rising, the prices of wheat and other foodgrains were held in check through 1963 by PL-480 imports (Bhatnagar, 1969: 250–259). As under the old CCC strategy in the US, economic analyses indicated that the price of wheat in India varied more with government wheat-stocks than with domestic production, so ample PL-480 imports were desirable. Fortunately, payments for the American-provided grain-stocks could be deferred to the distant future through 'credit sales' while reaping immediate benefits. Of course, like all governments, the GOI was not monolithic. Its *Finance Ministry* worried about the inflation caused by additional rupee-revenue flowing through the economy, while the *Ministry of Food and Agriculture* sought the contradictory policies of cheap food for the consumers and better prices for the producers.

Thus, in the period examined, a pattern of interests emerged among those playing an active role in PL-480 decisions. These interests involved three sets of basic issues: economic, budgetary-finance, and political, which were of varying concern to the many participants as PL-480 policy evolved over time.

Economic issues concerned the transfer of real resources from the US into the Indian economy, the actual terms of individual agreements, the US balance of payments, and transfers within the US to the agricultural sector. Until about 1964, AID wanted to free up indigenous resources and precious foreign exchange for India's industrial undertakings and the large-scale projects necessary to build up an infra-structure for future development. The GOI wanted the same as well as an adequate supply of grain to keep food prices down.

USDA had originally wanted to dispose of its surplus commodities and secondarily to develop or expand markets. Later, when reserve stocks of commodities grew scarce and claims could only be made on America's long-range agricultural production capacity, USDA wanted assurance that accidental over-runs in production could be absorbed by CCC. In the latter post-1964 period, USDA also sought to stimulate agricultural development in India in order to wean India from its increasing dependency on US grain reserves and to strengthen India's ability to purchase US products commercially. In both periods, USDA sought to ensure price stability and economic well-being for its primary domestic constituency, the American farmers.

Meanwhile, the Department of the Treasury became increasingly concerned about the adverse balance of payments and regarded PL-480 "sales" as a drain on America's potential hard-currency assets. The same issue (but for obviously different reasons) agitated other producer nations which earn a substantial portion of their foreign exchange from agricultural exports. Through the United Nations' Food and Agriculture Organization (FAO), such countries as Australia, Argentina, Canada, the Netherlands, and Denmark (plus, recently, other members of the European Economic Community) kept track of American PL-480 negotiations and shipments so that the usual marketing patterns in world agricultural trade were not disrupted.

Budgetary-finance issues dealt with taxation and the internal contours of the American budget. The Bureau of the Budget (BoB) and the Congress knew that PL-480 costs real dollars, which have to be appropriated in order to pay for agricultural commodities. Since 1964 when the CCC appropriation peaked at $1.6 billion, about one billion dollars have annually been allocated to the CCC for financing Titles I and II of PL-480. Appropriations for this budget item entail taxation to pay for government expenditures, curtail other domestic programs, and place a drain on the US Treasury.

In addition to the natural Treasury and BoB interests in fiscal responsibility, the Appropriations Committees are concerned. As Galdi (1974: 8–9) reports, "the fact that the local currencies obtained are not dollars and not convertible is frequently misunderstood, especially when it comes time to spend them." The original relevance of the 1966 Mondale-Poage amendment [7] was that the US Executive could use PL-480 funds for certain purposes without undergoing the appropriations process.

The GOI was also concerned about the domestic

[6]The success of the GOI's cheap-food policy until 1963 and the dilemmas thereafter are indicated by the index numbers of December wholesale prices for Indian food articles:

1952 = 100.0	1964 = 166.0	1969 = 227.3
1960 = 117.0	1965 = 173.2	1970 = 235.6
1961 = 117.8	1966 = 204.1	1971 = 241.1
1962 = 122.8	1967 = 239.3	1972 = 287.9
1963 = 136.1	1968 = 227.3	

SOURCE: *Agricultural Situation in India*, Department of Economics and Statistics, Ministry of Food and Agriculture, Government of India (various years).

[7]See Section 104(k) of Annex A.

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fiscal effects of PL-480 agreements, since the rupees they generated were permitted to have an inflationary effect on the Indian economy. Such inflation was caused not only by expenditures of blocked rupees through loans and grants but also by the multiplicative effects of an increased money supply in the central budget. The US goods supplied under each PL-480 Agreement were, in turn, sold by the Food Corporation of India and the proceeds, after committing about ten percent to USG use, were added to the annual GOI budget.[8]

Political issues comprise the more traditional concerns of US foreign policy, although there was a growing concern for the US balance of payments during the latter half of the decade. The State Department and the President usually wanted *quid pro quos* of support for (or, at minimum, neutrality towards) American diplomatic positions, both bilaterally and through international organizations. Treasury and BoB had greater interest in improving American leverage over international commerce in order to correct the shortfalls in the US balance of payments. Meanwhile, PL-480 Agreements automatically meant involvement in and interference with a recipient country's internal affairs. As the conditions of each Agreement became more explicit and more oriented toward self-help, PL-480 became a lever to redirect and restructure the Indian domestic economy. This leverage was of critical interest to AID and to USDA for their development projects and strategy. It was also of increasing concern to the Government of India, which regarded such conditions as an infringement on its national sovereignty. At the same time, within the GOI were competing factions who were respectively weakened or strengthened by US decisions about PL-480 and the resources it provided.

IV. Mechanisms for Coordination and Surveillance: The Agreement Process

Including the Executive Office of the President and five major Cabinet Departments as well as various committees of the US Congress, PL-480 has ramifications throughout much of American government. The oldest of the formal coordinating devices for PL-480 is the Interagency Staff Committee (ISC) which has operated since 1954. Chaired by USDA, the ISC has representatives from State/AID (two masquerading as one), Treasury, Commerce, Defense, and the Bureau of the Budget (now Office of Management and Budget). Other departments and agencies which are concerned with specific phases of Title I programs and with uses of foreign currencies but which are not voting members of the ISC include the Office of Emergency Planning, the US Information Agency, the National Science Foundation, the Department of the Interior (for fisheries), the Library of Congress, the Smithsonian Institution, and the Department of Health, Education, and Welfare.

The ISC is a working-level committee whose members, all career bureaucrats, proceed only through consensual decision-making. If problems cannot be resolved in ISC deliberations, decisions are deferred until representatives can consult with their parent agencies. Or the decisions may be taken by other agency personnel on a bilateral basis at an appropriately high level, reaching up to and including the Department Secretaries themselves. In recent years, as commodities have become more scarce, higher-level decision-making has become more common; and in 1973 a more permanent committee was convened under the chairmanship of OMB's Associate Director. During the mid-1960s, however, although BoB became more important as the Planning, Program, and Budgeting System (PPBS) was increasingly adopted by the federal government, only the ISC provided working-level coordination of PL-480 on a sustained basis.

The extension of PL-480 (PL88–638) in 1964 established a joint executive-congressional advisory committee to review Title I currency uses and to consult about loans, sales agreements, and convertibility terms. The House in particular wanted more systematic knowledge about PL-480 operations. In 1966 PL89-808, which completely restructured PL-480, expanded the joint committee to include the Secretaries of State and Treasury, as well as four additional congressional members from the agricultural committees. These latter four were dropped again in 1968. Chaired by its congressional members on a rotational basis, the Joint Committee has met but twice since 1966. Many interviewees mentioned that the Joint Committee's large size and high-status personnel made its meetings exceedingly difficult to arrange.

Congressional supervision of PL-480 programs, particularly toward India, is poor. The Congress is not a unified actor in PL-480 affairs and is characterized by jurisdictional disputes. Its committees spend as much time squabbling among themselves as overseeing the Executive Branch. Also Congress is understaffed and over-crowded with only a spasmodic interest in and knowledge about the PL-480 program. To expect the Congress to monitor the PL-480 program is probably like asking blind men to describe an elephant. Furthermore, knowledge of and sympathy for India is rare on Capitol Hill. Most Congressmen, Senators, and staff regard Indians as poor, inept, and arrogant. Their concern for the region is minimal and declining in an era of accelerated non-interventionism.

[8]The Khusro Report (1968) also correctly predicted that inflation would worsen when the PL-480 shipments ceased and the buffer stocks in the Food Corporation of India declined.

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The relative importance of these coordinating devices varies at different phases of the process for contracting a PL-480 Agreement, a process which has changed over the years toward increasingly formalized procedures. At first contacts were informal and could start during a luncheon engagement between USG and GOI officials. Later the USG began to ask the GOI to provide a formal request and a justification, and then would try to supply its needs. Finally by the late '60s, PL-480 was drawn into the planning-programming-budgeting process. The program's procedures became particularly rigid under LBJ who required pre-clearance for any agreement with ten selected countries receiving the bulk of US economic aid.

During the mid-'60s, the standardized procedures for contracting a PL-480 with India were as follows. (1) India would approach the US Embassy in Delhi with a request for food aid, along with a justification. Informal consultations among Embassy personnel and GOI bureaucrats generated the contours of most requests. Often the Embassy took the initial initiative.

(2) The Embassy would transmit the request back to Washington for submission to the Interagency Staff Committee. In addition, the Embassy staff collected relevant information about the country's needs and prospects, to accompany the request. There seem to have been as many channels for transmitting information as there were attaches and administrators in Delhi, although all were formally responsible to the Ambassador. That is, despite most information being transmitted through the State Department's cables, Treasury, AID, and USDA could and did receive information independently of one another.

(3) The broad outlines of the potential agreement were generated by the ISC. Decision-making in that body was consensual and, if disagreements occurred, the problem was passed to superior levels of government. After 1966 and coincident with ISC's initial discussions about each individual agreement, the State Department through its Food for Freedom Division in the Economic Bureau alerted other producer-nations about the pending negotiations and potential "sale." Usual Marketing Requirements were calculated on the past five years' average and advice was solicited.

(4) When the ISC had agreed on the outlines of an agreement and no objections had been received (or acknowledged) from the big three producers (Canada, Australia, and Argentina—with the EEC being added in later years), the US Embassy in Delhi was authorized to commence negotiations with GOI representatives. The ISC document served as the basic negotiating instrument. At this time, the Consultative Subcommittee on Surplus Disposal of the Food and Agriculture Organization's Committee on Commodity Problems was notified in order to alert the rare country that might not already have been consulted.

(5) Negotiations took place in Delhi with varying numbers of participants. The larger the individual Agreement proposed or the more comprehensive its terms, the higher the ranks of the players involved. The American Ambassador and the AID Mission Director might well consult with members of the Indian Council of Ministers. In exceptional cases, special delegations from Washington would join the negotiations. The negotiation of self-help provisions in particular required, or at any rate inspired, participation by USDA experts.

Within the GOI, foreign aid negotiations are highly coordinated. The Ministry of Finance serves as focal point and all other ministries, including the Food and Agriculture Ministry, defer to its lead. The Delhi venue for negotiating PL-480 terms makes the US Embassy a critical link in the government-to-government relations that characterized PL-480 programs.[9] In the American Embassy, the Minister for Political and Economic Affairs headed the American negotiating team, under ambassadorial guidance. He relied heavily on a staff team comprised of AID, USDA, and Treasury representatives. The Agricultural Attache in particular was a major participant, although as an agent of USDA, he often was motivated more by the interests of American commercial agriculture than by general foreign policy considerations.

(6) When the terms of an Agreement had been mutually devised, the Agreement required formal approval by both governments. Signing ceremonies were often regarded as major diplomatic events so their sites alternated between national capitals.

V. PL-480 in the Mid-Sixties: Self-Help and the Politics of an Era

THE WASHINGTON SCENE

Prior to becoming Secretary of Agriculture, Orville Freeman had expressed an interest in the agricultural economies of less-developed countries (LDCs). Freeman believed that American agriculture could make considerable contributions to the rest of the world and one of his conditions for taking up JFK's offer was a chance to stress this developmental theme. The pragmatic basis of his reasoning was later borne out by USDA studies which demonstrated that to the extent a country absorbs PL-480 aid and grows economically, that country comes to purchase more and more US goods.

[9]Almost 100 percent (and never less than 93 percent) of all American agricultural exports to India occurred through official governmental channels; the private grain trade was virtually nil.

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Trade relations are built up, and what begin as concessional sales later shift into straight agricultural commerce. Taiwan, Spain, Japan, Israel, and Korea are all cited as examples of a successful market development policy. It therefore made good business sense to American agriculture to see that LDCs develop to the point where they could pay for American goods with cash.

Furthermore, it was clear to USDA economists, if not to many in AID, that most LDCs were neglecting agriculture in favor of industrialization. Certainly such a skewed development strategy characterized India during the Nehru era. Whether Freeman sought to improve India's agricultural base enough to permit future commercial sales or just wanted to end the assumption that the US was obligated to supply India's food needs on a concessional basis, he bid for control over agricultural development in the LDCs. The problem was that responsibility for economic development aid had previously been almost completely within the Agency for International Development or its predecessors.

Freeman entered the bureaucratic battle with several advantages. First, he already had an instrument in the PL-480 program which was a direct avenue into the LDCs. Concessional sales, originally stimulated to dispose of unwanted American surpluses, had been underway since the mid 1950s. Second, by virtue of PL83–690, the Agriculture Attaches in US embassies, while nominally subject to the Ambassador as head of the country-team, were actually USDA personnel rather than in the Foreign Service. Third, USDA had a powerful domestic constituency which the State Department did not. And fourth, the Secretary had a good friend in the White House both before and after 23 November 1963.

Perhaps because of his Vietnam burden, LBJ became the even better friend. The quarrels between LBJ and Fulbright over foreign policy were not secret and were increasingly evident in the annual foreign aid bills, over which the Foreign Relations Committee had jurisdiction. Agricultural aid, however, was a large and enlarging portion of total economic aid and PL-480 was the major source of food-aid. Since PL-480 was under the jurisdiction of the agricultural committees and since the deployment of PL-480 commodities was decided by the ISC chaired by USDA, Fulbright's influence over foreign policy could be diminished if the agricultural component of foreign aid were shifted elsewhere. Freeman was a trusted lieutenant, with an acceptable ideological position, who aspired for control over US policy toward agriculture in LDCs. And in addition, Freeman shared LBJ's conviction —at least vis a vis India—that only a strong dose of self-help would ensure the type of national commitment necessary to remove LDCs from excessive dependence on US grain-bins.[10]

The origin of the 'self-help' concept in agriculture is somewhat disputed, but the drive toward its implementation is generally conceded to have come from USDA. State/AID did not need to be converted about self-help's value, but there was a question of its priority among other goals. During the early 1960s, for example, it was often erroneously assumed that capital investments achieve a higher payoff in industry than in agriculture (Singh, 1963, quoted by Lindblom, 1964b: 8). Therefore, Freeman argued that only agricultural experts could really specify a less developed country's agricultural needs. The State Department was too concerned with diplomacy and AID with industrial projects to pay sufficient attention to the agricultural basis of an LDC's economy.

At the same time, the importance of self-help in agriculture was being promoted in India by various non-governmental agents as well as by technocrats within the Ministry of Food and Agriculture (if not in the Planning Commission). Public and private research organizations such as the Indian Council of Agricultural Research, the Ford Foundation, and the Rockefeller Foundation repeatedly stressed the value of developing India's agricultural sector and had offered practical schemes to improve production. Leading nationalist economists such as V.K.R.V. Rao, M.L. Dantawala, K.N. Raj, V.M. Dandekar, and Gyan Chand also supported a strategy of "self-reliance" in agriculture.[11] Furthermore, agricultural technocrats such as M.S. Swaminathan, B.P. Pal, M.S. Randhawa, and especially N. Sivaraman, who staffed the GOI's Department of Agriculture, argued forcefully for greater emphasis on agricultural development. Until the 1965 confrontations with Pakistan and the subsequent cut-off of US aid painfully demonstrated India's vulnerability, however, the Planning Commission continued to favor investments in the industrial sector.

The campaign for "self-help" proceeded slowly

[10]As a basic foreign policy aim, all countries seek to keep others mildly dependent in order to influence their behavior. But there are always questions about the appropriate mix of independence and dependence, as well as questions of what lever works best when trying to deflect or halt another country's unwanted policies. Food supplies are, unfortunately, a crude and ugly weapon to use among nations. Human malnutrition and starvation are conditions guaranteed to soften all but the hardest hearts, for the strong humanitarian streak in the American character, however ungraciously acknowledged or delivered, tempers its more materialistic and realpolitik aims. Allowing people to go hungry when food supplies are available is not a 'clean' instrument of foreign policy, either in world or domestic public opinion.

[11]See, for example, Chand, 1965; Rao, 1965; Raj, 1966; Dandekar, 1967; as well as the entire collection of articles from *Yojana*, 1965, entitled "The Meaning of Self-Reliance."

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and by a circuitous route. In 1961, when the International Cooperation Administration was reconstituted into the Agency for International Development, the Food for Peace program was not assigned to the new agency. Agricultural pressures were marshalled to keep PL-480's Title I "sales" in USDA while promotional responsibilities for its Title II grants and donations through voluntary agencies were assigned to a newly created post in the Executive Office of the President. The Office of Food for Peace was mainly a publicity vehicle as well as a safe haven for George McGovern, the defeated Congressman from South Dakota, until the 1962 Senate race.

In 1964 and again in 1965, PL-480 was marginally amended to extend the USDA Secretary's powers over counterpart funds. And in early 1966, a complex inter-agency agreement was signed which exchanged USDA and AID personnel and strengthened the former's role in planning, implementing, and evaluating technical assistance in agriculture overseas. But despite these marginal successes, Freeman's original aspiration seemed stymied in the bureaucratic jungle of jurisdictional dickering.

In fact, through an administrative maneuver, USDA almost lost its international food-aid program in 1965. The problem of PL-480 in foreign policy had been, and is, that no single agency is administratively responsible for it. The ISC coordinates among many interested parties, but it cannot take authoritative decisions. This peculiar "headless" administrative arrangement was devised by one of Eisenhower's Executive Orders which is still operational. In 1965, some members of the ISC thought they had agreed on a new Executive Order which would assign responsibility for PL-480 to the newly created "War on Hunger" office within AID. That draft order went to LBJ for his signature but on Freeman's (rumored) advice, the President decided not to sign it. Rather LBJ decided to coordinate the program himself and required that all PL-480 Agreements with the ten major recipient countries be cleared by him personally.

Presumably LBJ did not want to augment the powers of State/AID, to which he had already transferred the White House's Office of Food for Peace established by JFK.[12] In contrast to his predecessor, LBJ did not really like State Department types or even foreign policy. He felt ill-at-ease on international affairs (especially toward Europe) and much preferred domestic policies and their intuitively understandable protective interests. Furthermore, in LBJ's particular conception of politics, there were international and domestic payoffs in wielding PL-480, which he did not want to relinquish. Thus the foundation for the "short-tether" policy had been laid considerably before it was applied.

In February 1966 LBJ sent Congress a special message to pass his Food-for-Freedom program and thereby drastically restructure PL-480.[13] Since US grain stocks had peaked in 1960, economic reasons to dispose of surplus commodities were no longer pressing. Through a combination of acreage controls, large PL-480 shipments, and expanding commercial exports, grain stocks had been almost halved (Schnittker, 1966) and the annual storage costs had been substantially reduced. Indeed, a number of Congressmen claimed the well-being of the US was threatened because grain reserves were so low. Their fear, while premature in 1966, has become more valid today.

Interviewees note that USDA drafted the bill revising PL-480 in order to get a major share of the action. In large measure, USDA was successful although its success must be qualified. PL-480/808 retained its conventional statement of intent "to increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes." But a new preamble to the Act read:

> "The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for US agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition, and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States." (7 U.S.C. 1691)

In order to promote these developmental goals, a new Title IV specifically enhanced USDA's role in international affairs without, however, assigning it exclusive responsibility. In his special message on the Food-for-Freedom program, LBJ had emphasized that "the Departments of State and Agricul-

[12]This White House office, which had been renamed Food for Freedom in line with LBJ's manipulation of verbal symbols, should not be confused with the operational office of Food for Peace, which was transferred to the 'War on Hunger.' That FFF office is, apparently, the predecessor of the division now found in the State Department's Economic and Business Bureau, which is responsible for furnishing a delegate to the FAO's Consultative Subcommittee on Surplus Disposal.

[13]The nomenclature expressed a symbolic squabble between Congress and the Executive. PL-480 had come to be known as 'Food for Peace' but LBJ wanted 'freedom' to be the hallmark of his foreign policy. For a time there was a tug-of-war between FFP and FFF—both complicated by the 'War on Hunger'—but FFP ultimately won the day. Congress does have greater staying power than a President, and also the earlier phrase had taken firm root in the media. FFF still exists in one anachronistically titled office in the State Department, where bets are occasionally taken about its prospective longevity.

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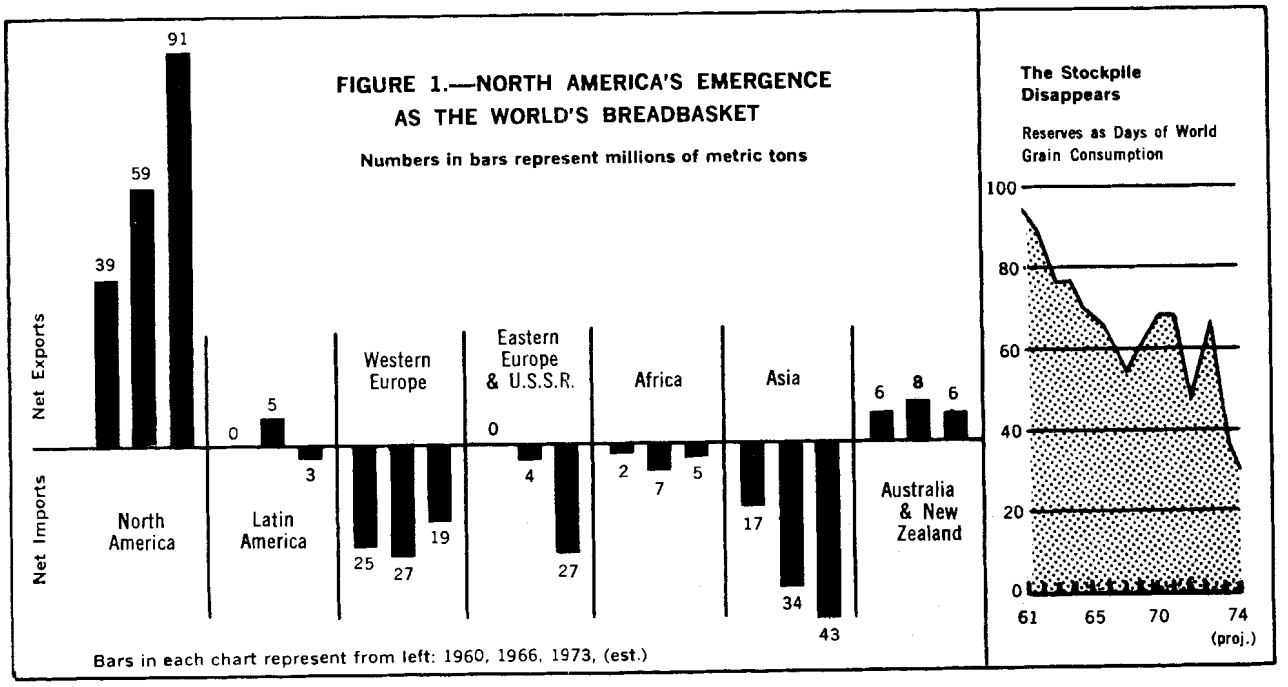

Source: Brown and Eckholm, 1974a: 6–E. As based on U.S. Dept. of Agriculture data.

ture and the Agency for International Development will work together even more closely than they have in the past in the planning and implementation of coordinated programs." He sought to reassign functions among government departments and thereby shift the balance of bureaucratic power.

But suspicious even of loyal lieutenants, President Johnson kept ultimate control over PL-480 in his own office. The revised Act substantially strengthened the President through a new section [14] which empowered him to terminate any PL-480 agreement with a country judged to be inadequately performing its stipulated self-help program. After spelling out some anticipated self-help measures, the section specified that "each agreement entered into under this title shall describe the program which the recipient country is undertaking to improve its production, storage, and distribution of agricultural commodities; and shall provide for termination of such agreement whenever the President finds that such program is not being adequately developed." Thus, while USDA became explicitly associated with economic development efforts in the LDCs, the President's own powers were also considerably augmented.

Nonetheless, Freeman had achieved a qualified success in expanding his department's role in international agricultural development. With White House support, USDA had stolen a march on State /AID and, indirectly, on Fulbright. The following year, 1967, the foreign affairs committees tried to assert jurisdiction over PL-480 by placing agricultural and food aid in the annual foreign aid bill but, as one senior staffer of the House Foreign Affairs Committee put it, their attempt was a "total non-starter." The powerful agricultural committees had approved of USDA's enhanced role [15] and the result of this jurisdictional dispute was a foregone conclusion. By the mid-1960s, problems began to appear in the US balance of payments and a messy war in Southeast Asia was well underway which went unsupported by those nations rebuilt two decades before by American capital and know-how. Americans had become disillusioned with foreign aid and with the ingratitude of other peoples so that, unlike the staunch political support on which the agricultural committees could depend, the foreign affairs constituency was weaker than ever.[16]

In short, while USDA's success did not amount to total control over foreign agricultural development policy, the revised bill did strengthen Freeman's authority over the quantity of PL-480 commodities available for any country and did establish some new USDA programs in the international field.[17]

[14]Annex B provides the full text of Section 109.

[15]Pithy evidence from a 1966 Senate hearing on the "Food for Freedom Program and Commodity Reserves" is provided in Annex C.

[16]It has also been suggested that Senator Fulbright, being equally interested in relieving the rice-glut of that year which plagued his Arkansan constituents, did not press the fight for jurisdictional reassignment very hard.

[17]See, respectively, Sections 401 and 406 of Annex D. Ironically, the annual funds authorized for Section 406 programs were *not* appropriated by Congress during Freeman's final two years in office.

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And perhaps USDA's greatest accomplishments lay in reorienting AID's development strategy and in sharing the planning and execution of the revised strategy's agricultural component. Under Eisenhower, USDA was not connected in the affairs of the International Cooperation Administration. Ezra Taft Benson, the previous Secretary of Agriculture, regarded PL-480 as just a messy method for disposing of agricultural surpluses and was not interested in development *per se.* Neither, to a great extent, were the State Departments of Dulles and Herter.

Even after 1961 and Freeman's avowed interest in international development issues, AID did not draw upon USDA's resources. One reason lay in reciprocal jurisdictional jealousies, for the Food for Peace Program had been kept outside the new agency. Another was that AID concentrated primarily on a strategy of industrial development. When David Bell became Administrator, AID's relationship with USDA improved but he still tried to duplicate expertise already available in USDA. Senator Humphrey of Minnesota then introduced an amendment to an annual AID bill which, while emphasizing the AID was the "operating agency" for international agricultural development efforts, arranged for 'cooperative agreements' between USDA and AID. In 1964, in order to fulfill these cooperative arrangements under which AID financed a series of teams contracted from USDA, Freeman established the International Agriculture Development Service.

This contractual arrangement, while an improvement over the vacuum of the past, was still unsatisfactory to Freeman. As he testified in 1966 on behalf of revising PL-480 (*Hearings,* 1966: 47–48):

> The Secretary of Agriculture will need to take into account the foreign policy aspects of food aid and the degree of success of self-help efforts in recipient countries before he can make final determination about commodity programs.
>
> * * * *
>
> The new Food for Freedom program contemplates closer coordination of food aid with other assistance programs directed toward food and agriculture in recipient countries.
>
> * * * *
>
> The Department of Agriculture and the AID have for several years been developing closer working relationships with each other in the food aid part of US assistance programs. But the kind of unified efforts to which the President referred means that Agriculture will also be called upon to participate in the planning of agricultural assistance activities and in reviewing the progress made in agricultural development.
>
> This means that we are called upon to develop closer interagency operating relationships that will involve the Department of Agriculture in a shared concern for not only the food component of assistance programs but also that part of economic assistance that relates to self-help in the agriculture related sectors of developing nations.
>
> This planning is primarily the responsibility of the AID. . . . [but] Mr. Bell has indicated his hope that the USDA will be increasingly helpful in this area. We have just signed a new interagency agreement under which AID seeks to—'enlist as fully and effectively as possible on a partnership basis the pertinent resources of the Department in planning, executing, and evaluating those portions of the foreign assistance program in which it has special competence.'

Members of the Senate Committee then interrupted to cross-examine Freeman on these cooperative arrangements:

> SENATOR YOUNG. May I ask a question at this point, Mr. Chairman?
>
> THE CHAIRMAN. Yes, sir.
>
> SENATOR YOUNG. To what agency would the costs of this program be charged, the cost of assisting other countries to produce more?
>
> SECRETARY FREEMAN. To the AID Agency in the State Department.
>
> SENATOR YOUNG. But not to Agriculture?
>
> SECRETARY FREEMAN. Not to Agriculture.
>
> THE CHAIRMAN. Why was it necessary to enter this agreement that you speak of? I thought there was always full cooperation among the agencies in respect to Agriculture and AID. Weren't you consulted in the past by the AID Agency as to food production abroad?
>
> SECRETARY FREEMAN. Some.
>
> THE CHAIRMAN. Not too much?
>
> SECRETARY FREEMAN. No.

The Congress did oblige by enhancing both USDA's control over food-aid and its role in international agricultural development policy. But USDA's influence over the latter was due more to its resident expertise than its formal responsibility.

Once associated with foreign agricultural policy, USDA began to relax its battle on behalf of "self-help." True, self-help provisions were written into every subsequent PL-480 Agreement [18] whose fulfillment was purportedly the basis for allowing further concessional sales. But the criteria of "self-help" actions were not explicit and, when objectified, were not closely monitored. Some typical criteria were (1) proportion of national budget allocated to agriculture; (2) emphasis on provision of chemical fertilizers, either through foreign imports or domestic production (which opened an

[18]Annex E presents a representative example of a PL-480 Agreement with 'self-help' provisions contracted between the United States and India.

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avenue to foreign investment); and (3) extension of power generation and electrification, provided the rate-structure was modified to remove subsidies and make the user pay appropriate costs. AID devised "check-lists" against which to measure a country's performance but such monitoring was unimpressive. Instead of holding countries to their targets, US decision-makers were satisfied with a country's "best efforts."

By the end of LBJ's Administration, "self-help" had been considerably de-emphasized. The State Department had always contended that self-help requirements could never really be enforced without some sharp political repercussions, and USDA soon agreed. In the field the US Embassy and the AID Mission were responsible for assessing the progress toward self-help and the recipient country had to submit reports on its performance twice each year. USDA assigned responsibility for evaluating the information compiled to the International Agriculture Development Service, which was abolished in 1969. Since then, as a further demotion, evaluations of "self-help" efforts have been conducted by the Foreign Development Division of the Economic Research Service. The USDA's Assistant Secretary for International Affairs and Commodity Programs once again emphasizes commercial trade almost exclusively.

The problems with "self-help" and the coordination it presumed were evident in all phases of PL-480 in India. Officials of the New Delhi Embassy from that period suggest that the ISC's formal instructions for each PL-480 Agreement contained one item of essential information and a lot of "boiler-plate." The essential item was the amount of specific commodities to be authorized under the Agreement and the balance included the conditions sought as *quid pro quos*. The latter "boiler-plate" were not too meaningful a set of requirements, a conclusion supported by a ranking member of the AID policy planning team in Washington at that time. Few new commitments to agricultural development were ever extracted from the GOI since the terms in the Agreements were usually projects already about to get underway.

The AID planner further observed that "the idea of self-help provisions is a reasonable one, and the recipient countries agreed. But the teeth in those agreements were often quite weak. India, for example, had 'food zones' which obstructed the movements of its own commodities from surplus to shortfall areas. Overall efficiency would suggest that these zones be abolished, and one indicator that self-help was really underway would have been to require the elimination of these zones by a fixed date. But such blatant interference was impossible because it raised questions of national sovereignty. As the AID official quipped, "you can't have a report card for a country." And so "self-help" increasingly became mere window-dressing rather than an enforceable criterion for action.[19]

Even granting that self-help may have been a temporary touchstone for US foreign agricultural policy after 1966, it was poorly coordinated and suffered the drawbacks of any dyarchy. Responsibility for it resided in AID, but the necessary expertise lay in USDA. Progress reports by recipient countries and the American field personnel were evaluated by a relatively low office in USDA and by AID's Washington bureaus, but in reality these evaluations rarely surfaced. The results of these investigations were seldom brought before the ISC during its deliberations on subsequent PL-480 Agreements. And since USDA remained primarily interested in maintaining and developing its hard-currency foreign markets (a position much appreciated by the Treasury and by BoB), the "self-help" provisions were more an excuse to diminish shipments of food-aid and end Indian dependency on US supplies. As one wag put it, "there is never enough self-help!" And then, of course, there were the extra-regional policy considerations to the east.

AN INDIAN CHRONOLOGY

Before discussing LBJ's "short-tether" policy on PL-480 shipments, some developments in India should be reviewed which are relevant to self-help and the struggle between USDA and State/AID. American foreign policy-making does not occur in a vacuum, and changes in India affected the fates of bureaucratic players in Washington. Furthermore, there is some evidence that through PL-480 the USG tried to influence the Indian Cabinet's composition and general policies.

Under Nehru and his economic advisor, P.C. Mahalanobis, the Government of India had pursued a heavy-industries strategy of economic development. PL-480 shipments were welcomed as a cushion in years of agricultural shortfalls and, as a perfectly rational reason not to invest scarce resources in rural development schemes. They also helped to ensure that urban food prices remained low. During a 1961 world-trip, a member of Freeman's staff asked a ranking Indian official about India's grain reserves and received the ingenuous reply: "Oh, they're in Kansas."

As Ministers of Food and Agriculture, neither

[19]Much more contributory to meaningful American help for Indian agricultural development were the monthly "world problem-solving luncheons" regularly held in Delhi by representatives of USDA (the Agriculture Attaches and an Economic Research Service man), AID, the Rockefeller Foundation, the Ford Foundation, Peace Corps, and CLUSA (the Cooperative League of the USA). Informal consultations, it is commonly agreed, produced more coordinated leverage on Indian agriculture than all the public PL-480 pronouncements and requirements.

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S.K. Patil [20] nor his successor, Swaran Singh, were particularly interested in agriculture *per se*, a fact that attests to the low salience of agricultural policy in the Nehruvian years. Shortly before Nehru's death in May, 1964, Freeman again visited Delhi and found Swaran Singh noncommittal about "self-help" proposals. Freeman did, however, leave behind a standing offer to provide whatever help he could to solve India's food problems, should the GOI so desire. And the Bowles Embassy continued to press for a shake-up of Indian thinking on agricultural policy.

After Nehru's death, a period of collective and confused political leadership occured. Then in July 1964 Prime Minister Shastri had a mild heart attack and the collective leadership decided that Nehru's practice of reserving the External Affairs Ministry along with a number of other portfolios for the Prime Minister, was too great a task for the ailing Lal Bahadur. Swaran Singh, who had gained minor diplomatic experience in 1963 as Nehru's surrogate in a series of discussions [21] with the Pakistani Foreign Minister, then Zulfilkar Ali Bhutto, became Minister of External Affairs. And in the same cabinet reshuffle, Chidambaram Subramaniam became Food Minister. The latter's appointment was yet another example of the low salience of domestic agricultural policy in India, since Subramaniam was a relatively junior member of the Cabinet. At the same time Subramaniam, who had previously served as Minister of Steel and Heavy Industries, was recognized as an accomplished administrator and technocrat.

Subramaniam soon expressed interest in Freeman's offers, which had been supplemented and supported by Bowles and the AID Mission. Most American participants from the period credit the turn-around on agricultural policy in India to him. Like Freeman, Subramaniam was not an agriculturalist but he was an experienced politician who knew how to get things done. Subramaniam began to push for the modernization of agriculture through the application of new high-yielding seeds, the expansion of fertilizer production, farm mechanization, and the spread of irrigation facilities and electricity. Since its First Five-Year Plan and the Community Development program, India had sought to expand its agricultural production but only at a modest rate of about five-to-ten percent. Agricultural accomplishments measured up to these goals, but Subramaniam sought to double and triple crop-yields with the new techniques.

The path to increased agricultural production was not, however, easy. The year of 1965 proved to be one of turbulence and trouble for India. In January, language riots occured in Madras over the mandatory shift to Hindi as the national language. Subramaniam submitted his resignation over this issue, but Shastri refused to accept it. From April through June, India confronted Pakistan in the Rann of Kutch incident, while the Chinese increased tensions on the northern border. Then the main monsoon failed and by late July, the country's food situation began to deteriorate. Furthermore, on September 1st, Pakistan attacked the Chamb sector of Kashmir and by the 6th Ayub Khan broadcast: "we are at war with India." Two days later the US suspended all military and economic aid to both belligerents. A cease-fire was arranged in less than a month and Shastri and Ayub agreed to January discussions under Soviet auspices in Tashkent.

Given these dilemmas, the Indian Cabinet belatedly re-emphasized its agriculture-first strategy of development. Subramaniam was authorized to accept standing offers of American technical aid and to reach an understanding with Freeman in order to ensure adequate supplies of grain. The unfolding effects of the drought were most pronounced in the Hindi-heartland of northern India, which had always been the sheet-anchor of the Congress Party. Concessional rates would allow the GOI to provide cheap food to the masses in the Indo-Gangetic plain, so US food shipments were a guarantee of political stability in India and indirectly underwrote its Congress government.

On 25 November 1965, Subramaniam and Freeman met in Rome to hammer out an agricultural package for India. Both agreed on the importance of self-help, and Subramaniam made it clear that American pressures for self-help would help him in the Indian Parliament as well as supply needed leverage on his own Cabinet colleagues. He returned to India armed with a package of promises and penalties. The situation also allowed Freeman, back in Washington, to emphasize the importance of USDA in stimulating agricultural development. "Self-help" helped to advance the careers of two political bureaucrats in their respective countries and became as well a code-word for re-orienting the GOI's development strategy. On 7 December 1965 the GOI announced its new farm program, and LBJ immediately ordered a speed-up in the shipping of

[20] In Washington, D.C. on 4 May 1960, Patil and Eisenhower had signed a PL-480 Agreement for 17 million tons of foodgrain, the largest Agreement ever signed. At a time when US farm surpluses were still accumulating, the deal made economic sense to USDA. It also established a well-insulated crutch for India that justified the remark about Kansan reserves and also allowed Patil to neglect the agricultural sector for the next four years. Patil, it should be noted, was political boss of Bombay, the great metropolis of western India, and had greater interests in industry and commerce than in the rural sector. Patil was concerned, however, about ensuring cheap foodstuffs for the urban consumer.

[21] President Kennedy, in hopes of resolving the Kashmir dispute, had persuaded the two belligerents to conduct these meetings. The Sino-Indian conflict of 1962 had placed a new dimension on this old problem.

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1.5 million tons of wheat to India to meet the food crisis. Thereafter, says LBJ in *The Vantage Point* (1971: 226), he gave Freeman the ball to carry. Within seven months, he retrieved it on a re-bound.

In January 1966 Shastri signed the Tashkent Declaration and then died of a heart attack. Eight days later Indira Gandhi became Prime Minister as India's food shortage worsened. She immediately appealed to other countries for assistance, and the American Embassy in Delhi supported her request with extensive documentation on the disaster confronting India. In February Vice-President Humphrey traveled to New Delhi to announce new loans totalling $150 million for purchasing essential raw materials for industry and also for fertilizer imports. And LBJ revived his invitation to the Indian Prime Minister for a state visit.

In March Indira Gandhi came to Washington for formal discussions, just as India and the USSR signed an agreement in Delhi about building the Bokaro steel plant. After their meeting, LBJ sent Congress a special message about emergency food aid for India, and also lobbied actively and personally among the Senators and Representatives. Johnson's rhetoric was passionate and inspiring:

> India is a good and deserving friend. Let it never be said that "bread should be so dear and flesh and blood so cheap" that we turned in indifference from her bitter need.

The Congress obliged almost immediately with a unanimous joint resolution, and favorable exchanges between the USG and the GOI became fairly common.

In the following three months, in response to the World Bank's Bell Report and as articulately promoted by Indian civil servants and politicians like L.K. Jha, I.G. Patel, S. Bhoothalingam, and Ashok Mehta, the GOI's policy of limited economic liberalization was underway. The GOI changed its food-zone policy (slightly); liberalized its import requirement; delicensed a number of industries; signed a pact with the American International Oil Company for a Madras fertilizer plant; and on 5 June announced the devaluation of the rupee by over one-third.

The United States, in turn, agreed to send India 3.5 million more tons of foodgrains under PL-480; committed another $50 million to expanding Indian power generation plants; and loaned the GOI $33 million for the Beas Dam Project. In July, even as evidence accumulated that for a second straight year the monsoon played fickle with India, the US signed another $150 million loan for industrial and agricultural production, while the Government of India accepted in principle the recommendations of the Swaminathan Committee on industrial development procedures, and de-licensed still more industries.

OPERATION SHORT-TETHER

Then a critical event occurred which detailed the entire train of events. On a July 1966 state visit to Moscow, Prime Minister Gandhi signed a communique which criticized the "imperialists in South East Asia." The communique was allegedly written by a very young Indian Foreign Service officer and was signed, unread.

Indian comments on Vietnam may have been a necessary trade-off between sovereignty (in foreign policy) and dependency (in agricultural aid) and therefore a type of symbolic horse-trading for domestic consumption. The relationship should have been intuitively obvious to a consummate politician, but President Johnson did not always appreciate the democratic imperatives of other countries. LBJ was infuriated and descriptions of his reaction range from the violent to the obscene. He was particularly angry since Shastri's last message to him from Tashkent had praised LBJ's "determined effort . . . to bring about a peace in Vietnam." Despite the grim drought ironically coupled with floods, LBJ strictly applied the short-tether policy on grain shipments to India from August onwards.

The justification for short-tether had been laid earlier, and mildly practiced. On 30 June 1965 the four-year PL-480 agreements signed under JFK with both India and Pakistan terminated. During July and August, negotiations were underway to provide another agreement, but for one month's duration only. LBJ's stated aim was to keep recipients on a short leash in order to force their attentions toward domestic agriculture. His instructions to the bureaucracy, in the recollections of one AID official, were: "don't be easy on them; let them get cracking and show they seriously mean business in boosting food-production." Furthermore, during the 1965 Executive Order issue, LBJ had drawn the many strings of PL-480 into his own hands and assumed direct control for some ten major recipient countries. By March 1966, when testifying on the proposed revision of the act, Freeman also argued against multi-year agreements and advocated a shortened—although not arbitrarily tight—tether on PL-480 agreements:

> "The new Food for Freedom program can truly be an instrument under which the millions of lives that are now threatened by famine under present trends can be saved. But this will result only if it proves effective in changing those trends by stimulating, encouraging, and if necessary, insisting on effective self-help measures. This may mean agreements for no longer than 1 year, with provisions for periodic reviews of progress made toward self-reliance."

In November 1966, LBJ obtained congressional action on his Food-for-Freedom message and

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signed PL 89-808 into law. Then Freeman, with a formally acknowledged role in foreign economic affairs, sent several USDA experts to estimate India's harvest. In November LBJ also told Freeman and others than he had decided to end the "give-away" days and would not move on PL-480 without congressional agreement.

Furthermore, in contrast to his earlier instructions to the bureaucracy, LBJ's public explanation for short-tether was to force other countries to share the burden of food-aid for India. He wanted Canada, Australia, and other major wheat producers to supply some of the grain needed. Thus, when in March 1967 he did send another message to Congress on behalf of Indian food-aid, he sent Freeman and Eugene Rostow to testify that the US wanted a 50–50 principle of sharing the burden with other countries. In December 1966 LBJ persuaded Congress to send a fact-finding delegation to India, and that team subsequently recommended 1.8 million tons of PL-480 grain for the February-April shipments. LBJ, however, refused to send more than half that amount as America's share.

The international response was not overwhelming. India's estimated food needs for 1967 were ten million tons of imports, towards which the US had already committed 3.6 million tons of PL-480 grain. In mid-December Canada announced a grant of about 200,000 tons of wheat to India and, after extensive diplomatic pressure, Australia announced a grant of 150,000 tons. The US was startled and angered to learn, however, that the Indian High Commission in Canberra and the Australian Wheat Board had also concluded a hard-currency sale of another 150,000 tons. The Soviet Union contributed 200,000 tons of emergency food aid, too.

But LBJ wanted more action on the 5.7 million ton deficit which India still needed. He asked the World Bank president, George Woods, to organize as many nations as possible into a food-aid consortium for India, and Woods agreed. LBJ also sent Eugene Rostow, Undersecretary of State for Political Affairs, around the world to generate support for India's food needs. Pledges worth about $200 million were grudgingly obtained, although many countries bluntly felt that "twenty people are being saved today so that forty can starve tomorrow."

India in 1967 was like a ship adrift. The Government of India continued to delicense additional industries but its policy of economic liberalism was flagging. Indira Gandhi had been strongly criticized by many older leaders for devaluing the rupee, especially since exports did not rise as anticipated. Bhagwati and Desai (1970: 487-490) describe numerous reasons why the experiments with economic liberalism did not work, but by early 1967 the GOI began to sign economic cooperation pacts and trade protocols with Soviet-bloc nations. The strategy of administrative markets revived in Indian economic planning.

Despite India's food needs, Indo-American relations grew increasingly distant. During the Six-day War in West Asia, India strongly criticized Israel and took over US-UAR relations after they were severed. Greetings were also sent to Ho Chi Minh in Hanoi on his 77th birthday and in November Indira Gandhi attended the 50th anniversary celebrations of the Russian Revolution in Moscow. LBJ grudgingly authorized repeated PL-480 shipments but only after holding every one up long enough to indicate his displeasure. During 1967, agreements totalling over six million tons were authorized, along with several loans for fertilizer imports. But LBJ was clearly unhappy with India as well as increasingly absorbed by his Vietnam policies.

LBJ's short-tether policy, which others have dubbed "the great hold-up" or "the tight-rope tether," illustrates the pernicious effects of excessive coordination. It also illuminates how a program, well-insulated from Congressional supervision and control, can be wielded as a weapon of Executive policy. The bureaucratic politics paradigm of behavior is adequate up to a point, and has revealed reasons and methods by which self-help provisions got written into law. But the paradigm loses applicability as soon as the highest elected official takes a direct interest in whatever the subject is at hand.

The views, moods, and actions of a President of the United States are subject to a different calculus than that applied to other players. With reference to the subcontinent of South Asia, LBJ, like many of his former peers in Congress, disliked Indians and admired Pakistanis. LBJ's associates often comment how he anthropomorphized politics for, rather than seeing nations of people, the President saw countries in terms of discrete personalities. Based on his assessment of selected leaders, LBJ regarded Indians as weak and indecisive. And although he had vowed to 'help that girl' after his first meeting with Indira Gandhi, he reportedly had also concluded that she was a "typical woman in politics" who tended toward the opaque if not the vacuous.[22] His lack of confidence in the Prime Minister's ability or that of her colleagues, presaged Myrdal's

[22]In contrast to this characterization by a White House insider, Bhatia (1974: 193) comments that "the President told Ambassador to India Chester Bowles that he had been 'particularly impressed by the political astuteness she displayed' during those parleys." And according to other hearsay, LBJ likened Indira to a "cross between Barbara Ward and Lady Bird," which surely indicated high praise. But these interpretations seem less consonant with his subsequent behavior, especially when the following year LBJ and the Congress gave exaggerated attention to Indira's domestic rival, Morarji Desai, on his official visit to Washington, D.C.

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classification of India among the "soft states" of the world, but LBJ's view had considerably more impact.

LBJ's personal dislike for Indians would not have explained his behavior, however, because as his domestic policies demonstrate, he had great compassion for the poor and the unfortunate. But LBJ was infuriated at Indian pronouncements on Vietnam and American policies there. In retrospect, Mrs. Gandhi could have been much more vocal in leading Asian opposition to the war, and her remarks sound more like products for domestic consumption than like leverage on the international scene. But LBJ was excessively preoccupied with and sensitive about his policies toward Southeast Asia. And while by now this explanation has a hackneyed flavor, it still seems accurate.

The self-help policy, which was objectively sensible and necessary for balanced economic development, became tainted as an American strategy foisted upon India. The technological package of hybrid seeds, chemical fertilizers, electrified irrigation and easy credit required sustained application over the long-term rather than on a month-to-month basis. LBJ's tether was clearly tied more to political events than to economic performance. Consequently, like the whole strategy of economic liberalization of which it was a part, the self-help policy was discredited in India as a device for systematic national humiliation. In the long run, LBJ's short-tether policy and his lack of respect for the Indian leadership were political mistakes.

Short-tether did have a salutary effect on American government, however, for it managed to unite USDA, the State Department, AID, and the Congress in favor of an uninterrupted flow of foodstuffs to India. Many interviewees commented that previously warring interests learned to cooperate against Johnson in order to release the food shipments for India, a unity which LBJ interpreted as proof that his subordinates were all soft-headed.

More seriously, the short-tether policy reduced LBJ's own credibility as a competent guardian of American interests. Tying everything to his Vietnam policy was damaging enough in itself, but the President also discredited pro-American forces within the Indian establishment. Two cases illustrate the ill-effects of trying to coordinate policy at the White House level, when its occupant has more pressing concerns elsewhere.

The most blatant example dealt with Subramaniam, a very competent Minister skilled in combining political insights and administrative ability. Subramaniam had become clearly identified with technological attitudes and pro-American affiliations, but he was also a man getting things done. Although under considerable pressure within India, Subramaniam maintained his progressive policies toward India's agricultural problems. Then one day in May 1966, LBJ unceremoniously and imperiously summoned Freeman and Subramaniam to his Texan ranch—Subramaniam all the way from India. Right up to the presidential press conference, nobody, including Freeman, knew the President's intentions. His decision, announced with great pride, was to approve a new PL-480 Agreement. This decision, in itself, was fine but the circumstances of its announcement made Subramaniam look like an American puppet and weakened him further at home. His 1967 electoral defeat was probably due more to linguistic quarrels than his American connections, but Subramaniam's power within the Cabinet had eroded considerably.

The second case dealt with those Indian bureaucrats who consistently advocated economic liberalism, a policy regularly promoted by the US government. Their prescriptive recommendations failed for many reasons—some would say they were never really tried—but the decision to devalue was predicated upon an expectation that sufficiently large doses of economic capital would be forthcoming to provide the big push. The World Bank's Bell Report of 1965 had lead the GOI to assume that massive foreign aid commitments from the Aid-Consortium would follow upon changes in the rupee's exchange rate, relaxation of administrative market controls, and re-emphases on the agricultural sector. The successive droughts in themselves were probably sufficient to prevent success, but along with the short-tether food policy came a mere trickle of foreign aid. Part of the problem surely lay in India's inadequate absorptive capacities for the Consortium's first installment of $900 million, but perhaps the US also cannot afford extensive involvement in more than one Asian country at a time, if that. The choice actually made between a peripheral state of Southeast Asia and a major state of South Asia bore decidedly recurrent ill-consequences.

VI. Concluding Observations and Comments

As representative American policies toward agricultural and food aid, self-help and short-tether suggest the merit of moderation in all things. Neither succeeded fully, although both had identifiable effects at home as well as in India. On reflection perhaps self-help, and certainly short-tether, violated the first rule of diplomacy, namely that nations should never threaten actions which they are not prepared to back up.

The rationale for both policies' objectives had been fairly well thought out. LDCs, with develop-

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ment strategies skewed toward industrialization, had to rebalance their industrial projects with agricultural investments. Self-help was a code-word for such reorientation. And in terms of yearly evaluations of performance, short-tether was a reasonable condition for external assistance. Application of a shorter-tether in periods of crisis in order to encourage other countries to share the burden of food-aid is somewhat less reasonable or realistic.

The adoption of self-help as a US policy was a slow process, but the trend was based on extensive and accurate information about agricultural development. The options of indiscriminately continuing US food-aid policies and of ending food-aid altogether had been considered and properly rejected. The latter was inhumane and the former would lead to excessive dependency and future disaster. Consequently, in the phase of policy-formulation, self-help seems to have been thought through, while short-tether was not. The former calculated the range of relevant issues, consulted most appropriate participants, and was assigned to middle-level government agencies capable of executing the policy. The latter, in all cases, was the reverse. It sought very short-term payoffs, was basically a presidential whim, and was decided at the rarefied pinnacle of the governmental hierarchy.

Parenthetically, the analyses above indicate that Lyndon Baines Johnson was the prime actor in PL-480 during the mid-sixties. By asserting presidential control over a semi-insulated program, LBJ required his personal clearance for all shipments of food to major recipients. And as Chester Bowles' memoirs also indicate, LBJ's erratic and capricious behavior in sometimes withholding, sometimes releasing shipments authorized under PL-480, complicated most of the natural dilemmas. His method of control disrupted normal program operations because officials in both countries were unable to deal with each other on the basis of minimally confident expectations. Evidently Johnson's preoccupation with Vietnam led him to withhold economic aid elsewhere as the war absorbed increasing amounts of America's wealth. At the same time, the Congress whittled down its appropriations for development loans, many of which were understood to be destined for India. The general conclusion emerges that India's trial of a liberal economic policy failed in large part because the anticipated, if not explicitly promised, support was forthcoming neither from the US nor from the World Bank as a whole.

By its implementation phase, because self-help took so long to adopt, most participants understood its intent. The series of reports and consultative committees envisaged suggested that those responsible for self-help activities would be thoroughly supervised, but operational difficulties and jurisdictional rivalries made such monitoring inadequate. US-AID, for example, often appreciated self-help as an idea but not for the leverage it gave USDA over agricultural development. On the other hand, despite some prior intimations, the application of the short-tether was abrupt and surprised many of those affected. Short-tether was, however, extensively monitored in the sense that the President alone was responsible for the decision and its implementation. Ironically, the resources of presidential authority and interest devoted to short-tether were commensurate to the task set forth, while the resources devoted to self-help were not.

Assessments of the outcomes of the two policies and the participating organizations were provided *inter alia* above. But in brief summation, self-help did have an impact on re-orienting Indian agricultural strategy, although other pressures, both internal and international, lead to the GOI's 1965 decision as well. In the long run, the well-intended US pressures and requirements for a public Indian profession of faith in a pro-agriculture development strategy had considerable political costs. Even when advice is correct, nations like people don't like to accept it and implicitly admit past errors.

Furthermore, some issues require more insulation than others. Like population programs and environmental issues, food problems necessarily involve higher costs if and when they are sacrificed to short-run political goals. These social issues need longer gestation periods and time perspectives, attainable only by a degree of insulation from direct control by Presidents and their political appointees. But since much visible foreign policy deals with political problems and crises of a short-run nature, programs with longer-term objectives are at a disadvantage. Too much insulation, of course, may entail neglect and ultimate asphyxiation because every viable program requires a real constituency. The question is, what domestic costs and benefits are associated with any particular program or policy. Rather than prescribing a series of autonomous but centralized programs, insulation may best be achieved through a loosely articulated process of decision-making with multiple access-points and considerable slippage.

The principal bureaucratic players involved in self-help were USDA, AID, and the State Department, in descending order of interest and commitment. Other actors and agencies participated much more minimally, although USDA drew considerably on the system of land-grant universities and their institutes of agriculture. The principle players were not, however, well-coordinated; and the relations between overseas and Washington-based units in each agency were not strong. Congress had an overall interest in whatever impact self-help would

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have on American agricultural exports for hard-currency and thereby on the US balance of payments. Congressional interest, however, declined in proportion to the diminishing stock of surplus commodities.

Short-tether also had an impact: it discredited the sensible US policies toward Indian agricultural development and toward the general Indian economy. Its postulated aim of encouraging other nations to share in the burden of providing food-aid was not achieved either, but it did serve to diminish the moral standing of the United States overseas. The short-tether participants can be summed up in a simple dichotomy: LBJ versus the rest. Even loyal lieutenants like Freeman and Rusk ended up opposing an increasingly crotchety President in order to release the badly needed foodgrains. The American people, Congress, and bureaucracy came to regard LBJ's short-tether as an ill-disguised halter systematically choking Indo-American relations. While the US may be ambivalent toward South Asia, its actions since 1950 of offering India over $4 billion in economic aid and supplying over $4 billion of foodgrains against soft-currency payments, suggest some understanding of India's importance in a stable, friendly South Asia.

In conclusion, the case-study above suggests considerable merit in an incremental and somewhat disjointed system for administering US food and agricultural policies. There are times when rapid and coordinated actions are needed, but past events have indicated the ability of the current distribution of offices and responsibilities to cope with such crises. During the drought years, the ISC had worked well-enough in obtaining the necessary food supplies and expediting their shipment. Despite presidential harassment, the ISC and supplementary task-forces had resolved the formidable technical problems in one of history's largest relief programs. Consequently, the best approach to self-help would probably have been to pass the word among participating departments that the Congress and the President wanted agricultural development promoted at all possible opportunities because, given the subtleties of international relations and of persuasive pressurizing, a decentralized system is more appropriate than a sharply articulated hierarchy.

In any case, when an issue is important enough to merit unflagging attention by the occupant of the White House, constitutional provisions are still sufficient to allow the Chief Executive maximal participation. In crisis conditions, the most that bureaucrats can do is present necessary information and choices, argue the alternatives and consequences cogently, and then abide by the legitimate policy-makers' decisions—or else publicly resign with a reasoned explanation of why the policy-makers are wrong. At times executive leadership is necessary; at times reforms are required to strengthen the bureaucracy and thereby brake determined but short-sighted leaders. But theories of democratic government require active, involved political leadership even though it occasionally rejects the best professional advice from knowledgeable specialists. Short of a platonic state, there is no solution to this creative tension. And notwithstanding any of the above, in food and agricultural aid as well as in other policies of economic development, American foreign policy-makers might well heed Hirschman's long-standing advice (1964: 54): "We must recognize that there are tasks that simply exceed the capacities of a society, no matter to whom they are being entrusted."

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Uses of Foreign Currencies: Section 104 of PL 83-480 (as amended)

SEC. 104.* Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use the foreign currencies, including principal and interest from loan repayments, which accrue in connection with sales for foreign currencies under this title for one or more of the following purposes:

(a) For payment of United States obligations (including obligations entered into pursuant to other legislation);

(b) For carrying out programs of United States Government agencies to—

(1) help develop new markets for United States agricultural commodities on a mutually benefitting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made each year under this title shall be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph: *Provided,* That the Secretary of Agriculture may release such amounts of the foreign currencies so set aside as he determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of thirty days following the date on which notice of such proposed release is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session. Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this paragraph in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into agreements with such countries for the sale of agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this paragraph. In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable. The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities;

(2) finance with not less than 2 per centum of the total sales proceeds received each year in each country activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, the International Education Act of 1966, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the National Foundation on the Arts and the Humanities Act of 1965, and the Public Broadcasting Act of 1967;

(3) collect, collate, translate, abstract, and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States

*Public Law 85-128, 71 Stat. 345, approved 13 August 1957 (7 U.S.C. 1704a), provides that "Within sixty days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof."

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and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation;

(4) acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter, and furnish such buildings and facilities;

(5) finance under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, (A) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, (B) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (C) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;

(c) To procure equipment, materials, facilities, and services for the common defense including internal security;**

(d) For assistance to meet emergency or extraordinary relief requirements other than requirements for food commodities: *Provided,* That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year;

(e) For use to the maximum extent under the procedures established by such agency as the President shall designate for loans to United States business firms (including cooperatives) and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries, including loans for private home construction, and for loans to domestic or foreign firms (including cooperatives) for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products intended to be exported to the United States in competition with products produced in the United States and due consideration shall be given to the continued expansion of markets for United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans;

(f) To promote multilateral trade and agricultural and other economic development, under procedures, established by the President, by loans or by use in any other manner which the President may determine to be in the national interest of the United States, particularly to assist programs of recipient countries designed to promote, increase, or improve food production, processing, distribution, or marketing in food-deficit countries friendly to the United States, for which purpose the President may utilize to the extent practicable the services of nonprofit voluntary agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid: *Provided,* That no such funds may be utilized to promote religious activities;

(g) For the purchase of goods or services for other friendly countries;

(h) For financing, at the request of such country, programs emphasizing maternal welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the President through any agency of the United States, or through any local agency which he determines is qualified to administer such activities. Not less than 5 per centum of the total sales proceeds received each year shall, if requested by the foreign country, be used for voluntary programs to control population growth;

(i) For paying, to the maximum extent practicable, the costs outside the United States of carrying out the program authorized in section 406 of this Act;

(j) For sale of dollars to United States citizens and nonprofit organizations for travel or other purposes of currencies determined to be in excess of the needs of departments and agencies of the United States for such currencies. The United States dollars received from the sale of such foreign currencies shall be deposited to the account of the Commodity Credit Corporation; and

**Section 505(e) of the Foreign Assistance Act of 1961, as added by the Foreign Assistance Act of 1966, Public Law 89–583, 80 Stat. 803, approved September 19, 1966, and redesignated by the Foreign Assistance Act of 1967, Public Law 90–137, 81 Stat. 459, approved November 14, 1967, provides as follows: "(e) From and after the sixtieth day after the date of enactment of the Foreign Assistance Act of 1966, no assistance shall be provided under this chapter to any country to which sales are made under title I of the Agricultural Trade Development and Assistance Act of 1954 until such country has entered into an agreement to permit the use of foreign currencies accruing to the United States under such title I to procure equipment, materials, facilities, and services, for the common defense including internal security, in accordance with the provisions of section 104(c) of such title I." (22 U.S.C. 2314(e).)

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(k) For paying, to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests; *Provided,* That—

(1) Section 1415 of the Supplemental Appropriation Act, 1953,*** shall apply to currencies used for the purposes specified in subsections (a) and (b), and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies,

(2) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (f) and (g), to not less than 10 per centum of the foreign currencies which accrue pursuant to agreements entered into on or before December 31, 1964, and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title,

(3) No agreement or proposal to grant any foreign currencies (except as provided in subsection (c) of this section), or to use (except pursuant to appropriation Act) any principal or interest from loan repayments under this section shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session,

(4) Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances after consultation with the advisory committee established under section 407 designate a different rate: *Provided, further,* That paragraphs (2), (3), and (4) of the foregoing proviso shall not apply in the case of any nation where the foreign currencies or credits owned by the United States and available for use by it in such nation are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such nations for the two fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to paragraph (1) of the foregoing proviso, to the acquisition of sites, buildings, and grounds under paragraph (4) of subsection (b) of this section and to assist such nation in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures additional to those which would be undertaken without such assistance. Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any nation, the President shall advise the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture of such determination; and shall thereafter report to each such Committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effects of such use. (7 U.S.C. 1704.)

***Section 1415 of the Supplemental Appropriation Act, 1953, provides that "Foreign credits owed to or owned by the United States Treasury will not be available for expenditure by agencies of the United States after June 30, 1953, except as may be provided for annually in appropriation Acts and provisions of the utilization of such credits for purposes authorized by law are hereby authorized to be included in general appropriation Acts." Public Law 547, 82nd Congress, 66 Stat. 662, approved July 15, 1952 (31 U.S.C. 724).

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Self-Help Measures: Section 109 of PL 83-480 (as amended)

SEC. 109 (a) Before entering into agreements with developing countries for the sale of United States agricultural commodities on whatever terms, the President shall consider the extent to which the recipient country is undertaking wherever practicable self-help measures to increase per capita production and improve the means for storage and distribution of agricultural commodities, including:

(1) devoting land resources to the production of needed food rather than to the production of nonfood crops—especially nonfood crops in world surplus;

(2) development of the agricultural chemical, farm machinery and equipment, transportation and other necessary industries through private enterprise;

(3) training and instructing farmers in agricultural methods and techniques;

(4) constructing adequate storage facilities;

(5) improving marketing and distribution systems;

(6) creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how;

(7) establishing and maintaining Government policies to insure adequate incentives to producers;

(8) establishing and expanding institutions for adaptive agricultural research;

(9) allocating for these purposes sufficient national budgetary and foreign exchange resources (including those supplied by bilateral, multilateral and consortium aid programs) and local currency resources (resulting from loans or grants to recipient governments of the proceeds of local currency sales);

(10) carrying out voluntary programs to control population growth.

(b) Notwithstanding any other provisions of this Act, in agreements with nations not engaged in armed conflict against Communist forces or against nations with which the United States has no diplomatic relations, not less than 20 per centum of the foreign currencies set aside for purposes other than those in sections 104(a), (b), (e), and (j) shall be allocated for the self-help measures set forth in this section.

(c) Each agreement entered into under this title shall describe the program which the recipient country is undertaking to improve its production, storage, and distribution of agricultural commodities; and shall provide for termination of such agreement whenever the President finds that such program is not being adequately developed. (7 U.S.C. 1709.)

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Transcript on Interagency Relationships in Foreign Agricultural Development Policy

Participants: Senator Allen J. Ellender of Louisiana, Chairman of the Committee on Agriculture and Forestry, United States Senate; and the Honorable Orville L. Freeman, Secretary of Agriculture, United States Department of Agriculture

THE CHAIRMAN. Have you any kind of agreement between the State Department and you?

SECRETARY FREEMAN. Yes. I have had long discussions with Mr. Bell in connection with this, and he has volunteered and urged, and since he has been in the AID agency he has advocated a stronger working relationship, and it has improved very significantly since he became Administrator of the program.

And one of the ways to make it work more efficiently has been for them to contract with the Department to take on a special project or in some cases possibly in the agricultural development in a country. Then the appropriation goes to AID. They contract with Agriculture. We then carry out to meet the contracted objective. We have been learning how to use this device and it is becoming more and more important.

THE CHAIRMAN. I presume you are not giving up any of your authority. I hope.

SECRETARY FREEMAN. No, sir.

THE CHAIRMAN. Neither to AID nor the State Department?

SECRETARY FREEMAN. No. Quite the contrary. This means that we will be more intimately involved in both the planning and the evaluation of the results. I might just add, to be sure the record is straight, that the so-called PASA's are merely an effort to formulate more effectively the effort we have tried to try over a long period of time.

THE CHAIRMAN. It is my hope that the Department of Agriculture will remain at the top of the heap instead of at the bottom in handling such a program as you are now proposing.

SECRETARY FREEMAN. I believe the Department has an important contribution to make.

THE CHAIRMAN. We will see that that happens as far as I am concerned.

SOURCE: Hearing on "Food for Freedom Program and Commodity Reserves" on 2 June 1966 (Washington: U.S. Government Printing Office), p. 49.

Selected Sections of Title IV of PL 83-480 (as amended)

SEC. 401. After consulting with other agencies of the Government affected and within policies laid down by the President for implementing this Act, and after taking into account productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary of Agriculture shall determine the agricultural commodities and quantities thereof available for disposition under this Act, and the commodities and quantities thereof which may be included in the negotiations with each country. No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agricultue at the time of exportation of such commodity. (7 U.S.C. 1731.)

SEC. 403. There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act including such amounts as may be required to make payments to the Commodity Credit Corporation, to the extent the Commodity Credit Corporation is not reimbursed under sections 104(j) and 105, for its actual costs incurred or to be incurred. In presenting his budget, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources. (7 U.S.C. 1733.)

SEC. 405. The authority and funds provided by this Act shall be utilized in a manner that will assist friendly countries that are determined to help themselves toward a greater degree of self-reliance in providing enough food to meet the needs of their people and in resolving their problems relative to population growth. (7 U.S.C. 1734.)

SEC. 406. (a) In order to further assist friendly developing countries to become self-sufficient in food production, the Secretary of Agriculture is authorized, notwithstanding any other provision of law—

(1) To establish and administer through existing agencies of the Department of Agriculture a program of farmer-to-farmer assistance between the United States and such countries to help farmers in such countries in the practical aspects of increasing food production and distribution and improving the effectiveness of their farming operations;

(2) To enter into contracts or other cooperative agreements with, or make grants to, land-grant colleges and universities and other institutions of higher learning in the United States to recruit persons who by reason of training, education, or practical experience are knowledgeable in the practical arts and sciences of agriculture and home economics, and to train such persons in the practical techniques of transmitting to farmers in such countries improved practices in agriculture, and to participate in carrying out the program in such countries including, where desirable, additional courses for training or re-training in such countries;

(3) To consult and cooperate with private nonprofit farm organizations in the exchange of farm youth and farm leaders with developing countries and in the training of farmers of such developing countries within the United States or abroad;

(4) To conduct research in tropical and subtropical agriculture for the improvement and development of tropical and subtropical food products for dissemination and cultivation in friendly countries;

(5) To coordinate the program authorized in this section with the activities of the Peace Corps, the Agency for International Development, and other agencies of the United States and to assign, upon agreement with such agencies, such persons to work with and under the administration of such agencies: *Provided,* That nothing in this section shall be construed to infringe upon the powers or functions of the Secretary of State;

(6) To establish by such rules and regulations as he deems necessary the conditions for eligibility and retention in and dismissal from the program established in this section, together with the terms, length and nature of service, compensation, employee status, oaths of office, and security clearances, and such persons shall be entitled to the benefits and subject to the responsibilities applicable to persons serving in the Peace Corps pursuant to the provisions of section 612, volume 75 of the Statutes at Large, as amended; and

(7) To the maximum extent practicable, to pay the costs of such program through the use of for-

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eign currencies accruing from the sale of agricultural commodities under this Act, as provided in section 104(i).

(b) There are hereby authorized to be appropriated not to exceed $33,000,000 during any fiscal year for the purpose of carrying out the provisions of this section. (7 U.S.C. 1736.)

SEC. 407. There is hereby established an Advisory Committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Bureau of the Budget,* the Administrator of the Agency for International Development, the chairman and the ranking minority member of both the House Committee on Agriculture and the House Committee on Foreign Affairs, and the chairman and the ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations. The Advisory Committee shall survey the general policies relating to the administration of the Act, including the manner of implementing the self-help provisions, the uses to be made of foreign currencies which accrue in connection with sales for foreign currencies under title I, the amount of currencies to be reserved in sales agreements for loans to private industry under section 104(e), rates of exchange, interest rates, and the terms under which dollar credit sales are made, and shall advise the President with respect thereto. The Advisory Committee shall meet not less than four times during each calendar year at the call of the Acting Chairman of such Committee who shall preside in the following order: The chairman of the House Committee on Agriculture, the chairman of the Senate Committee on Foreign Relations, the chairman of the Senate Committee on Agriculture and Forestry, and the chairman of the House Committee on Foreign Affairs.** (7 U.S.C. 1736a.)

*Office of Management and Budget.

**Amended by PL90–436, 82 Stat. 451, approved 29 July 1968.

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Representative PL-480 Agreement With India, Signed 20 February 1967

1. The two Governments have consulted on the problems arising out of the gap between food production and food consumption. India has launched strong programs of economic and agricultural development accompanied by appropriate measures of import liberalization, which this agreement is designed to support.

2. The two Governments are agreed that planning for food sufficiency is an integral part of the development process and necessarily the first priority in economic planning. Nevertheless programs to achieve food sufficiency will be self-defeating if they are achieved at the expense of development in other sectors of the economy.

3. The Indian Government, as part of its overall development program for the fiscal year beginning April 1967, is giving priority to its programs to improve production, storage and distribution of agricultural commodities, particularly food crops. Subject to the overall development of the economy and the availability of adequate amounts of foreign exchange, the following general targets were established for 1967–68 within the framework of the draft outline of the fourth Five Year Plan of the Indian Government.

a. Fertilizer production—535,000 nutrient tons of nitrogen (N), 250,000 nutrient tons of phosphate (P_2O_5).

b. Fertilizer imports—850,000 nutrient tons of N, 250,000 nutrient tons of P_2O_5 and 300,000 nutrient tons of potassium (K_2O).

c. Acreage to be placed under new varieties of seeds:

Rice	6,000,000 acres
Wheat	3,500,000 acres
Maize, Bajra, and Jowar	5,500,000 acres

d. Crop protection—125 million acres to be sprayed.

e. Irrigation—an increase in minor irrigation of 3 million acres, of which 2.4 million will be new command areas, 300,000 acres improvement in existing systems and 300,000 acres provided with supplementary irrigation; and concentration on use of irrigation for intensive production.

f. Agricultural credit—an increase of over Rs. 1,000 million in agricultural credit—short, medium, and long-term—administered through government agencies, cooperatives, and land-development banks.

g. Storage—owned by the Food Department and the Food Corporation of India will increase from 2 million tons capacity to 2.5 million tons. The Central and State Warehousing Corporation will increase their modern storage capacity by 0.35 million ton (to 1.8 million tons) and the States and co-operative societies will increase their facilities on modern construction designs by 0.5 million ton (to 2.5 million tons).

4. Further, the following is also recognized:

a. With respect to pricing, the timely announcement of the food grain price support at levels sufficient to encourage greater production is important so that the cultivator will base his cropping pattern on certain knowledge of the return of his expenditure, and

b. With respect to distribution, a satisfactory distribution policy is heavily dependent on the availability of stocks under the control of the Central Government, and it is the intention of the Indian Government to increase the end of year grain stocks through implementation of price support and food distribution policies.

c. With respect to investment, implementation of the targets set forth in paragraph 3 above and of the general agricultural development program calls for a significantly larger investment in agriculture in 1967–68 than in the previous year.

5. The Indian Government has announced its intention of accelerating the domestic production capacity for fertilizer and other industrial inputs for agriculture. The Indian Government has also announced its determination to call on all possible sources of financing for these undertakings, including private investment, and has declared that it recognizes in the context the importance of policies designed to secure a favorable investment climate.

AGREEMENT SIGNED 24 JUNE 1967 (1ST SUPPLEMENTARY)

1. As part of its efforts to increase the domestic production of fertilizer needed to achieve its target of food sufficiency and to reduce the demand for foreign exchange, the Government of India is ac-

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celerating its efforts to assess and if feasible develop indigenous sources of phosphate rock.

2. The Government of India has also announced its determination to give high priority to the implementation of a massive countrywide family planning program in order to limit the growth of population and ensure a better standard of living for its people.

3. The Government of India has announced that it is undertaking measures to systematically reduce the rate of foodgrain losses due to pests, particularly insects and rodents.

4. The Government of India anticipates that foodgrain acreage will increase by about 10 million acres by 1970–71 over the total area in 1964–65, while the area under cotton is expected to remain unchanged during the same period. In seeking to increase foodgrain production, the Government of India is developing and implementing a policy of announced incentive prices, improved information and extension programs, and other appropriate means.

SOURCE: *Food for Freedom: New Emphasis on Self-Help,* The Annual Report of the President on Activities Carried Out under Public Law 480, 83rd Congress, as Amended, during the Period January 1 through December 31, 1967; 90th Congress, 2nd Session, House Document No. 296 (Washington, D.C.: U.S. Government Printing Office, 1968), pp. 72–73.

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B. Assessment of a Bilateral Economic Policy: A.I.D.'S Program in Support of the Rural Electrification Corporation

Susan G. Hadden

Introduction

This case study deals with two routine decisions to provide economic aid to India in the field of rural electrification. The programs that resulted were very successful, because they were both timely and well-implemented. They were closely related to the Indian development effort and therefore received the closest cooperation of the various Indian officials who were involved. Despite a few snags during the formulation period, these decisions reflect a well-coordinated policy effort.

The reasons for the success of these programs would be valuable to trace and, if possible, duplicate. The important issues highlighted by the progress of these two decisions are: 1) The overall question of coordination—within AID, which was the implementing agency, between AID and other U.S. agencies and departments, and between the U.S. groups and Indian government officials. 2) The degree of awareness of the political context within which aid is being given and the potential effects of that context on the results of the aid program. Such awareness of political context is especially critical in all programs that operate across the boundaries of what the Rudolph's general report calls the sovereignty barrier; that is, within the political and bureaucratic arena of recipient countries. This in turn raises the issue of the nature and extent of the controls imposed by the donor implicitly with each grant or loan of money and the political implications of those controls. 3) Closely related to the previous two, the role of contractors and technicians in formulating, implementing, and evaluating economic aid. This issue is of increasing importance given the fact that contractors are proposed to be increasingly emphasized as a vehicle for delivering economic aid, given the decreasing size of the core of AID staffs. These three major issues will provide the foci for the discussion following a brief chronological outline of the two decisions.

The Rural Electrification Programs

The two drought years in India, 1964–65 and 1965–66, reinforced by the American aid cut-off during the 1965 Indo-Pakistan war, turned the interest of Indian planners and policy-makers towards investing in agricultural production. Attention focused on a package of inputs including fertilizer, pesticides, and improved seeds, all of which work only in the presence of an assured supply of water. The surest source of water in many places is underground water, and the cheapest and most efficient way to lift it is with electrically powered pumps on tubewells. Thus interest in rural electrification entered a new and more productive phase when its applicability to food production was understood.

The two rural electrification programs under discussion here were specifically designed for promoting agricultural uses of electricity. Because the high costs of rural electrification discouraged most State Electricity Boards from investing in it, a program of pilot rural electric cooperatives was designed with AID help. The program had two purposes; first, to determine whether rural electrification costs could be lowered by use of cooperatives rather than government distribution systems, and second, to increase demand for electricity by demonstrating that

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it was both a cheap and an efficient means of irrigation. AID's main consultant and contractor for this project was the NRECA, the National Rural Electric Cooperative Association, an American agricultural and rural private association. Its role is discussed in detail below.

When the pilot coops were ready to start their construction programs in order to deliver electricity to their members, they had no source of funds. State Electricity Boards were also running into difficulties in raising money for rural electrification projects. This lead to the second project: a Rural Electrification Corporation (REC) which was an autonomous body at the federal (central) level of Indian government and which could serve as a lending agency both to the coops and to the state boards for rural electrification projects that met certain criteria. AID provided 70% of the funds for the REC and the Government of India (GOI) 30%. These terms were consistent with a condition for participation imposed upon all such grants by Chairman Poague of the Agriculture Committee of the House of Representatives in order to ensure that receiving countries were committed to the programs. The total grant given over a period of five years was Rs. 1051 million ($140 million).

Chronology:

1962 AID begins to fund NRECA International Division.

1965, March Clyde Ellis and Thomas Venables of NRECA visit India, touring rural electrification installations with the India representative of Cooperative League of the U.S.A.

1966 Contract given by AID to NRECA for exploratory study for a rural electrification project.

1966, Fall Four NRECA specialists tour six states surveying sites and holding discussions with state and central officials. Returning, they recommend funding of 5 pilot rural electrification cooperatives and enactment of a rural electrification law similar to that of the U.S.

1967 Draft of the Project Proposal after negotiations with GOI. GOI agrees to set up a central coordinating committee to assure proper involvement and interest of relevant ministries and state officials.

1968, Jan-June Phases 2–3 (Organization and Engineering) of Five Pilot Coop project implemented by 5 NRECA specialists.

June GOI declares coops to be economically feasible and worthy of incorporation and funding. All-India Rural Credit Review Committee (Venkatappiah Committee) issues report containing chapters on impact of rural electrification on agricultural development.

Aug. Conversation between Venkatappiah and J. Lewis, AID Mission Director in India, in which REC is proposed.

Aug-Dec. AID and Indian Planning Commission, Ministry of Irrigation and Power, and Ministry of Agriculture hold talks on rural electrification.

Dec. Talks made formal—project near approval. AID receives informal Bureau of Budget approval and sets Congressional wheels in motion.

1968 Dec. 20 AID Washington staff meet to discuss whether to announce project under Johnson's administration or Nixon's.

Dec. 29 Three AID and three GOI officials meet, preparing the way for Cabinet-level clearance of REC by GOI.

1969 Jan. 6 India Desk of AID (Washington) chairs meeting to discuss size and feasibility of project and its acceptability to Congress.

Jan. Copies of Project Proposal to incoming U.S. Cabinet. Word received that Indian Cabinet has scaled down project from Rs. 2.5 billion to Rs. 1.5 billion because of inflationary impact. AID informs Delhi of Bureau of Budget clearance of REC.

Feb. Lewis informs GOI that Congressional machinery is moving.

Feb. 13 GOI told to go ahead with its final budget preparations without waiting for final REC approval in U.S. which will be delayed but to keep budget flexible as REC approval likely.

March 3 P.L. 480 Congressional-Executive Advisory Committee meets to discuss REC under chairmanship of Representative Poague of House Agriculture Committee. Poague suggests that the grant be made contingent upon its continued use for rural electrification. Poague also queries giving a grant when U.S. rural electrification program is on a loan basis.

March 4 Lewis tells GOI about Poague condition that money must be used in perpetuity for rural electrification or will be subject to repayment with interest. Indians cannot accept this, suggest alternate arrangements.

March GOI agrees to accept limitation on use of funds for a period of five years.

April Bureau of the Budget declines to deliver the entire sum for REC at once but will make it available in three installments contingent upon progress.

May Poague is persuaded to drop demand for loan by evidence that U.S. rural electrification program originated with a grant of similar size to that proposed for India.

1969 May Discussion of who owns interest on REC funds which are not immediately disbursed. Resolved in favor of India.

June Agreement to fund REC signed by Lewis and GOI officials.

July REC incorporated in India.

Sept. Five NRECA specialists arrive to help with phase 4 (Construction) of the 5 Pilot Coops.

1971 March BOB requests written justification that REC deserves more money. AID rejects request by saying *it* is the agency to make that judgement. Second installment released earlier than target date.

July NRECA unable to replace 2 of 5 specialists whose tours are ending; 3 men thus cover 5 widely-separated coops.

1973 June 30 As part of phasing out of all AID projects, GOI requests terminating of both REC and pilot coop projects.

1974 Feb. As part of Rupee Settlement, further funds are guaranteed to the REC.

Organization and Coordination

One prerequisite for the success of programs such as the rural electrification projects just described is coordination among the agencies responsible for formulating and implementing them. Since different problems arose at different points in the history of the project, it will be convenient to discuss organization in terms of two periods, formulation and implementation.

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FORMULATION.

One major problem of coordination in the formulation period arises outside the U.S. institutional framework, and requires the synchronization of actors on both sides of the sovereignty line. It appears that India is reluctant to make a formal request for aid without a strong probability that the project will be approved. At the same time, AID is constrained from taking some important steps for obtaining funds and drawing up a formal proposal until it receives a request from India. Pakistan is reported to be considerably bolder in sending proposals for AID's consideration, which speeds up the aid process. In the present case, informal talks were held between AID and the GOI and between AID and BOB, but these were not binding. For example, BOB declined to release all the money for the REC at one time and imposed the three-installment system very late in the negotiations.

As the accompanying chart shows, AID is organized into a series of functional and area bureaus. Most functional bureaus have some area specialists and each area bureau has some experts in agriculture, capital development, program planning, and other fields. Since the policy in AID is to fund projects requested by host governments, the area bureaus have the larger role in policy formulation. Since, as the chronology suggests, negotiations with the government constitute a major part of formulation, the use of area specialists is advantageous. The other bureaus provide support and control. For example, at a January, 1969 meeting in Washington to discuss the REC proposal, AID's India Desk Officer chaired a meeting consisting of representatives from the Asia Bureau's Technical, Engineering, and Development Planning staffs, as well as representatives from the Department of Agriculture and the Bureau of the Budget. No one from AID's specialized Bureau for Technical Assistance or from its Bureau for Program and Policy Coordination was even present. However, coordination between the control bureaus and the area bureau appears to be good, while the Technical Bureau is not usually called in until after the formulation stage.

Another indicator that formulation is largely a country responsiblity is that a large part of it is done by the AID Mission in India. Again this follows from the draft Project Proposal's being formulated by representatives of the recipient country. The rural electrification projects had the enthusiastic backing of the AID Mission Director, who indeed had his staff working on rural electrification proposals as soon as the GOI appeared interested in the subject. A small AID staff worked consistently and closely with the relevant Indian officials, some of whose superiors were friends of the Mission Director. The working out of the Project Proposal was speeded by the existence of a small group of concerned staff from both countries, linked by commitment to the program and personal ties. Since a Project Proposal reflects a fairly late stage of negotiations, very little was changed by Washington in the one received from India. One major change in the proposal was of course related to Representative Poague's request that a condition be imposed strictly limiting the use of the grant to rural electrification programs.

Two other groups of actors were very important in the formulation of the project, the OMB and Congress. OMB, which superseded the Bureau of the Budget, derives its power with respect to program formulation and implementation from its authority to approve the actual release of funds, and it has often interpreted that authority generously. In the rural electrification project, BOB's slowness in processing the grant prevented its coordination with the formulation of the Indian budget. Also, a great deal of effort was required to obtain release of funds already approved. When the GOI was ready to use the second installment of REC funds before the target date, OMB sought proof from AID that would allow OMB to judge whether the project was going forward as required.

AID told OMB that it was AID's function to determine whether the conditions were being fulfilled, and this was reluctantly accepted by OMB after AID provided some supporting documentation. As in other instances, it is difficult to halt ongoing projects.

AID's coordination with Congress seems to be very good. Since the two bodies often have conflicting aims and responsibilities with respect to foreign policy, coordination with Congress really means maintaining good ties with staffs and Congressmen and providing them with sound documentation about projects. AID's long-time director, John Hannah, had personal ties with many Congressmen which lent force to the informative memoranda prepared by AID staff.

The REC grant provides a good example of AID's ability to provide Congress with information that makes projects more acceptable and more compatible with the Congressmen's goals. At the meeting of the P.L. 480 Congressional-Executive Advisory Committee, Representative Poague imposed two conditions on the grant: 1) that the U.S. should give no more than 70% of the needed funds, the other 30% to be provided by India to ensure its good faith (a similar condition is placed on many grants), and 2) that the funds be restricted to use in rural electrification projects forever or else be subject to repayment with interest. This condition was not acceptable to the Indian Government, and through AID's diplomacy on both sides it was

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subsequently modified to restrict the use of funds to rural electrification for five years. At the same time, Representative Poague and Senator Ellender asked how they could justify to their constituents that India's rural electrification program was being financed by a grant when the American program is based on loan funds. From January to May a large part of AID's internal communications about the REC project were concerned with the early history of the U.S. rural electrification program. At last an AID officer remembered that the program had begun with a *grant* from Congress of almost exactly the same $140 million that was being allotted to the Indian grant. Thus Congressional objections were overcome by careful AID staff work.

Implementation

My discussion here will be very brief, as the major part of it falls under the head "Technical Assistance" below. A few comments are in order, however.

The cooperative program was implemented almost entirely by the NRECA personnel, who were given a great deal of freedom in what they did. Indeed, they were praised warmly by an independent GOI Commission report for their ability to overcome obstacles at the state level. AID's contract supervisors in Delhi were not entirely satisfied with the NRECA's performance, especially when it was unable to provide a full complement of personnel in 1971. One NRECA specialist was not encouraged to extend his tour of duty. The contract supervisors were also the project supervisors for the REC program. They exercised almost complete personal discretion, rarely checking with superiors in AID either in Delhi or Washington.

There were some interesting differences in style between the two men who served as REC project supervisors in Delhi. The first was a credit specialist whose previous government experience had been with the U.S. Department of Agriculture and the Farmers Home Administration. He was competent but not knowledgeable about India. He therefore tended to act (or be made to act?) through his superior in the Economics Section of AID in India who was more familiar with local conditions. He did not communicate directly with Washington. The second man was a long-time resident of India and an agricultural economist; he was very independent in working with the GOI and the REC. He communicated often with his Washington counterpart in the Technical Support Office of AID's Asia Bureau, who was also a close personal friend. At the time assignments of supervisory staff were made, the Public Administration section of Asia/Tech had a relatively light work load. Consequently, REC's formal Washington supervisor was located in this division of Asia/Tech rather than in its Agricultural Section. However, all actual supervision was exercised by the friend in the Agriculture Section, which facilitated inter-project coordination and speeded requests for equipment. For example, this officer and the Delhi supervisor agreed to use the Agricultural Production Teams who were working on related projects in India to talk with the cooperatives should they happen to be nearby. Under the formal arrangement, this would probably not have occurred.

Once it was formulated, the REC project was almost self-sustaining, probably due in part to the AID supervisor's competence, and in part to the nature of the project itself. The coop project had more difficulties, but apart from the serious problems of NRECA not providing enough staff, it too does not seem to have suffered from lack of coordination in implementation.

U.S. Controls and the Awareness of Political Effects

Two of the World Bank's criteria for economic aid are that the project should fall in a productive sector and that the investment should generate further investment by private persons. In 1965–69 when the two rural electrification projects were initiated, the agricultural sector in India fulfilled both these criteria, which partially accounts for their success. The programs' formulators were fully aware of this, for in their presentations to Congress they stressed the role of rural electrification in increasing agricultural production and in helping the farmer to help himself.

However, economic projects also have political implications. One important part of assessing an organization's ability to formulate good economic projects is analyzing its ability to foresee and control for the political constraints within which its programs will be working as well as the political impacts of those programs.

AID personnel generally seemed quite aware of the political contexts within which they had to work, but attitudes of many (especially the technicians—see below) were that they didn't care—"politics is for the Indians to worry about". Others were worried about the fact that too careful monitoring of the political implications of their policies would look like meddling in India's internal affairs; this is a legitimate problem which is also discussed below.

A good example of the whole set of problems surrounding the political implications of economic aid programs is found in the REC decision. Elec-

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tricity is a concurrent power, according to India's constitution; that is, it is a power exercised jointly by the federal government and the states. The State Electricity Boards set electricity rates and decide the details of all but interstate projects. Because they are constrained to operate on a no profit, no loss basis, they tended to ignore rural electrification projects which almost always lose money. Indeed, to induce them to undertake such projects, the GOI had had to provide them with funds. In an effort to increase the rural load, all the states had decided to offer at a subsidized rate that electricity which would be used for irrigation. This further lowered the profitability of rural electrification projects. One major concern of AID was that the REC should fund the most profitable rural electrification projects first, and that it should try to increase the number of such projects by getting the states to raise electricity rates.

It is clear from the discussions that were held with the GOI that many Indian bureaucrats in the Ministry of Irrigation and Power and in the Planning Commission also wanted the rates raised. Thus they were not at all reluctant to accept as a condition of the grant that Boards should be requested to raise rates in areas receiving electricity through REC loans. In fact, the GOI wanted to gain control over the total financial procedures of the State Boards by imposing fiscal constraints on them. It requested AID to make this control a condition of the REC grant. AID refused. It did not have the personnel to both oversee rates and to pursue REC's other objectives. In the absence of sufficient personnel, the program's wider objectives would be affected and it would be open to criticism. Similarly, the REC's wish to enforce higher electricity rates on *all* rural electrification programs in borrower states was rejected because neither AID nor the REC could enforce such a condition, and both agencies would be criticized for interfering in the states' affairs.

These examples do suggest some awareness of India's political reality. Why then did AID agree to impose even the limited condition that the rates should be raised on REC-financed projects when it was clear that the states would be extremely reluctant to do this—and indeed have not done so? There are two major answers to this question. First, AID is of necessity very responsive to Indian bureaucrats in formulating programs. Implementation is dependent on their goodwill, as is acceptance of further programs, both of which are sought by the agency as part of its own growth and effectiveness. Second, AID officials are unanimous that even if a condition such as this one is not fulfilled, the mere fact that it exists is helpful in paving the way for implementation of the objective sometime. Thus, while reluctant to impose conditions so severe that they will be criticized both for imposing them and for failing to implement them, AID officials *are* interested in calling attention to what they believe would be the best way of carrying out a program.

Never was it specifically mentioned that the states were unlikely to accept the rate raises, but several officials said they vaguely knew that this would happen. No one, however, had consulted the embassy political officers either on this or on any other matter except a joint annual review of the Indian budget. Such lack of consultation on the political implications of economic policy seems to characterize agricultural development issues generally though commercial project officers found embassy people helpful. While AID personnel briefed the embassy on projects in hand, and the ambassador himself was involved in trying to obtain release of the later installments and persuading congress to accept the REC, generally coordination of political implications of aid was weak.

One reason for lack of coordination was that AID personnel were confident of their own understanding of the Indian political situation. From Lewis on down, there was an extraordinary amount of expertise on India, with a strong appreciation of politics and an interest in Indian culture. The second REC project supervisor shared these qualities, and his sensitivity to Indian political requirements was one of the most important reasons for the success of the REC. But while these particular conditions led to an intelligent review and management of the political implications of aid, one cannot count on the fortuitous selection of politically knowledgeable AID personnel.

Money, especially phased loans or grants, is a powerful tool for controlling behavior. That is of course why the Bureau of the Budget insisted that the REC grant be phased and that further disbursements be conditioned upon proper use of earlier monies. Indian bureaucrats are well aware of this tool and use it themselves in controlling the behavior of the states' electricity rates. However, the exercise of such controls is a touchy matter in international affairs. Indian bureaucrats wanted the U.S. to put strict conditions upon the grant so that they could force the states to adopt the desired behavior without accepting the blame for having imposed the conditions. The U.S. declined to do so.

Bureaucrats in the receiving nation are thus important if unacknowledged actors in aid programs. In this case the GOI wanted the states to adhere to the condition of raising the rates but could not force them to. In other cases, however, it would no doubt be easy enough for the U.S. to be manipulated by the recipient governments into attaining goals other than those the U.S. was trying to achieve. The U.S. government would then be open

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to criticism both at home and in the recipient nation. While no serious problems appeared in the REC case, they can and have occurred in other instances. Channels for considering political implications of economic aid must, therefore, be established and routinized. Politically sensitive advice must be formally incorporated in aid decisions; embassy political staffs are presumably the most likely agents of such advice. They should explicitly share an obligation for which they will in any case share responsibility if trouble should arise.

The Agents of Technical Assistance

The final issue of importance that is raised by the rural electrification decisions concerns the agents of technical assistance. It is closely related to the issues of political awareness and of coordination raised above. Technicians and contractors are often not aware of political conditions, and contractors are often difficult to coordinate and control during the period of existing contracts. This problem has three aspects: contracts, technicians vs. generalists, and the new administrative procedure for economic assistance.

1) CONTRACTORS

One of the outstanding features of this project is surely the strong reliance on the NRECA for details of the cooperative program. Indeed, much of AID's assistance is delivered through contracts with various people and organizations. This is inevitable given the range of programs undertaken by AID and its limited staff. The NRECA contract is in many respects typical of other AID contracts and it raises many interesting problems in the administration of foreign aid.

The NRECA is a powerful, nationwide, private association originally established to promote rural electric cooperatives in the United States. Its power in U.S. politics stems from the 1940's when America's own rural electrification movement was in its infancy. The establishment of coops in all but two of the 48 states meant that few Congressmen could afford to oppose the coop movement and its regulatory agency, the REA (Rural Electrification Administration).

As so often happens, the public REA and the private NRECA developed such cordial relations that the REA might be considered a "captive" agency. Exchanges of personnel between the two and continuous consultations assure that the organization and program goals of the REA are substantially those of the NRECA. These goals include a very strong commitment to the cooperative form of organization with all of its self-help ethos and populist ideological commitments. Indeed, the NRECA is one of the most important members of the Cooperative League of the U.S.A. In addition, the two groups have a virtual monopoly on managerial and technical expertise in the rural electrification field. Thus AID had to look to the NRECA for technical help on its rural electrification projects, but in doing so it also purchased committed cooperators with strong Congressional influence.

Because of its importance to many underdeveloped countries, AID was interested in rural electrification from the start. In 1962 it began providing a small grant to NRECA to staff an International Office which would be able to provide AID with expertise in organizing rural electrification projects. Funding of such private groups had several advantages for AID. One is that expertise is always available. More important, it is emphasized by members of both NRECA and the Cooperative League of the U.S.A., which also helped formulate the pilot coop project, that the use of non-governmental agencies to develop and implement foreign aid projects removes some of the appearance of meddling and makes the projects more acceptable to many governments. Finally, such private groups do have Congressional influence which they may use to further foreign aid because of its direct benefits to their institutional maintenance and prestige.

On the other hand, AID may get locked into contracts with the same agencies over and over again, as it has with NRECA and with the Land Grant Colleges. This is especially likely to happen if AID is funding the agency. Furthermore, this close relationship compounds a problem inherent in many of the service contracts: no sanctions for non-fulfillment of contract. Since the quality of services is difficult to measure, it would be hard to justify the imposition of sanctions. But without competition for contracts the absence of sanctions may lead to complacency, as when the NRECA was unable to provide a consultant for each coop and three men had to direct five widely separated projects, to the detriment of all. Finally, as suggested, purchase of services from a group such as NRECA involved purchase of its cooperative ideology as well. In the Indian project NRECA was firm about the necessity for the program to be cooperative. Pressure from AID (which is, after all, partially funding it) was required before it would consent to advise non-cooperative rural electrification programs.

Because they have their own ends to pursue, the services of such ideologically committed private groups may be purchased more cheaply than those of individual citizens. This creates problems, as noted, but it also indicates the need for further mobilization of private groups. First, by competition with each other, these groups may upgrade the quality of services being delivered. Second, they

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will help educate Congress in the requirements of foreign aid. Third, private groups will bring to their members broader understanding of other peoples and nations, as NRECA has already done by telling about its overseas programs.

2) TECHNICIANS VS. GENERALISTS

This issue is as old as administration, but it is still important. AID's contractors as well as the people from AID's Technical Assistance Bureau feel rather strongly that because it is scientific, the expertise they offer is universally applicable. They prefer short terms of duty because they feel they can analyze a problem and suggest the best or the second-best solution very quickly. Needless to say, their solutions often are not feasible because of costs or politics, and their unwillingness to "get involved" is resented by AID country specialists and by nationals alike. The preliminary report by the NRECA team in which it hoped to transfer U.S. organization for rural electrification wholesale to India indicates the sort of naivete that is often found. AID's Technical Assistance Bureau has attempted to develop a core of specialists who have both the requisite knowledge and some experience in trying to apply it in developing countries. But this effort founders on the realization that field men simply cannot keep current enough in their technical areas to be useful. Furthermore, cuts in AID personnel mean that it is increasingly difficult to maintain a staff of country-oriented people with the necessary technical expertise.

The rural electrification projects indicate that there is a solution to this problem. A group of country-oriented generalists, including people familiar with agriculture, small industry, etc., should be stationed in each AID country mission. These people would have good relationships with relevant country officials and serve both as program officers and discussants in the informal talks preceding formal program requests. They will have enough professional expertise to gain the confidence of the more specialized technicians called in to advise on specific problems. (Similarly, in Washington, the Technical Assistance Bureau should have at its core a group of technical experts whose secondary competence will be about developing countries.) In order to develop this group of generalist experts, it will be necessary to 1) consistently encourage tours of duty longer than four years (two 2-year terms) in any one country rather than discourage them as at present; and 2) encourage such persons to take paid leaves every four to five years to renew their expertise in their technical fields of specialization. It may be that more and more AID employees will be natives with the proper training, rather than U.S. citizens living long in one country. While this does raise problems of ability to get things done, even natives will find themselves insulated from some accustomed pressures as employees of the U.S. Government.

The problem of the way in which skills of specialists are made available to receiving countries is one of the most important in foreign aid. A know-it-all attitude, or even one that insists that certain technical problems are really the same everywhere, grates on local administrators mired in the complexities of turning theoretical solutions into action. The presence of less specialized but still competent professionals who are attuned to these needs should help mitigate this problem.

3) HOST COUNTRY DIRECT RECRUITMENT OF TECHNICIANS

The old procedure by which technical assistance was given is generally similar to that followed in the rural electrification programs. Since AID is turning more and more to technical assistance and away from large capital development projects, it is of importance to assess the new procedure for rendering technical assistance and to compare it with the old one.

The new procedure essentially consists of giving a large block of money to a country to set up and administer a series of related rural development programs of its own choosing. The choice will be limited by Congressional approval, by AID's assessment of its overall feasibility, and by its relationship to the Congressional guidelines for aid projects (aid the poorest people with programs emphasizing food production, nutrition, health, population control, and education). The country is then responsible for determining whether it requires expert advice, for finding people who fit its requirement, for administering the program and for actually apportioning the monies to the different parts of the project. Following the World Bank's lead, some of the money must be used to hire independent auditing services which will analyze in depth 10% of the progress reports originating in the field; AID in turn will spot-check 10% of these studies to make sure that the program is in fact directed towards the desired goals.

In some respects this program does not differ markedly from the previous procedure. For example, as early as 1962, John Lewis noted that most AID projects were a result of the host government submitting a list of its own favored development programs from which AID would then choose those it most preferred to fund. Decentralization in administering the program and a spot-check method of assessing its usefulness are also occasionally used. However, the selection by the government itself of advisory personnel is an important new

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feature which, I believe, is contrary to the best interests both of the U.S. and of the country's development effort. (Of course, even at present, the host government reviews the vitas of all AID-selected potential U.S. advisors and may reject any of them.)

First, it is very difficult for foreign countries to know where to go to select personnel. Negotiating contracts is very difficult without knowledge of current rates; even knowledge of where to place recruiting advertisements may be lacking. On its face the procedure eliminates the difficulty of AID's being locked into relationships with certain groups such as the Land Grant Colleges. In fact it opens governments to serious problems in evaluating personnel and receiving the full services paid for.

Second, where the technicians become employees of foreign governments, they may lose the independence and standing offered by AID affiliation. More important, the incentive and opportunity to make use of the advice and cultural sensitivity of AID's staff would be lost. This would be an especially severe loss if AID's country missions consisted primarily of people trained for liaison work to promote the best use of technical advice.

Summary

This discussion of two projects to encourage the development of rural electrification in India has not stressed that the funds used were P.L.480 surplus rupees. Needless to say, the existence of these funds facilitated the setting up of large-scale programs such as the REC grant. (The co-op program was largely a dollar program.) However, despite the anticipated decline of P.L.480 funds the cases studied are interesting both because the organization and methods for initiating and implementing the decisions were typical and because the problems raised by technical assistance are inherent in technical programs everywhere.

I have suggested that the programs were very successful. This success can be attributed to the facts that the agricultural sector was ready for investment and that India officials were interested in a program so complementary to India's own development efforts. In addition, the strong morale of the AID mission at the time and its high caliber contributed strongly to the success of these programs and many others that were undertaken during the same period. These in turn were due in large part to the excellent reputation of the Mission Director and his ability to recruit interesting and interested staff. In discussing personnel and advocating the hiring of a core staff of country-oriented technically-trained experts, I have in mind a mission very much like the one in India in the middle 1960's. If it is necessary to recruit such staff with more prerequisites, I believe this should be done even at the expense of numbers, with good liaison people, short-term consultants will be put to the best use. Insofar as it is possible, the tensions between generalists and specialists, and between country and function will be minimized. Furthermore, decentralized implementation of programs, which is the efficient way to use scarce resources, is successful only when the personnel are well-trained and committed. Lewis had advocated this system in 1962 and he implemented it in his own mission where it did seem to work.

Coordination both within and outside AID was good. Washington supported Delhi both in the formulation and implementation periods. AID staff in Washington were especially successful in reconciling the needs of Congress and the needs of India and of AID by educating Congressmen to the importance of the rural electrification programs and their relationship to Indian development as well as to their similarities to earlier U.S. policies. OMB was also provided with well-documented cases for the release of funds. AID is an advocate to Congress of the countries in which it has programs and an advocate in those countries of sound development strategies. It has difficult tasks to perform both in the U.S. and in host countries, and a small and dedicated staff are the best insurance that they will be performed well. The two rural electrification programs are proof that AID has been equal to its promise.

Summary of Recommendations

A. ORGANIZATION

1. Present emphasis on area (not functional) bureaus for policy-making is desirable given the emphasis on AID projects requested by host governments and the importance of the recipient government in formulation of proposals. (pp. 7–8)

2. Existing inter-departmental relations are reasonably well-coordinated, although some strengthening of communications with Agriculture may be helpful (they are conspicuous by their absence in this study.) The role of OMB in policy-making must be better defined; its requirements both delayed release of funds, timed releases in ways incompatible with Indian budgets, and imposed installment release of an approved grant. President Ford's more restrictive view of OMB's role may change this. (pp. 9)

3. Increased interaction with embassy personnel would be desirable. (pp. 16)

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B. STAFF

1. It is desirable to build up core staffs of country-oriented experts; they should have enough standing in their fields of expertise to work effectively with other specialists but should also be knowledgeable concerning cultural and political aspects of the country. Their main duties would be as project supervisors and thus as liaisons between short-term consultants and country officials needing those services. To keep them up to date in their fields, study leaves should continue to be encouraged. Restrictions on length of stay in one country militate against development of such expertise. Increased employment of nationals may be desirable. (pp. 22–24)

2. Where Mission Directors are persons of high standing in economics or development administration (as John Lewis was), this affects their capacity to recruit first-rate AID personnel. Some previous knowledge of the country and experience in economics is important for success.

3. Evaluation of the long-term impacts of aid programs is presently weak, especially the political impacts of economic programs. Staff as described in 1) should be more sensitive to these questions. There is need for specifically political advice, which might be achieved through increasing the exchanges between embassy political officers and AID staffs, and through consultants.

4. The contract system is inevitable given staff cuts, but it makes the construction of core liaison staffs, as in 1) even more important. More attention needs to be given to expanding the list of potential contractors, possibly though wider advertising of AID's needs.

5. The proposed new system of allowing recipient governments to recruit their own advisory personnel has numerous disadvantages: lack of insulation from local pressures, lack of prestige appointments, difficulties in assessing qualities of applicants, inability to use AID's expertise on cultural and political implications. These disadvantages make the contract procedure appear wiser.

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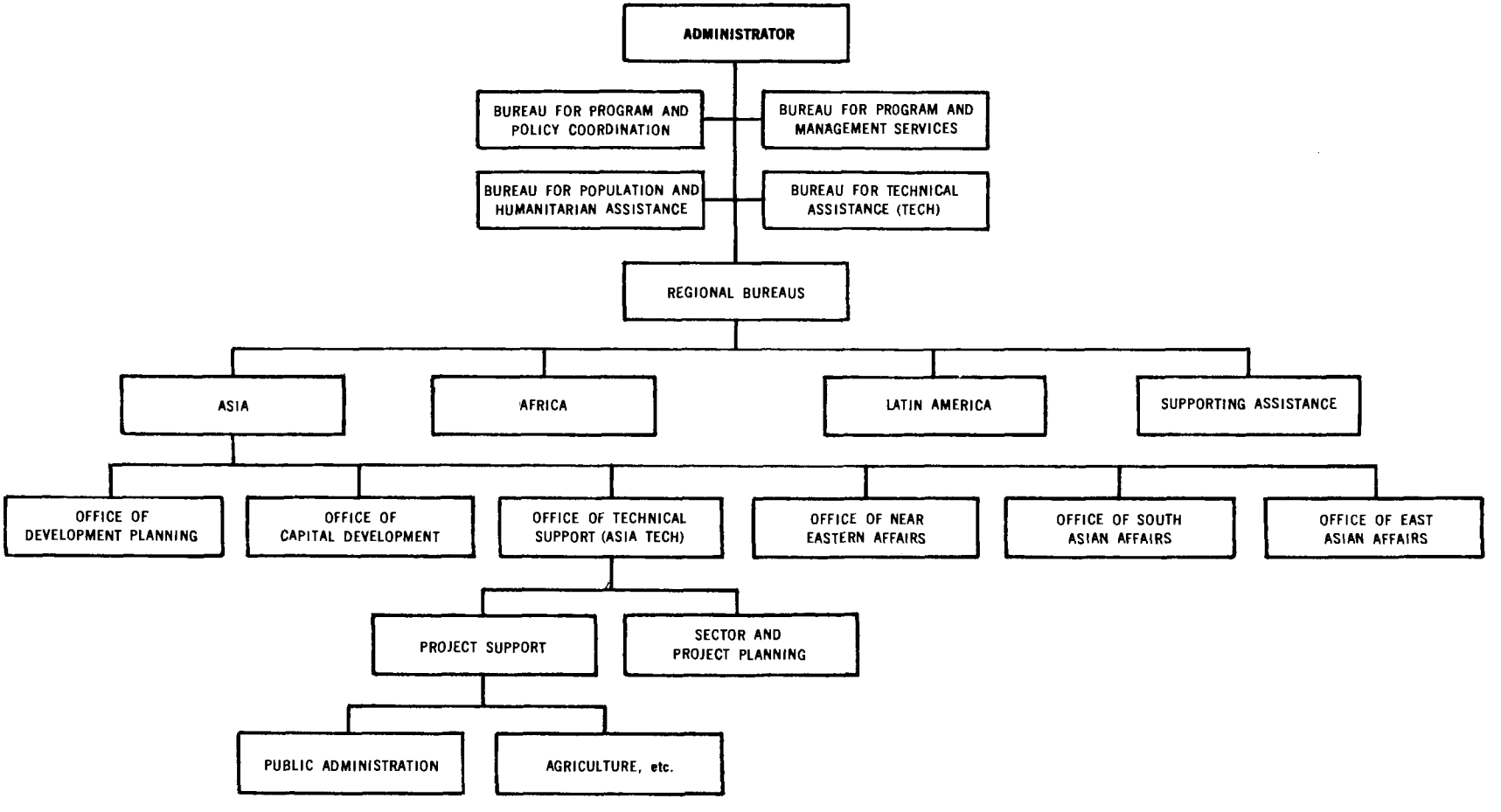
ANNEX I.—AGENCY FOR INTERNATIONAL DEVELOPMENT



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C. United States Expropriation Policy and South Asia: a Case Study in Policy Implementation

Stanley A. Kochanek
September 1974

I. The Decision and Its Background

A. THE ISSUES

Despite massive aid efforts totaling $10 billion over the past 20 years, United States economic and commercial interests in South Asia are extremely small in comparison with those in other areas of the world. South Asia has not been an important source of raw materials critical to the United States; except for India, South Asia offers limited potential as an export market; and the major nations of the region —India, Pakistan, and Bangladesh—receive altogether less than 1 percent of total United States overseas investment. Yet, as small as United States economic interests in South Asia may be in global terms, attacks on these interests arouse fears that actions in the region, especially in a large and prestigeous country such as India, will have serious repercussions in other less developed countries.

In the early 1970's a wave of nationalization swept through the countries of South Asia, engulfing United States insurance companies in India, Pakistan, and Bangladesh. Propelled by domestic political pressures to move in a more socialist direction, faced by demands for redistributive justice, and confronted by the development of strong feelings of economic nationalism, reformist governments in South Asia undertook a series of new economic policies which affected United States business interests in the region. In India the government of Prime Minister Indira Gandhi nationalized all general insurance companies, including six United States firms effective January 1, 1973. In Pakistan the American Life Insurance Company's (ALICO) property was taken by the government of Zulfikar Ali Bhutto on March 19, 1972. Less than a week later, on March 26, 1972, in Bangladesh several small wholly or partially United States owned companies were nationalized by the government of Sheikh Mujibur Rahman. The nationalized companies were subsidiaries of two American insurance groups—the American Foreign Insurance Association (AFIA) and the American International Underwriters (AIU).

In almost all cases involving economic and commercial issues outside the communist bloc, United States policy tends to be global rather than oriented toward a particular region or country. American policy governing nationalization and expropriation had been set forth in a statement issued by President Nixon on January 19, 1972 entitled "Economic Assistance and Investment Security in Developing Nations." [1] The President's statement declared that in future situations of expropriation involving a significant United States interest, failure to pay prompt, adequate, and effective compensation would result in a withholding of new bilateral economic aid and a refusal to support loans from multilateral development institutions such as the Inter American Bank, the International Development Association, and the Asian Development Bank, unless major factors affecting American interests require the United States Government to act otherwise. Within a few months this policy was being tested as, for the first time, American economic interests were being nationalized in South Asia.

B. THE MAJOR ACTORS

In order to carry out the policy on expropriation laid down in his January 19, 1972 statement, the President had established a special inter-agency

[1] For the text of this statement see, Department of State, *United States Foreign Policy 1972: A Report of the Secretary of State* (Washington: Government Printing Office 1973), pp. 485–487.

group (the Expro Group) under the Council on International Economic Policy (CIEP).[2] Composed of representatives of the White House and the departments of State, Treasury, Defense and Commerce [3] and chaired by the Assistant Secretary of State for Economic and Business Affairs, the Expro Group had four functions: first, to review continually all potential and actual expropriation cases and to compile relevant information on current American economic benefits subject to potential United States action such as trade preferences, bilateral aid, multilateral aid, outstanding debt and total foreign investment; second, to make specific findings as to whether an expropriation has occurred and whether reasonable provision has been made for prompt, adequate, and effective compensation; third, to recommend courses of action to the United States Government consistent with the President's January 19, 1972 policy statement; fourth, to coordinate and ensure policy implementation. Any member of the Expro Group had the right to call a meeting to discuss an issue of alleged expropriation. Each member was to make its resources available to obtain information upon which to base a decision. Decisions were made by consensus, or, failing that, the Group chairman was to make a report to the Executive Director of the C.I.E.P. who could then attempt to resolve interdepartmental differences or submit the issue for a presidential decision. The Expro Group played a role in each of the nationalization cases in South Asia but was particularly active in the settlement of the ALICO case in Pakistan.

Although the Expro Group played an important role at most critical decisional points within the United States Government, day to day activity was the responsibility of the India, Pakistan, and Bangladesh Country Desks in the Bureau of Near East and South Asian Affairs (NEA). The Country Desks monitored daily developments, prepared summary reports and recommendations for the Expro Group, advised the companies on strategy, and verified information. They were also the focal point for pressures from the White House, other executive agencies like Treasury and Commerce, the companies, and Congress. In addition, they drafted and cleared all major instructions to the appropriate embassies.

Although the President's policy statement on expropriation specifically provided for the discretionary application of sanctions in the light of *other* United States foreign policy or security interests, the Executive branch had to consider two Congressional directives in dealing with cases of expropriation. These Congressional directives were Section 620(e) of the Foreign Assistance Act of 1961, popularly known as the Hickenlooper Amendment, and Section 12 of the International Development Association Act, known as the Gonzalez Amendment. The Hickenlooper Amendment requires the President to suspend bilateral assistance to any country whose government has nationalized, expropriated or seized ownership or control of property owned by any U.S. citizens when such a country fails within a reasonable time (not more than six months after such action) to take steps, which may include arbitration, to discharge its obligations under international law toward such citizen entity, including speedy compensation for the full value of such property in convertible foreign exchange as required by international law.

The Gonzalez Amendment requires the respective Executive Directors to vote against any loan for any country which has nationalized, expropriated or seized ownership or control of property owned by any U.S. citizen or by any corporation owned at least 50 per cent by U.S. citizens, unless the President determines that (a) an arrangement for prompt, adequate and effective compensation has been made, (b) the parties have submitted the dispute to arbitration under the rules of the Convention for the Settlement of Investment Disputes, or (c) good faith negotiations are in progress aimed at providing prompt, adequate and effective compensation under the applicable principles of international law. The automatic trigger sanctions of the Hickenlooper and Gonzalez amendments, combined with strong Congressional feelings on issues of expropriation, put the insurance companies in a good position to pressure the State Department to assist them in securing their objectives.

Even though the investment involved totaled only approximately eight million dollars, the affected companies were dedicated to the enforcement of the principle of prompt, adequate, and

[2] *Ibid.*, p. 15.

[3] C.I.E.P. Interagency staff members April 1972 (Expro Group):

Chairman: Mr. Willis C. Armstrong—Assistant Secretary of State for Economic Affairs (Department of State)

Alternate Chairman: Mr. Sidney Weintraub—Deputy Assistant Secretary of International Finance and Development (Department of State)

Department of Treasury: Mr. John Hennessey—Deputy Assistant Secretary for Developmental Finance

Department of Commerce: Mr. Lawrence Fox—Deputy Assistant Secretary for International Economic Policy

Department of Defense: Mr. Lawrence S. Eagleburger—Deputy Assistant Secretary for Policy Plans and National Security Council Affairs and Dr. Roger Shields—Assistant to Assistant Secretary of Defense for International Security Affairs (Department of Defense)

Ex Officio:

Mr. Dean Hinton—Assistant Director CIEP

Mr. Moorhead C. Kennedy—Acting Director Office of Investment Affairs (Department of State)

Mr. J. Dapray Muir—Assistant Legal Adviser for Economic Affairs (Department of State)

Mr. Lawrence Rosen—Staff Assistant CIEP

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effective compensation. The companies acted both individually through company representatives and collectively through the International Insurance Advisory Council of the United States Chamber of Commerce. The most active and vocal of the companies nationalized in South Asia belonged to the American International Underwriters Group, a holding company which conducted business in over 100 countries, including India, Pakistan and Bangladesh. The president of A.I.U. was particularly concerned because his affiliates were under attack in many countries and he feared the nationalization actions in South Asia would set an example for other less developed countries. Clearly, expecting strong support from his government, he was both vocal and persistent in taking his case to all levels of the executive branch, including the White House, Treasury, Commerce, State, AID, and the embassies involved, and he frequently threatened and he occasionally carried through on his threats to take the AIU case to Congress.

The final actor of significance in the insurance nationalization cases was the Government of Great Britain. The President's statement of January 19, 1972, directed the United States Government agencies to consult with other governments to work out measures for dealing with expropriation on a multilateral basis. Shortly after it was created, the Expro Group met with the British and the two agreed on a set of principles for both nations to apply in cases involving expropriation. Since British economic interests in South Asia were far larger than American interests, it seemed appropriate for the two governments to cooperate in dealing with the nationalization of insurance in the area. Differences in diplomatic style, company attitudes, and changing patterns of bilateral relations, however, resulted in an extremely uneven application of the set of global principles of cooperation, despite the existence of what appeared to be an ideal case for mutual action.

C. THE DECISION ARENA

International investments grew rapidly in the sixties, especially investment abroad by United States multinational corporations. United States net foreign investment rose from $45 billion in 1960 to $70 billion at the end of 1970. Meanwhile a strong tide of economic nationalism was sweeping through the less developed countries of the world, bringing with it a wave of nationalization and expropriation of American business interests. By 1971 the Nixon administration had recorded 70 cases in which concerns with United States interests were being subjected to nationalization, expropriation, or a negotiated sale of assets. The estimated book value of these jeopardized assets was about 6–7 per cent of the $20 billion estimated book value of United State's investments in developing countries.[4]

Feelings on issues of expropriation ran high at the White House and on Capitol Hill. The President expressed many of his views about the integrity of private United States economic interests abroad in his January 19, 1972 policy statement on expropriation. Despite the "virtually axiomatic" beneficial role of private foreign capital, he declared, governments had acted against private capital through expropriations which were "wasteful," "shortsighted," and "unfair". "The wisdom of any expropriation," said the President, "is questionable even when adequate compensation is paid." [5]

As the Gonzalez and Hickenlooper amendments indicate, feelings on issues of expropriation were even stronger on Capitol Hill than they were at the White House. The administration had been unable to block the Gonzalez amendment and was even reluctant to request its revision to include some degree of presidential discretion because of a fear that such action would be viewed by Congress as a weakening of the administration's position on expropriation. Such Congressional fears might jeopardize legislative action on aid legislation and on legislative funds for multilateral lending agencies. It might even result in more restrictive congressional directives.

The executive agencies represented in the Expro Group tended to view the expropriation issue less ideologically in terms of their own missions and interests. The departments of State, Defense and Commerce were concerned with how sanctions in cases of expropriation would affect other United States economic, foreign policy and security interests. While the departments were prepared to explain to foreign governments that the Nixon administration was very serious when it came to matters of expropriation, they searched for measures with a less drastic effect than lowering the boom on aid or multilateral loans. Threatened action, they felt, was often more effective than the action itself. In either case, United States Government activity should be used to reinforce the motivations of the parties to reach a compromise solution. Only the Treasury Department was prepared to take a firm stand on demanding prompt, adequate and effective compensation in all cases of expropriation and advocated the use of sanctions to demonstrate American resolve.

The factors of leadership style and domestic political compulsions which shaped United States

[4]Department of State, *United States Foreign Policy 1971: A Report of the Secretary of State* (Washington: Government Printing Office, 1972) pp. 215–216

[5] *United States Foreign Policy 1972*, p. 486

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policy on expropriation pushed the policies of the governments of South Asia in a totally different direction. South Asian leadership in the early 1970's was reformist and socialist. Although the circumstances which led to the nationalization of insurance differed somewhat in the three countries, demands for greater redistributive justice had moved the domestic policies of the governments of India, Pakistan and Bangladesh to the left. Nationalization of the insurance industry was one of the consequences.

On May 12, 1971, shortly after her massive election victory in March 1971, Prime Minister Indira Gandhi issued an unexpected ordinance establishing government custodianship over all 107 general insurance companies in India. Included were 42 foreign firms. Six of them were American; 30 were British. The Finance Minister assured the foreign insurance companies that the bill as introduced into Parliament would include compensation payable in foreign exchange. The State Department viewed the sudden action as more calculated to dramatize the Congress Party's commitment to its campaign pledges by pacifying the political left while minimizing the impact on the investment climate by choosing the less important general insurance business instead of the more important oil or pharmaceutical industry.

The nationalization of insurance in Pakistan, where American private investment totaled about $100 million, followed the Bangladesh debacle. After the breakup of Pakistan in December 1971, the military government turned power over to a civilian government led by Zulfikar Ali Bhutto, leader of the Peoples Progressive Party (PPP), which was politically committed to the creation of a socialist society in which "all means of production would come under the purview of the state." Shortly after coming to power, the Bhutto regime undertook a number of new economic policies. Some of Bhutto's actions resulted in restricting the operations of several major United States companies, but the only nationalization action that affected foreign investment was the decision to nationalize the life insurance industry. The government promised to pay adequate compensation.

The nationalization of insurance in Bangladesh was announced on March 26, 1972 as part of the Awami League's commitment to the creation of a socialist economy. Nationalization applied to all general insurance and all domestic but not foreign life insurance. Both AIU and AFIA companies were affected by the nationalization, but the companies were small, part of the industry remained in private hands, and the chaotic situation in Bangladesh meant that actual settlement of claims would take a considerable amount of time. Still the companies involved were concerned lest compensation formulas create an unfavorable precedent for negotiations in India.

Although the governments of India, Pakistan and Bangladesh all promised to pay compensation, disputes over what constituted prompt, adequate and effective compensation generated conflict and resulted in the companies demanding active United States intervention. The tone of negotiations between the host governments of South Asia, the companies, and the United States government depended on the state of bilateral relations and the degree of United States influence.

Despite large-scale American aid and assistance programs, American-Indian relations always appeared strained. India is a large and proud nation, and the government was extremely sensitive about domestic policies involving private foreign capital. These sensibilities were exacerbated by the massive American presence in India and the leverage which the United States could employ either directly or through the sanctions of the Hickenlooper Amendment. After Nixon's decision to tilt toward Pakistan in the Indo-Pakistan war in 1971 and to stop economic aid to India, however, American leverage was further weakened. A wave of anti-Americanism spread throughout India and crept down the corridors of the government ministries in New Delhi.

The situation in Pakistan was quite different. The Government of Pakistan not only enjoyed the benefits of large United States aid programs, but had also succeeded in gaining considerable political support from the United States during the Indo-Pakistan war of 1971. In an effort to preserve its close ties with the Nixon administration and to avoid irritating the Congress, Bhutto's government even went as far as to notify the American Life Insurance Company in advance that it planned to take over the company. Moreover, in late 1972, at a central point in the negotiations with ALICO, President Bhutto said in a CBS interview that the Pakistan government would pay adequate compensation "in accordance with the terms and conditions of U.S. investment which have been approved by Congress. We are going to implement the conditions imposed by Congress in these matters." [6]

The situation in Bangladesh was so chaotic following the December 1971 war that all parties agreed that they would have to be patient. The Bangladesh government faced major difficulties in its ability to evaluate and pay claims for compensation. Frequent rotation of key personnel, chaotic records, and an acute shortage of foreign exchange would make demands for prompt compensation futile.

[6]For the text of this interview see *Dawn* (Karachi) December 13, 1972, pp. 2–3.

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D. THE DECISION PROCESS

The role of the United States Government in the investment disputes in India, Pakistan and Bangladesh was based on decision-makers' perceptions of broad United States interests which included support of American business interests. The timing of many of the decisions, however, was a response to intense and persistent pressures exerted by the insurance industry, especially the AIU group which insisted throughout that it would require the active support of the United States Government in obtaining its objectives. Keenly aware that United States Government leverage varied from country to country, AIU executives tried one tactic after another, but throughout the nationalization crisis in South Asia, at meetings or with telephone calls and letters, the company insisted that the United States Government secure the host government's acceptance of the company's definition of prompt, adequate and effective compensation or invoke executive and legislative sanctions.

Company strategy to protect its interests and secure its objectives in India passed through three distinct phases. The first phase involved a brief, intense effort in May 1971 to get the United States Government to block nationalization. Concerned that nationalization of insurance in India would set a precedent for other less developed countries and encouraged by past efforts to have nationalization plans shelved, AIU executives came to Washington shortly after Mrs. Gandhi had taken over custodianship of their companies. Meeting with members of the Country Directorate, the Deputy Under Secretary of State for Economic Affairs, and AID officials, company executives demanded that the United States Government make strong representations at the highest levels of the Government of India to secure exemption of American Companies or face a loss of United States aid. They threatened to alert senators from all the states in which AIU did business if the State Department refused to act.

Although such an appeal would raise a political storm on Capitol Hill and talk of sanctions would harm United States programs in India, the Deputy Under Secretary of State for Economic Affairs accepted recommendations from the Country Director and advised AIU executives that any United States Government intervention at this stage would be unproductive or even counterproductive, especially since the British Government was not expected to make similar representations on behalf of the British companies which formed the bulk of the companies threatened by nationalization. AIU executives were also reminded that United States aid commitments were based on international agreements which the United States could not renounce in cases of nationalization where adequate compensation was to be paid. The company accepted the advice that it concentrate its attention on securing prompt, adequate and effective compensation. A showdown with Capitol Hill was avoided.

During phase two, beginning in early June 1971, the company devoted itself to securing four objectives: prompt repatriation of assets, prompt and adequate compensation, a favored position in insuring AID cargoes, and securing a good share of the re-insurance business in India. The company made it clear that it relied on the help of the United States Government, but rejected State Department advice to cooperate with the British. AIU executives found the British insufficiently aggressive and suspected that the British companies would settle for reduced compensation in return for a larger share of the re-insurance business.

Lack of enthusiastic support at the Department of State led AIU executives to turn to the Treasury Department. Secretary John Connally was known to hold strong views on issues of expropriation, and AIU executives hoped for Treasury support in bringing the insurance nationalization issue to Prime Minister Indira Gandhi's attention during her November 1971 visit to the United States. The company warned Treasury officials that the Indian government had introduced two constitutional amendments which could not only deprive the insurance companies of adequate compensation but also threatened other United States investments in India. Treasury officials pressed the Department of State to place the insurance nationalization issue on the agenda for direct discussion with Mrs. Gandhi, but the Department of State responded that Mrs. Gandhi's visit would be dominated by concern for the political situation in East Pakistan. State further warned Treasury that any discussion with officials in Mrs. Gandhi's party should be based on the general issue of India's attitude toward United States private investment rather than on demands growing from the specific issue of insurance compensation. A compromise approach was worked out. As expected, time prevented the issue from being raised directly with Mrs. Gandhi but the Indian Foreign Minister assured State Department officials that he had no reason to believe that the terms of compensation would be unfair.

During phase three, the almost total loss of United States influence and leverage in India during and after the Indo-Pakistan War placed the American insurance companies in a difficult position. They had little choice but to collaborate with other foreign insurance companies in trying to reach an equitable settlement with the Government of India. Phase three began late in May 1972 when both AIU and AFIA joined in a British led combined effort to influence the nationalization bill as introduced into the Lok Sabha by the Indian Government. The bill, formally nationalizing the Indian insurance industry and specifying the amount of

compensation due to each of the 107 nationalized companies, provided a total of $44 million of which the 6 United States companies were to receive $1 million. All foreign companies considered the level of compensation totally inadequate, the American companies estimating they had been offered only 25 per cent of what they deserved. The companies were furtherly incensed on learning that the Government of India considered their compensation subject to tax in the absence of specific exemption by the Indian Parliament.

A delegation of representatives of the nationalized foreign insurance companies sent to India in July 1972, to meet with the Indian Finance Ministry and the Parliamentary Joint Select Committee charged with considering proposed amendments to the government's bill, met with total failure. The Joint Select Committee refused to accept their recommendations for changes in the bill. A British Government aide memoire setting forth the case for higher compensation and a joint approach by several foreign embassies to the Government of India also were rejected. Debates in both the Lok Sabha and Rajya Sabha showed strong support for nationalization and hostility even to the officially proposed amount of compensation. Lobbying by Indian insurance representatives, on the other hand, resulted in an $6.7 million increase in compensation for Indian companies, an increase justified as an attempt to equalize the level of compensation being paid to Indian and foreign firms. The bill as finally passed did not increase the compensation for foreign insurance companies, nor did it exempt that compensation from taxation.

With the battle for higher compensation lost, the foreign insurance companies concentrated on the issue of taxation. A high level British cabinet member discussed the taxation issue with Prime Minister Indira Gandhi as well as with Finance Minister Y. B. Chavan and External Affairs Minister Swaran Singh, the argument being that since the compensation offered by the Government of India was totally inadequate by international standards, it should not be reduced even further by the imposition of a high tax. The Government of India rejected these pleas on the grounds that foreign companies were being compensated so liberally in comparison to Indian companies that a tax was a necessary equalizer. The British government dispatched a special two man delegation of tax experts in late December 1972, to negotiate the details of a taxation agreement: the taxes to be levied on compensation, the base line for calculating the taxes, the taxes due on a variety of other reimbursable funds owed to the companies. In July 1973, after a review of the tax issue by the Government of India and additional representations by the British and other foreign embassies, the Indian Government agreed to a final settlement of the tax issue and by way of an aide memoire to the British Government declared that it would apply a capital gains tax of 35 per cent rather than a 73.5 per cent income tax on the final compensation amount, settle outstanding tax issues according to the British tax mission proposals and treat all foreign insurance companies alike. The British accepted the Indian government's offer but payment of compensation to all foreign companies was delayed pending receipt and auditing of the 1972 balance sheets.

During the stretch of negotiations from May 1972 to July 1973, the general state of Indo-American relations was characterized by the absence of effective leverage by American officials, and concern for the future of American private sector oil and pharmaceutical interests in India seemed to make the joint approach the only viable policy. The United States Government played a minor role and instructed the Embassy in New Delhi to work in cooperation with the British. Though the insurance issue was twice placed on the agenda of the Expro Group, no recommendations were handed down, for there was little, if any bilateral aid to be suspended and to invoke the Gonzalez Amendment to block multilateral loans to India without some foreign support would be difficult. Concerned about the precedent, the American insurance companies wanted at least a clean record that nationalization had not gone unopposed by the United States Government. But on occasions when they sought a legal opinion from the Department of State as to what would happen if they rejected the Indian proposal, the State Department refused to make a judgement. Thus, while the companies continued to believe that they had been offered inadequate compensation, they had no alternative but to accept it.

The joint approach strategy, so frustrating to American insurance interests, also forced the United States Government to become reluctantly but deeply involved in the details of the nationalization process. The United States Government took the position that the parties themselves should decide what constitutes prompt, adequate and effective compensation and that the government should simply devise reasonable steps to ensure compensation. In the Indian situation, however, the United States Government was forced to make representations on detailed questions as part of the process of providing support for the British position.

Several factors played an important role in the actions of the American companies in India. In the first place, they based demands on a realistic appraisal of how much they could expect from the Government of India. Second, they wanted to be sure that they would get a share of the re-insurance business. Third, they realized the United States Government could apply little leverage so long as

Indo-American relations remained cool, and thus they accepted negotiations as the only possible vehicle for all terms of settlement.

Throughout the negotiations over nationalization of insurance in India, the machinery for monitoring expropriation cases moved largely in response to pressure from the companies, but the Expro Group itself consistently refused to make a judgement on the substance of the issue. Thus, despite a number of apparently clear presidential and congressional policy directives, the investment disputes which began in May 1971 had still not been settled three years later. The foreign policy establishment concentrated on negotiating a settlement instead of employing sanctions which would harm other United States interests in the area. The official policy provided weapons no one wanted to employ.

The slow resolution of the nationalization issue in India had to be tolerated because the United States Government lacked leverage and because the insurance companies wished to protect other interests. Yet, though the situation in Pakistan was far more favorable—Pakistan-American relations were extremely cordial, the size of its economic programs gave the United States government leverage, and the Government of Pakistan was committed to maintaining good relations with the United States Government and the Congress—the dispute took almost two years to settle, passed through three stages of negotiations, and required direct United States intervention for its resolution.

Direct negotiations between the Pakistan government and representatives of ALICO, an AIU affiliate, reached a snag shortly following the March 19, 1972 takeover of the company's management. The company contended the Pakistan government had made pre-nationalization commitments which it was not implementing. The Government of Pakistan responded that specific compensation issues could be settled only after a special insurance corporation created under the law came into existence.

The impass in negotiations led the company to shift its focus to Washington. Senior officials in the Bureau of Near East and South Asian Affairs (NEA) counseled patience on grounds that the Government of Pakistan, having acknowledged the principle of compensation, was struggling to work out a formula that would be fair to both foreign and domestic insurance companies. The Department of State assured ALICO representatives that it would instruct the embassy to remind the Pakistan Government of the President's statement on expropriation, express disappointment at the delay, and advise Pakistan government officials that ALICO had requested the United States government to monitor developments. In direct discussions with embassy representatives and with John Connally President Bhutto gave assurances that he desired a quick settlement. Yet negotiations dragged on into the summer.

In August 1972, ALICO embarked on the first of its two attempts to secure American Government intervention. The President of the AIU Group took his case directly to Peter Flanigan, special advisor to the President on international economic policy and Executive Director of C.I.E.P. The AIU demanded that the United States Government take a strong stand on compensation and enforce the expropriation doctrine by withholding aid from Pakistan.

The two issues still outstanding after discussion between AIU and the Government of Pakistan in July were extremely complex. The first issue was politically sensitive in Pakistan because it dealt with ALICO's obligations to its policy holders in Bangladesh. The Government of Pakistan refused to release ALICO assets in West Pakistan to meet liabilities built up in former East Pakistan. ALICO demanded, on the other hand, that the Government of Pakistan include sufficient compensation to cover the companies' obligation to policy holders in Bangladesh. The second and more critical stumbling block was the rate of exchange to be used in converting the compensation into dollars. On the date of nationalization on March 19, 1972, the exchange rate was 4.76 rupees to the dollar. On May 11, 1972, however, Pakistan devalued its currency by approximately 60 per cent so that the current rate became 11 rupees to the dollar. ALICO insisted on using the exchange rate in force on the take over date, but the Government of Pakistan contended that the payment date should determine the exchange rate.

Flanigan decided to set the case before the Expro Group and sent his assistant Larry Rosen to review it with the Pakistan Country Director and his staff. Since ALICO was expected soon to reach agreement on the rupee figure for compensation, the key issue was the exchange rate. The State Department told Rosen that its legal experts and senior officials basically agreed with ALICO's position on the exchange rate issue, but no immediate action was taken. In early September, therefore, ALICO threatened to sue in federal court to trigger the Hickenlooper Amendment to cut off bilateral aid to Pakistan. This threat was followed later in the month by a high level meeting between company officials and State Department representatives.[7] It was decided to convene a meeting of the Expro Group to consider how to deal with the ALICO

[7]The September 25, 1972 meeting was attended by two representatives from EB/IFD/OIA, a representative from L/E, two representatives from NEA/PAB, Larry Rosen of CIEP and a representative from Treasury Department, Division of International Affairs.

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problem as well as other complaints of unfair treatment for United States companies in Pakistan.

When the Expro Group met October 18, 1972, the primary item on the agenda was the ALICO case.[8] The Government of Pakistan had recently made an initial offer of 11,489,000 rupees in compensation but since the exchange rate issue had been left open and other issues also remained in dispute, ALICO was expected to reject the offer. The consensus of the Expro Group called for three actions: first, await the formal response by ALICO to the Pakistan offer; second, sound out the parties as to the next possible steps, such as further negotiation, use of Pakistan's legal system, or binding arbitration; third, continue to let the Government of Pakistan know of the United States Government's interest in a prompt and equitable settlement.

Disappointed by the Expro Group's decisions, ALICO took its case to Senator Hugh Scott who found, on inquiry, that the State Department had been so actively seeking a settlement that the issue had been raised directly with President Bhutto through the United States Embassy, the Pakistan Ambassador, and the President's representative John Connally.

The third phase of ALICO's campaign began in mid December 1972. Again the President of AIU went directly to Peter Flanigan and demanded firm United States Government action. He also contacted the chairman of the Expro Group and the Pakistan Country Director in the Department of State. A formal, legal brief prepared by the Department had indicated that contrary to previous assumptions, legal precedents for payment of claims after a currency devaluation showed evidence of support for both positions. The Department of State pressed AIU and the Government of Pakistan to refer the case to binding arbitration as the quickest route to a compromise settlement.

The Department also notified the Pakistan Ambassador of its desire to resolve the matter before it adversely affected United States-Pakistan relations. The Expro Group agreed on December 29, 1972 that since all avenues for negotiations had not been exhausted, the United States Government should simply continue its efforts to arrange further discussions between the parties.

By early February 1973, additional negotiations between ALICO and the Government of Pakistan reached an impass. Therefore, ALICO executives met with the chairmen of the Expro Group, Larry Rosen of the White House, and the acting ambassador to Pakistan. It was to take an official United States Government position on the exchange rate issue, the major outstanding issues in dispute and, with the concurrence of AID, Commerce, and Treasury, to dispatch a formal aide memoire at the Cabinet level to the Government of Pakistan. The aide memoire reminded the Pakistan Government of the President's 1972 statement and supported ALICO's position that the effective date of nationalization was March 19, 1972. In delivering the aide memoire, the embassy was to convey to the Pakistan Government the sense of disappointment ALICO officials had expressed to senior officials of the United States Government and Congress.

When no action took place for about two months after submission of the aide memoire, the company began considering legal action and the case was again placed on the agenda of the Expro Group. Following talks at the embassy level in Islamabad and Washington, AIU representatives were invited to hold further negotiations with the Government of Pakistan. A meeting to discuss overall acceptable compensation figures was held in late May. Arguing that the exchange rate was a matter of law, not a matter of negotiation, the Pakistan government representatives nevertheless proposed a series of adjustments in calculating the value of ALICO's claims which brought the total compensation figure very close to an acceptable level. Following the adjustment of additional minor problems as a result of continued United States government involvement, a check for $3 million was delivered to ALICO on December 6, 1973. The case was settled.

ALICO's hard bargaining and its ability to secure United States Government support resulted in its tripling the initial Pakistan Government offer of $1 million. ALICO succeeded in gaining its ends but only after it had succeeded in making the dispute a major irritant to American-Pakistan relations. The importance of United States Government support is demonstrated by the fact that the British companies in Pakistan had to settle for the initial offer when the British Government failed to become involved in the dispute.

Although insurance in Bangladesh was nationalized on March 26, 1972, efforts at securing compensation did not even begin until December, 1973, when the British and AFIA made a joint representation to the Government of Bangladesh. As usual, AIU did not join this joint effort preferring to work independently though with United States Government assistance. AIU also rejected the joint British AFIA proposals because they were so far below the level of its claim in India, that a Bangladesh settle-

[8]October 18, 1972 Meeting of Expro Group:
EB/IFD/OIA—Willis C. Armstrong; Sidney Weintraub; Moorhead C. Kennedy
NEA/PAB—Frank Thomas and Bruce Laingen
WH/CIEP—Dean Hinton
Commerce—Larry Fox—Deputy Assistant Secretary for Economic Policy; Stanley Katz—Director, Office of Investment Affairs
Treasury—Edward Gordon—Director of Bilateral Relations
Defense—Captain Joseph Darlin

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ment on such terms might undercut its position in India. AIU submitted its claim in April, 1974 for $125,000. Although it publicly insisted on prompt action, the company realized that administrative chaos and acute shortages of foreign exchange would probably delay compensation for some time to come.

II. Assessment of the Process

A. FORMULATION PROCESS

On paper, United States policy on expropriation was explicit. Failure to pay prompt, adequate and effective compensation required withholding new bilateral aid and opposing loans in multilateral lending agencies unless there were major factors affecting United States interests which required the continuance of these benefits. Except for the escape clause, the Hickenlooper Amendment and the Gonzalez Amendment were in complete conformity with the President's January 19, 1972 statement.

The policy implementation, however, was obstructed by a number of ambiguities and problems of defining terms, fact finding, and of determining when remedies had been exhausted. In the first instance, what acts of state were encompassed by the term expropriation? Both the Department of State and the Treasury Department agreed that acts of nationalization, repudiation of debt, or repudiation of a concession contract were clearly covered, but cases of quasi expropriation involving breach of contract, licenses, controls, and tax policies raised substantial problems. Thus, would the Government of India's imposition of a 35 per cent capital gains tax on a full compensation payment constitute expropriation? How does one classify conflicts over exchange rates? How does one analyze problems of partition and consequent financial liability between two countries such as Pakistan and Bangladesh? What happens if, while auditing a company's accounts, the host government deducts from its compensation offer a sum supposed to make up for "unacceptable" financial practices? In the case of ALICO, for example, Pakistan objected to ALICO's revaluation of its real estate assets shortly before nationalization and to ALICO's failure to transfer back to Pakistan all reserve assets held abroad for re-insurance or co-insurance purposes in conflict with Pakistan laws. Finally, at what point does an expropriation case cease to fall under the expropriation policy of the government? For example, was a lingering dispute over $250,000 serious enough to oblige the United States Government to rule that the Government of Pakistan had not offered prompt, adequate, and effective compensation to ALICO?

In addition to problems of definition, there arose problems of evidence. Clearly, any official finding had to be based on reliable facts. While it was easy to obtain decrees and statutes involving nationalization, it was not so easy to prove that compensation negotiations were being conducted in bad faith or even that they had failed. Moreover, how does one evaluate the estimated alleged value of the nationalized property either in terms of the company's claim or the host government's assessment? This was clearly an issue between ALICO and the Government of Pakistan.

A third problem involved how to determine whether remedies had been exhausted before resorting to a *finding* that an expropriation had occurred and that sanctions were required. The Expro Group insisted that the party involved in a dispute must first exhaust all host country internal remedies and the President's 1972 statement urged the use of mechanisms created by international financial institutions such as the International Center for the Settlement of Investment Disputes within the World Bank to settle investment disputes by adjudication or arbitration. Although the Expro Group and the State Department urged ALICO to consider these alternatives, ALICO preferred to conduct direct negotiations at the ministerial level of the Pakistan Government with United States support.

The most important problem facing United States Government decision-makers in expropriation cases, however, was the problem of conflicting United States interests. The President's January 19, 1972 statement provided flexibility for balancing United States interests, but the Hickenlooper and the Gonzalez amendments did not. The Department of State and AID were primarily concerned with maintaining good relations with the countries of South Asia and with continuing United States programs in the area and even the Commerce Department realized that United States insurance interests in South Asia totalled only $8 million. Overreaction on insurance could trigger responses against the much larger pharmaceutical and petroleum industries, both prime targets for nationalization. The Department of Defense played only a minor role in the Expro decision in South Asia but endorsed the position that other foreign policy and security interests required consideration. The most active supporter of the company's position was the Treasury Department, yet the Treasury Department challenged none of the Expro Group decisions on India, Pakistan, or Bangladesh by taking them to the C.I.E.P.

Both the Department of State and the Expro Group preferred to try to secure a negotiated settlement without forcing the United States Government to take a formal position on the substance of

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an issue. Except possibly the Treasury Department officials, no one connected with the Expro Group even thought in terms of invoking sanctions except as an extreme last resort. Country desk officers sometimes even attempted to keep issues outside the expropriation channel. When the administration was reviewing its policy on nationalization and expropriation in preparation for the release of the January 19, 1972 policy statement, the Department of State tried to exclude the nationalization of insurance in India from consideration by arguing that the Government of India had not yet actually nationalized the industry.

Both Country Directorates and the Expro Group made special efforts to ward off triggering the Hickenlooper and Gonzalez Amendments by refusing either to make a finding or to acknowledge the possibility of finding that an expropriation had occurred without prompt, adequate and effective compensation. State Department officials also habitually pleaded that for the government machinery in the host country to make the necessary determination takes considerable time and effort. Thus, when insurance company executives, reconciled to the prospect of less than adequate compensation in India, nevertheless insisted on an official statement that prospective compensation was inadequate, State Department officials sought to avoid such a determination pending a final settlement. In other cases legal experts had problems justifying the Expro Group's flexibility in administering restrictive Congressional directives.

In short, there often was a conflict of interest between United States Government agencies concerned with furthering overall American policy and the insurance companies which threatened to invoke the letter of the law to maximize the compensation they wanted, or if they failed, to make an example of the government concerned as a lesson to other governments that might attempt similar actions. Most United States Government decision-makers sought settlement through negotiation, conciliation, arbitration and adjudication. The United States had many interests in the area. The companies had only one interest and it had been confiscated. The American presence would remain, but the companies would have to cease all operations in the area.

In all decisions dealing with the nationalization of insurance in South Asia, decision-makers were supplied with more than adequate information by the embassies, CIA, the companies, the host governments and the British Government. This information was employed very effectively in clarifying the perceptions of the parties to the dispute. Such assessments of host government attitudes and reactions were extremely useful in briefing the companies and in helping the Expro Group reach its decisions, and they enabled the Department of State to deal with misleading statements and claims made by the insurance companies to members of Congress and other executive agencies. On numerous occasions however, neither the embassy nor the desk were in a position to evaluate many of the technical financial and accounting issues.

The decision-making process at all levels of the Department of State and within the Expro Group was seldom based upon policy papers outlining various courses of action and their consequences. Most reports were in the form of background papers prepared by the economics officer on the country desk. Whenever an action statement was included by the country desk, it always recommended only one course of action. Formal policy analysis setting out a full set of alternatives took place only in cases where the Expro Group was unable to reconcile inter-agency differences. Decisions dealing with the expropriation cases in South Asia did not go beyond the Expro Group, and all actions were based on consensus. Thus since the issues involved never became major foreign policy problems, they could be handled largely at the lower levels of the foreign policy decision-making system. The case of insurance nationalization in South Asia therefore, represents an excellent example of the type of significant foreign policy decisions which never reach the top levels of the United States Government decision-making system.

III. Assessment of the Outcome

The actions taken by the United States Government in response to the nationalization of insurance in South Asian countries were both appropriate and effective. Although the affected companies had both a tangible and a symbolic stake in the outcome and made numerous, forceful and effective representations in an attempt to accomplish their objectives, there is little doubt that the American insurance interests in South Asia did not represent a significant American interest. Unwilling to take actions disproportionate to the size of the investment involved, United States Government decisionmakers followed broad policy guidelines and focused upon larger United States interests rather than particularistic pressures. In cases where the companies were clearly being treated unjustly, as in the case of the exchange rate issue in Pakistan, United States Government officials stood firm and consequently ALICO eventually received compensation which even company officials considered adequate and effective. In the Indian case the Department of State's insistence on a joint approach with other foreign governments enabled the com-

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panies to take advantage of the British umbrella at a time when the American Government could do little to assist. Even though all foreign insurance companies in India received less than what they considered to be adequate compensation, British Government assistance with the tax threat enabled the American companies to secure a reasonable settlement on that issue at least. More generally, these three instances of nationalization in South Asia demonstrate that the settlement of expropriation disputes is a complex and time consuming activity which may involve not only deep seated ideological differences among nations but also the difficulty of achieving agreement even on the facts of a case.

IV. Assessment of Participating Organizations

The nationalization of insurance in South Asia did not require the creation of high level policy for American decision-makers but the implementation of policy directives set down by the Congress, the National Security Council and the President. The bringing together of the Expro Group was an attempt by the President to establish a specific review mechanism for implementing a policy which in the past had been treated largely on an ad hoc basis. Although the primary responsibility for dealing with the insurance nationalization case rested with the Country Desks, the Expro mechanism made it possible for other interested agencies to illuminate issues from points of view somewhat different from the client orientation of the Country Desks and the regional bureaus of the Department of State. Although the Expro Group did not formally convene to deal with all the issues in these nationalization disputes, the existence of the group defined the circle of consultation and clearance. The pattern of concurrence and clearance enabled each agency to present objections or even to block action if State's position was not mutually acceptable.

Regarded from another point of view, the Expro Group mechanism enabled decision-makers to work out an agreement at the lower levels of the bureaucracy while making provisions for channeling conflict up to the C.I.E.P. and the President for final resolution. Unless there was a consensus at the Expro Group level, the Chairman had to file a report with the C.I.E.P. stating the nature of the disagreement. Each agency had the right to communicate its views directly to the C.I.E.P. No such disagreements occurred in the insurance cases. The Expro Group system seemed to work especially well in the settlement of the Pakistan dispute. The effectiveness of the system and the outcome, however, depended very heavily on the state of bilateral relations between the United States and Pakistan at the time. Similar pressures exerted by the British were not as effective in a large, self confident, and institutionally developed country like India.

In dealing with investment disputes in South Asia, United States Government agencies did not need to seek out and consult the economic interests involved. Consultation was forced upon them by the companies themselves. Concerned with preserving good relations with the countries of the area and minimizing the number of irritants in United States-South Asia relations, the State Department tended to respond to company demands either by refusing to act, by delaying action, or by taking relatively mild action. The companies sought to force actions through repeated appeals to the White House, the Congress, and other executive agencies considered to be more sympathetic.

Domestic economic interests, unhappy with the State Department response, demanded stronger United States Government support to accomplish their objectives by taking the disputed issues directly to the highest levels of the government of the host country. Such demands for high level representations were designed to associate the United States Government with the issue and so transform unequal disputes between the host government and the company into a dispute between the host government and the company backed by the full force of the United States Government. The result of such a close identification of American company and American Government is a practical inability to separate United States private interests from United States Government interests. The reaction to this pattern of association varies according to the domestic political climate in the host country, the size and impact of American programs, and the state of bilateral relations. In Pakistan this association was of great value to the company in securing its objectives. In India, on the other hand, hostility toward American foreign policy resulted in hostility toward American insurance companies to such an extent that the companies were temporarily isolated even from other foreign companies involved in the disputes. In general, close identification between the United States Government and American companies tends to result in a hostility and suspicion toward all forms of private foreign investment.

To a certain extent, the process of threats and the resort to multiple points of access used by the companies were primarily tactical moves to compel action by the agencies most directly involved. Company threats of action were designed to provide stronger support to company negotiators when negotiations had reached a critical point or when they had stagnated. These threats were not always carried out and were not always credible to the decision-makers involved. For example, despite nu-

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merous threats of massive congressional intervention, the actual number of Congressional inquiries was small and selective.

The insurance companies, in fact, seemed to go out of their way to cultivate contact and rapport with the Department of State. Certain company executives assisted State Department Congressional lobbyists in their campaigning against the Magnuson Bill which would have transferred economic and commercial functions to the Department of Commerce. They were recognized and remembered as men who highly praised the work of the Department of State in economic and commercial fields and who should therefore be supported in a way which would continue to merit their confidence. Moreover, the Assistant Secretary of State for Congressional Relations joined the staff of one of the insurance companies upon his resignation and assisted AIU and the ALICO settlement in Pakistan.

The complexity of private sector and legislative involvement on a purely domestic level within the United States was matched by complexities originating within the countries of South Asia. One of the major obstacles to a satisfactory settlement of the compensation issue in both India and Pakistan was the difficulty of developing a formula to apply to foreign companies which was not disproportionate to that applying to domestic companies. In India, the strength of the Indian private sector lobbying effort was evident when the Joint Select Committee of the Indian Parliament added substantially to the recommended compensation sum by the government. The bulk of the increased amount was very selectively distributed to certain large Indian business houses.[9]

The most delicate aspect of executive-legislative relations in implementing United States expropriation policy in South Asia was not pressure from a flood of Congressional mail, but the automatic trigger characteristics of the Hickenlooper and Gonzalez Amendments. While declaring these Congressional directives to be of little significance, the agencies acted very carefully to prevent them from coming into force. AID was constantly preparing memos on why the Hickenlooper amendment need not be applied. Although Treasury argued that these Congressional directives had a deterrent effect, State, Commerce and Defense responded that they prevented the effective management of foreign policy. Perhaps the most serious long range problem raised by these Congressional directives is the tendency of the bureaucracy to try to evade or work around them which results in the development of a credibility gap between the government and the Congress and between the public and domestic economic elites. A strategy of trade off would seem more effective than a policy of sanctions. Nation states may be able to settle some issues at particular points in time and may have to let others wait. By maintaining a checklist of outstanding issues which have to be settled rather than attempting to solve problems in a crisis atmosphere, the number and level of inter-state conflicts might be reduced.

[9] *Capital* (Calcutta) September 14, 1972, p. 453.

V. Performance of Alternate Structures

This case study has been confined to United States expropriation policy as it was applied in the case of the nationalization of insurance in South Asia. Any assessment of performance therefore has limitations. However, this study clearly suggests that United States economic and commercial policies are characterized by a greater complexity than political-security policy because of the intense interest of powerful interest groups both within the United States and within the host countries and because of the active interest in specific issues taken by the Congress as a result of interest group or public pressure and internal ideological predispositions.

Nationalization actions in South Asia in the early 1970's were primarily a response to domestic political compulsions. The United States Government was not in a position to prevent these actions. It certainly had no leverage to reverse them. Powerful domestic economic interests within the area had, in fact, already failed to block these nationalization actions. Moreover, the private foreign insurance industry, like other financial interests and institutions, was under attack throughout the less developed countries. Governments everywhere were trying to bring them under public sector control.

In many ways, the application of United States expropriation policy was also based on strong domestic political compulsions. The Nixon administration and high officials in the executive had strong ideological commitments against nationalization and expropriation. Within the Congress these commitments were even stronger and led to demands for policies more stringent than those already in existence.

In theory, the principle of prompt, adequate and effective compensation in cases of nationalization and expropriation seemed reasonable. Yet even where the principle of compensation was accepted by the host government, a variety of complex financial, legal, accounting and political issues made implementation difficult. This complexity raised serious questions about the utility of threatening sanctions, especially automatic sanctions, for many

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of the subsidiary issues were much more amenable to direct negotiations or to arbitration and adjudication than to direct national foreign policy and governmental intervention.

Attempts by the United States Government to deal with expropriation on a bilateral basis have had only limited success. Traditional methods for solving expropriation disputes such as bilateral treaties of friendship, navigation and commerce and bilateral arbitration conventions have failed due to strong commitments in most less developed countries to the principle of economic nationalism and sovereignty which deny a jurisdiction superior to that of national courts. Similarly, bilateral investment guarantee programs and threats to cut off aid or other economic benefits have neither prevented expropriation nor nave they always contributed to equitable settlements. It would seem, therefore, that a more promising alternative for the settlement of expropriation disputes is the use of multilateral approaches, such as the development of codes of conduct for capital-importing nations and capital-exporting nations, multilateral arbitration conventions such as the International Center for the Settlement of Investment Disputes (ICSID), an affiliate organization of the World Bank, and the proposed International Investment Insurance Agency (IIIA), which would also be affiliated with the World Bank.

Unless nations are prepared to transcend the ideological barriers which have dominated cases of expropriation, investment disputes will never go beyond debates about the use of economic coercion and the sanctity of private property. Investors will not hesitate to invoke the power of the United States Government in an attempt to gain equitable treatment, and charges of intervention in the domestic affairs of less developed countries will continue.

Yet, as is clear from this case study, expropriation disputes involve more than ideology. They hinge on a variety of disagreements over the facts of the case. One of the major advantages of a multilateral dispute settlement mechanism would be the possibility of establishing over a period of time a body of findings on how to determine factual aspects in dispute as well as bring an end to jurisdictional questions which convert relatively minor disputes into direct conflicts between governments.

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D. The U.S., the International Development Association and South Asia

Anthony D. Moulton
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I. The International Development Association

The International Development Association (IDA) was created in 1960 as an affiliate of the International Bank for Reconstruction and Development (IBRD) to make concessional development loans (termed "credits") to the poorest developing countries unable to meet the IBRD's commercial lending terms. Only countries with a per capita GNP of less than $375 are eligible for IDA credits. IDA is funded by periodic, nonreimbursable contributions from the U.S. and nineteen other donor countries. Organizationally, IDA is identical with the IBRD, sharing its President, Governors (the U.S. Secretary of the Treasury and other finance ministers), Executive Directors (appointed or elected by the member governments) and staff; IDA is best conceived of as a fund administered by the IBRD and operating under similar articles of agreement.

This paper analyzes the performance of two types of U.S. Government organizations active in the IDA/South Asia arena. The first, oriented toward the routine aspects of lending policy, comprises a formal network of agencies, their interdepartmental council and accompanying communication channels, devoted to routine technical and economic evaluation of proposed IDA projects. The second, oriented more toward political and crisis aspects of lending policy, consists of two components: first, the Nixon-Kissinger foreign policy apparatus—the National Security Council, the policy levels (Seventh Floor) of the State Department, State's Near East and South Asia Bureau (NEA) and its Economic Bureau, especially as they become active in a crisis such as the Indo-Pakistan war of December, 1971; and, second, Treasury and other members of the routine-oriented interdepartmental council who may articulate viewpoints and interests different from those of the foreign policy bureaucracy.

While the IDA/South Asia arena does not have formal status as such, it nonetheless is a practical reality. From its inception through FY1974, 55% of all IDA credits went to the six South Asian countries; 40% went to India alone.[1]

II. USG Organization: Routine Project Review [2]

Formal operational contact between the USG and IDA is through the U.S. Executive Director to the World Bank who simultaneously is a paid Bank employee and an unpaid special assistant to the Secretary of the Treasury. The Director is primarily an agent through whom Treasury and other agencies express the position of the USG on IDA projects and policies. Primary responsibility for U.S. participation in IDA (as in the other multilateral development banks) is borne by the Secretary of the Treasury who is empowered to instruct the Director's vote at meetings of the Bank's board of directors. The Secretary formally is autonomous in that function but in practice responds to the recommendations of the National Advisory Council on International Monetary and Financial Policies (the NAC), an interdepartmental body comprising five voting "member" agencies—Treasury (which has the chair), State, Commerce, the Federal Reserve System and the Eximbank—and a number of non-

[1] International Development Association, "Statement of Development Credits," June 30, 1974.

[2] The single most comprehensive source on USG organizations active in the project review process is: Library of Congress, Congressional Research Service, *The United States and the Multilateral Development Banks* (Washington, D.C.: U.S. Government Printing Office, March, 1974.)

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voting "participating" agencies including the USDA, AID, OMB, DOD, the Council of Economic Advisors and the Council on International Economic Policy.

The NAC has three levels of organization: its Principals (department secretaries and agency heads), their Alternates (at the Assistant Secretary level) and the Staff Committee. The first two are sharply distinct, by virtue of their policy orientation, from the technically oriented Staff Committee which meets weekly to discuss and exchange agency views on projects proposed by IDA and the other development banks and to recommend to the Principals how the U.S. should vote at IDA Board meetings.[3]

Treasury's nominal preeminence in the NAC and the field of the multilateral banks dates from Reorganization Plan No. 4 of 1965 which, in removing the NAC from its statutory status and placing it under an executive order, shifted authority to instruct the Director's vote from the five member agencies collectively to the Secretary. Reorganization resolved a Treasury-State struggle for formal preeminence but State remains a full co-partner in all substantive respects.

In their scrutiny of proposed IDA projects (Bank officials refer to it as "surveillance") the NAC agencies are concerned most importantly with determining that they correspond to general U.S. foreign policy and that they meet established technical, economic and financial criteria. They accomplish those goals through the most elaborate evaluative process of any IDA member government. Early notification of projects under IDA consideration comes to the NAC agencies through overseas sources (primarily the AID missions which maintain close contact with resident World Bank offices and Bank field teams) and domestic sources. Two components exist domestically, a network of informal contacts between World Bank headquarters and the NAC agencies (mainly Treasury, State and AID) and, second, a parallel formal network through which project information provided by IDA to the U.S. Director passes to the NAC agencies. The Bank's Monthly Operational Report first lists projects about two years before they come before the IDA Board. Detailed project documents are distributed two weeks before Board action.

Publication of a General Accounting Office report in February, 1972, critical of the informal nature of the NAC evaluation process, prompted creation of a Manual of Procedures and Policy Criteria which codified the review. The GAO similarly criticized the skimpy information contained in the monthly Bank report but had little success in its recommendation that the U.S. urge a more detailed report. A follow-up GAO review found that the additional information supplied was "minimal" and insufficiently detailed for adequate assessment of proposed projects.[4]

The contributions of NAC agencies to project review vary greatly in magnitude and outlook. Treasury, State and AID account for the most substantial review efforts, Treasury and AID in economic and technical scrutiny and State in terms of foreign policy. The Federal Reserve's financial review eclipses the efforts of Commerce and the Eximbank whose primary concerns are that IDA projects not displace or preempt U.S. private investment overseas and that they not duplicate Eximbank loans. The agencies' review efforts also reflect their respective orientations toward multilateral aid in general. While Treasury emphasizes relatively close financial monitoring of the multilateral banks and assumes a somewhat skeptical posture toward multilateral aid, State, in a word, is more enthusiastic. State's primary concern is that IDA serve or, at a minimum, not conflict with U.S. foreign policy. State has relatively little interest in the economics of IDA projects, seeing them instead as political resources which solidify cooperative ties among the IBRD/IDA member countries and which thus can improve U.S. international relations generally. State rarely objects to IDA projects and only in exceptional cases do they receive the attention of Assistant Secretaries. The South Asian country offices virtually always approve proposed projects.

The staff of the NSC, in normal, non-crisis times, shares the State perspective. One NSC respondent referred to IDA's role in "building peace."

A. EVALUATION OF IDA'S IMPACT ON SOUTH ASIA: THE NEGLECTED FUNCTION

The NAC and associated machinery focus on project inputs and selection criteria to the almost complete exclusion of the implementation and effects of IDA projects. To supplement that limited focus, Treasury's Inspector General and the NAC Secretary inaugurated in early 1973 an "On-Site Project Visit Program" to evaluate the implementa-

[3]The Staff Committee is composed of technical staff from Treasury's Office of International Development Banks under the Assistant Secretary for International Affairs, State's Office of Development Finance in the Economic Bureau, AID's Office of International Assistance Coordination in the Bureau for Program and Policy Coordination and equivalent offices in the other agencies. The U.S. Executive Directors, their technical assistants and other U.S. representatives to the banks and the IMF attend Committee meetings infrequently.

[4]Comptroller General of the United States, "More Effective United States Participation Needed in World Bank and International Development Association," (Washington, D.C. 1973), Report No. B161470; Letter from the United States General Accounting Office, International Division, dated July 26, 1974.

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tion of the various multilateral banks' projects. Implementation of the visit program itself has been spotty, however, due largely to time and personnel constraints.

Substantial problems afflict implementation analysis, especially in developing countries, but do not prevent more systematic and intensive attention than the topic currently receives or than is intended in the Treasury's visit program. Unconventional dimensions of project impact also must be measured and assessed.

From 1961 through FY1974, IDA extended credits totalling $3.87 billion to the six South Asian countries, a small amount relative to the immense needs of the region's economies.[5] IDA's impact is enhanced, however, in that it supplies a relatively cheap and predictable source of perennially scarce foreign exchange; in recent years, for example, IDA has provided approximately 30% of India's foreign exchange supply.[6] In that key role, IDA clearly has the potential to affect the South Asian economies beyond that indicated by aggregate credit amounts alone, for example in influencing sectoral allocations of foreign exchange and imports and thus in influencing central government planning dependent on the availability of foreign exchange.

Beyond gross measures of IDA monies expended are other indicators which exist or need to be formulated relating to several impact dimensions. First, of course, is the primary impact on economic development. Beyond that are secondary and usually unanticipated consequences of IDA and other multilateral bank projects for the political and administrative systems of the recipient countries. Too little is known (or known to the U.S. and other member countries) about direct economic effects, in part because the Bank, on grounds of confidentiality, refuses to make public reports on the implementation and operation of IDA projects in South Asia and elsewhere. Even less is known of secondary consequences but it is fair to assume at the minimum that IDA credits serve to buttress the resources of the governments, agencies and individuals through which they are negotiated and administered; those institutions often extend to the village level as is the case in the IDA-supported agricultural credit projects operating in ten Indian states and totaling $319.9 million with which the author has had first-hand field contact. There as in other projects, IDA credits provide external support for a wide network of organizations integral to the recipient economy, for the political, economic and administrative interests which sustain them and for their associated political and administrative cadres.

B. ALTERNATIVE ORGANIZATIONS

The NAC machinery appears adequate within its narrow mandate of project review. The point at issue thus is the mandate itself. Analysis of NAC activity too lengthy for inclusion in this paper suggests two conclusions: 1) Separate U.S. scrutiny of proposed IDA projects is not essential to U.S. participation and could be performed more effectively in concert with other IDA member nations. 2) There currently is no agency other than the NAC equipped to consider long-range U.S. policy toward economic development and, indeed, the NAC does not perform that function. These conclusions in turn have two organizational implications: first, shifting the project review function from the NAC to an extra-national organization equipped also to redress the lack of attention given to project implementation and impact; second, assigning to a new unit within the USG the goal of formulating broad U.S. policy toward stimulating economic development, another neglected function. An interagency group with the potential to perform that function was mandated by the Foreign Assistance Act of 1973.[7] The Development Coordination Committee, to be chaired by AID, is to have a membership of State, Treasury, Commerce, Labor, USDA, the Executive Office of the President and other agencies that the President may designate. The relationship of the DCC to the NAC was unspecified in the legislation and resulting Treasury fears, among other factors, have delayed its formation. Instead of leaving U.S. policy on economic development to be determined by the conflict of two inter-agency groups, Congress should vest that responsibility explicitly in either the NAC or the DCC; the NAC would be the less suitable of the two if, as recommended below, its project evaluation function were assigned to an international unit.

A GAO recommendation that a review unit be established within the Bank but independent of management and accountable to the Executive Directors collectively approaches the first of these organizational suggestions. The GAO recommendation was written into the Foreign Assistance Act of 1973, which requires the President to "propose and actively seek" formation of a group to provide "an independent and continuous program of selective examination, review, and evaluation of the [Bank's] programs and activities . . ." with reports to be submitted to the Directors and thence to the President, Congress and the Comptroller General.[8] As

[5]International Development Association, "Statement of Development Credits," June 30, 1974.

[6]IDA credits, although repayable in hard currency, have a grant component of approximately 85%, accoording to the Office of the U.S. Executive Director.

[7]PL 93–189 (December 17, 1973), Section 21.

[8]PL 93–189 (December 17, 1973), Section 9.

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of September, 1974, the unit was in an intermediate stage of formation.

The GAO's intent behind the review group—to insure Bank adherence to GAO accounting standards—however, is excessively narrow and interventionist; such a group has far more than simple audit potential and a wider multilateral unit is needed for that purpose.

What are the implications for the U.S. of transferring project review to such a group? Two stand out most clearly. First, transfer, for better or worse, would not diminish U.S. influence on Bank operations generally (since many other influence and pressure channels exist, as we shall see in the following section) although it probably would do so on individual projects. Second, and more practically, transfer would mean the shifting of a sizeable and increasing volume of work from the NAC and release of the NAC Staff Committee to concentrate on the bilateral aid and international monetary subjects which it now sandwiches in with multilateral project review. Most important, in relinquishing its unparalleled review role and in supporting creation of a review unit accountable to the IDA Executive Directors, the U.S. would help in contributing an important and long-missing element to the relationship between IDA and the member governments. The U.S. simultaneously would adopt a profile comparable to that assumed at present by the other member governments. There *is* need for review and evaluation of IDA projects external to the IBRD/IDA itself, but like IDA it should be multilateral in structure and responsible to all members collectively.

III. USG Organization: The IDA/South Asia Arena During Political Crisis

U.S. policy toward India during and around the Indo-Pakistan war of December, 1971, introduced a pronounced antagonism which affected every important aspect of Indo-American relations including that obtaining by virtue of the two countries' membership in IDA. In the remainder of this paper we examine USG organization to evaluate the adequacy of its operation during the period of December, 1971-March, 1972, when the U.S. encountered two successive and potentially disruptive issues: approval of new IDA credits to India following suspension of U.S. bilateral economic aid to India on December 6, 1971, and the proposal to issue an IDA credit to India in March, 1972, for purchase of crude oil tankers. U.S. responses in both cases not only exacerbated Indo-American relations but also seriously jeopardized the U.S.-IDA relationship. While the events escaped public notice, Treasury, State and NSC actors considered IDA/India policy an important, sensitive and integral part of the altered Indo-American relationship and a fundamental issue in U.S.-World Bank relations, a judgment shared by World Bank management.

A. MULTILATERAL CONSTRAINTS

The political context of U.S. policy-making during the four-month period was the Nixon-Kissinger "tilt" toward Pakistan during 1971–72 (which we know from a variety of sources was believed, in part, to be a posture necessary to preserve the China "opening"), the December war and the bilateral aid cutoff. As the policy process advanced during those months, short-term changes occurred in the decision arena and in the factors weighed by U.S. actors. One key factor that remained unaltered, however, was a set of constraints on U.S. policy deriving directly from IDA membership and the operation of IDA structures, procedures and conventions. Those constraints were as follow:

1. Structure
   a. Most important, the U.S. holds 25.65% of the total "voting power" of all IDA members, followed by the United Kingdom (8.74%), West Germany (6.07%), France (4.66%), etc. The minimal winning coalition—a simple majority decides Board action—consists of six members.[9]
2. Procedure
   a. IDA's Board of twenty Executive Directors meets weekly or more often to act on proposed credits formally submitted by the Bank President two weeks before they are acted upon.
   b. Board meetings may be postponed and action on scheduled credits deferred for 48 hours at the request of any director; such requests are rare.
3. Convention
   a. The Bank President never has been defeated on a Board vote; if he were, it is understood that he would resign.
   b. IDA credits usually are approved by assent; formal Board votes are rare.
   c. Abstentions and votes against IDA credits are extremely rare. In IDA's history (through September, 1974) the U.S. never has abstained and has voted against only one, the Indian tankers credit approved by the Board in March, 1972.

[9]The minimal winning coalition of six is possible in two combinations, the U.S., England, West Germany, France and Canada *plus* either Japan (yielding 52.87%) or Sweden (yielding 50.04%.) India has 3.58% of the total voting power, the seventh largest; the six South Asian countries together hold 6.31%. (Library of Congress, *op. cit.*, pp. 204–205.)

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B. STAGE I: OCTOBER–EARLY DECEMBER, 1971

Issue: Should the U.S. treat IDA credits to India routinely after the cutoff of bilateral U.S. economic aid? [10]

Decision: To persuade World Bank management to defer scheduled Indian credits.

Participants: The President

NSC—the National Security Assistant and the Near East and South Asia staff "shop"

State—the Secretary, the Near East and South Asia Bureau (NEA), NEA's India Office (NEA/INC)

Treasury—the Secretary, Office of the Assistant Secretary for International Affairs (OASIA) and OASIA's Multilateral Programs Office

AID—the Deputy Administrator, the NESA Bureau and the Program and Policy Coordination Bureau

It is important in the following two narrative sections to note the sharp distinction which existed between policy-level officials, on one hand, and staff in the NAC and its member agencies, on the other hand. Participants in all stages of what we hereafter call the abstention period were drawn solely from policy levels of the involved agencies; staff below the Office Director level were neither consulted nor aware of policy decisions until late in the second stage.

A second note is in order regarding participants. This account of policy-making rests almost entirely on interviews conducted in Washington during the summer of 1974 with officials of Treasury, State, AID, the NSC, the Council on International Economic Policy, the Federal Reserve System and the World Bank. It is known with certainty that U.S. policy toward the Indian projects received the direct attention of Dr. Kissinger, but no respondents could report on the extent to which President Nixon knew of or authorized the abstention policy or the later vote against the tankers credit. We list him as a participant because several respondents believed that he indeed was involved and because his participation and sanction correspond to his close involvement in policy-making as events unfolded in the subcontinent in 1971 and early 1972.

Process: Activity in the early part of the first stage is not completely clear but centered in the NSC. The need for a decision on upcoming IDA credits to India arose from the probability—which grew through October and November—of a bilateral aid cutoff. NSC staff prepared a memo in October detailing implications of aid suspension at various points in the pipeline and the Washington Special Action Group (WSAG, an NSC interdepartmental crisis management forum chaired by the National Security Assistant) discussed at least two scenarios for policy on IDA credits based on alternative World Bank reactions to a war. It was decided by late November to ask Bank management to defer Board action and State and AID officials at the Assistant Secretary level then initiated a series of discussions with the Bank's Director for South Asia to sound out the Bank on deferral of two Indian credits scheduled for Board action on December 21. The National Security Assistant and the Secretary of the Treasury probably made direct contact with the Bank President by early December but, following Bank management discussions, McNamara decided against deferral, reportedly in order to avoid charges that the Bank was a tool of U.S. foreign policy. The outbreak of war on December 3 strengthened the U.S. hand, however, and Treasury representatives, presumably on NSC directions, negotiated with the Bank three provisos governing activation of the Indian credits and written into the loan documents formally distributed to the Executive Directors on December 9. The provisos required that the projects be unrelated to military operations and that their realization be unimpaired by the war. They were unprecedented in IDA's history.

Justification for a non-routine stance on IDA credits to India, in the eyes of advocates, followed from the bilateral aid cutoff. While the specific goals were articulated to few of the participants, most took them to be intensifying India's punishment for engaging in the war and preventing IDA credits from counteracting the effects of the bilateral cutoff; the argument was phrased as involving bilateral-multilateral "consistency" or "parallelism."

Two factors were central to the overt U.S. rationale, first a putative Bank rule prohibiting lending to countries at war and second, and more strategically, predictions of the war's duration. Bank management believed the war would last for no more than three weeks. U.S. predictions, as communicated to the Bank, were for two to six months' duration, thus supporting the argument that continued lending might indirectly assist the Indian war effort. That prediction did not jibe with General Westmoreland's private estimate of three weeks to the December 6, WSAG meeting.[11]

Policy-making during the four or five months in question was overlaid by the paramount importance given to Sino-American relations and re-

[10] IDA signed a total of nearly five hundred credit agreements by June 30, 1974. In the history of the IBRD through FY1973, the U.S. had abstained on six loans, the first two in June, 1971, to Guyana and Bolivia, and had voted against one. (Library of Congress, *op. cit.*, p. 225.)

[11] New York Times, January 6, 1972.

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flected, of course, the difficulties of dealing with an institution which has as its members many of the closest allies of the U.S. In that context, it is useful to note the absence of an issue which, had it been present, could greatly have exacerbated the USG-World Bank clash over Indian credits: the question of IDA credits to Pakistan during the same period. The Bank had ceased lending to Pakistan in early 1971 in reaction to the new government's reneging on its predecessor's international debts to several Bank member governments (though not to the Bank itself), among them the U.S. The Bank did not resume lending to Pakistan until June, 1972, when the Board approved an industrial imports loan.

C. STAGE II: DECEMBER 9–21, 1971

Issue: Should the U.S. position be expressed more strongly than in the three lending provisos?

Decision: The U.S. Executive Director was instructed to abstain from voting for the two Indian credits if they came to a formal vote.

Participants: As in Stage I plus:

Several members of Congress

The U.S. Executive Director to the IBRD/IDA

Process: That the White House and NSC were the driving forces for an emphatic U.S. stance became more apparent after the provisos appeared in print. Nominal though they were, they satisfied State's India office and Economic Bureau which sent a joint memo (also concurred in by AID's NESA division) to the Secretary of State on about December 14, recommending that the U.S. treat the projects routinely at the Board meeting and that that view be communicated to Kissinger and the Secretary of the Treasury (U.S. Governor of the World Bank) by the Deputy Under Secretary of State (the U.S. Deputy Governor). As drafted, the memo noted precedents for Bank lending to countries at war and listed three alternative U.S. policies together with their liabilities:

1. Attempts to mobilize support for deferral would fail since other countries accepted the provisos as adequate and only one European member favored deferral.
2. Deferral would only delay the need for a definitive policy decision until the following Board meeting in early January.
3. U.S. opposition or abstention would neither "penalize" India (since the credits would be approved anyway) "nor further our longer run foreign policy interests, either in India or in the World Bank."

It is not clear whether the NEA-EB memo was solicited by the Secretary of State or Kissinger or was initiated from below but it was unpalatable to the White House and probably to the Secretary of the Treasury who contacted Kissinger frequently during this period to ascertain the position to be taken on December 21.

The ensuing policy debate proceeded at two levels, that of Kissinger and the Secretaries of State and Treasury and that of the Assistant and Deputy Assistant Secretaries in Treasury, State and AID who consulted with each other and with NSC and World Bank staff to ascertain agency and Bank positions. Those daily consultations involved contacts among friends and acquaintances and, like much "official" communication in Washington, were conducted in informal but well-established channels, primarily by telephone but also in existing interagency forums exclusive of the NAC structure. The NAC was ignored consciously by all participants as irrelevant to political issues. Actors dealt with each other on equal or near-equal terms. By all accounts the information exchange did not involve significant bureaucratic politics within the USG.

Debate occurred also in a third context, between "hard" and "soft" line advocates within the involved departments and agencies. Only AID which considered all the Indian projects well-conceived and important to Indian development and therefore opposed the NSC hard line, was free of internal divisions. Complex lines of dissent were drawn in State where a Seventh Floor hard line prevailed over dissent in NEA (itself divided, with the India country director taking a soft line) and the Economic Bureau.

The abstention policy was decided on by Kissinger (presumably with the concurrence of President Nixon) and the NSC between the 16th and 20th of December, that is, either on the day of surrender in East Pakistan or up to three days after the Indo-Pakistan ceasefire on the western front. Without access to NSC documents, the reasons for the choice of abstention from among the range of options available can only be inferred, but the end of the war undoubtedly was the most important consideration militating against a harder line. Others included the lack of precedent for abstention, loss of support among other member countries, dissent within State, Treasury and the NSC staff, unanimous AID support for the Indian credits and the widespread normative conviction that the U.S. should adhere to IDA's prohibition of politically motivated action [12] and to the commitment to multi-lateral aid which had been expressed most recently in the Senate vote on October 20, which passed the IDA Third Replenishment authorization bill.

Factors pressing toward a harder line included, most importantly, the pro-Pakistan "tilt" and the

[12] International Development Association, *Articles of Agreement of the International Development Association*, (Washington, D.C.), Article V, Section 6.

activities of several members of Congress who allegedly pressed Secretary of the Treasury John Connally (and perhaps Secretary of State William Rogers) for a hard line. Accounts of the friendly and respectful relationship obtaining between McNamara and Kissinger suggest that the tilt applied to IDA was considerably diluted from that directed toward India during the war. Kissinger allegedly had intervened earlier to deflect a Nixon attempt to dislodge McNamara from the Bank presidency.

D. STAGE III: DECEMBER 28-FEBRUARY 29

Issue 1: Should the abstention policy be maintained on an IDA credit to India at the January 11 Board meeting?

Decision 1: As in December, the U.S. Executive Director was instructed to abstain if the credit were voted on formally.

Issue 2: Should be abstention policy be maintained on two credits scheduled for Board action in its February 29 meeting?

Decision 2: No; the policy was dropped and the Executive Director approved the credits by assent.

Participants: The President
NSC—the National Security Adviser and the NESA "shop"
State—the Secretary (Acting Secretary), NEA, NEA/INC and the Economic Bureau
Treasury—OASIA
AID

Process: The duration of the abstention policy was undefined initially and the issue arose in reference to three IDA credits scheduled to appear before the Board on January 11 and February 29. There was a presumption, however, that abstention would apply in January and State's Acting Secretary forwarded a memo (cleared by the Economic Bureau) to the President on January 10, listing three alternatives: approve the credit since the war had ended; insist on the provisos and abstain in the case of a formal vote; and, third, vote against the credit. He recommended abstention. Other agencies apparently accepted abstention as established policy.

The February round was less neat. Two events indicated to USG actors a Bank initiative to have the provisos and abstention policy dropped. First, Robert McNamara visited South Asia in late January and while there promised India 40% of all IDA credits in a public speech. Second, loan documents for two Indian credits were distributed on February 16 without the three provisos. An additional, complicating factor was an India credit for oil tankers scheduled for Board action on March 7, which had aroused intense opposition in most of the NAC agencies.

In reaction to those changes in the decision environment and to apparent lack of NSC direction, the third stage displayed the sharpest agency differences of the entire abstention period. Initiative and responsibility for U.S. policy had been vested in State after the January Board action and NEA officials met with McNamara several days before the February 29 meeting to reiterate U.S. insistence on the provisos but, failing to move the Bank, informed Treasury's OASIA that the abstention policy would stand. Treasury objected, however, to the statement which NEA had drafted for the Executive Director to deliver at the Board meeting and succeeded through contact with the NEA "shop" in the NSC in getting a milder version substituted. The emergence of State-Treasury conflict, combined with McNamara's intent to drop the provisos and the perceived urgency in making strong objections to the upcoming tanker credit appear unrelated to the abstention policy, was an important element in the eventual decision, presumably made by Kissinger, to revoke abstention.

E. STAGE IV: FEBRUARY 28-MARCH 7

Issue: What position should the U.S. take on an IDA credit to India for the purchase of oil tankers at the March 7 Board meeting?

Decision: To vote against the credit.

Participants: NSC—the National Security Adviser
State—the Secretary, Deputy Under Secretary for Economic Affairs, NEA, NEA/INC, Economic Bureau
Treasury—the Secretary, OASIA
AID
The Federal Reserve System
Eximbank
The NAC Staff Committee
The Ambassador to India
Members of Congress

Process: An Indian credit which had been termed a "shipping" project in earlier Bank notices was identified in January as enabling India to purchase four tankers to import crude oil from the Persian Gulf. In response to his immediate inquiries the Bank supplied the U.S. Executive Director with detailed information on the project, information which he and his technical assistant found satisfactory.

The tankers project, however, sparked intense concern among U.S. shipping and oil companies whose commercial fears were expressed on the NAC Staff Committee by the Federal Reserve and Eximbank representatives. In addition, all the NAC agencies but AID opposed the project on a number of economic, financial and technical grounds. The issue, in both USG and Bank eyes, was exacerbated by the immediate prologue of U.S. abstention and was treated by all involved as a serious issue in the U.S.-Bank relationship.

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NEA/INC learned of U.S. firms' concerns during NAC Staff Committee consultations on the two February projects and learned then also of independent technical criticisms of the project and of Treasury's opposition on the grounds that the tankers might be used to transport petroleum from Iraqi fields nationalized in 1960 without compensation.

As support evaporated from the few other countries which initially had expressed doubts about the project, NEA/INC reported to the Assistant Secretary on March 2, that Treasury, the Eximbank and the Federal Reserve had voiced strong opposition at the March 1 Staff Committee meeting and recommended adoption of the Economic Bureau's proposal that State vote against the project in the NAC telephone poll which precedes the actual issuance of voting instructions to the Executive Director. A rare meeting of the NAC Alternates was contemplated but apparently cancelled due to the near unanimity of opposition. Only AID proferred support for the tankers. At the initiative of its Deputy Administrator and the South Asia division, AID informed the Indian Embassy that it had no economic objections to the project and circulated a memo to State and other agencies on March 2, commenting on each of the objections which had been raised and rebutting several, including the "major argument" that the tankers would hurt U.S. shipping.[13]

As they had done in early December, State and Treasury, the most active agencies, followed two avenues in the week preceding Board action; soundings were taken of the positions of other IDA members and Treasury led attempts, which a Bank official termed "straightforward and brutal," to convince Bank management to postpone Board action. NEA/INC undertook a lobbying effort in AID, informing its South Asia division that State wanted AID's Administrator or Deputy Administrator to persuade the Bank to defer the project or postpone the Board meeting. AID, however, advised in return that McNamara, as he had done in a 1970 Indian agricultural credit project, might threaten to resign if the U.S. opposed the tankers or made serious efforts to mobilize a majority Board decision against the tankers. Given AID's reluctance to participate in the anti-tanker efforts (and consonant with Treasury's traditional preeminence in the multilateral aid field), it was Treasury's OASIA that led attempts to pressure Bank management. Bank officials attended meetings at Treasury where a Congressional defeat of appropriation legislation for the IDA replenishment was threatened if the tankers project were not dropped. OASIA did not suggest, however, that McNamara's presidency was endangered.

The pressures exerted on the Bank were ineffective and it consequently was decided on March 3 or 4, in an unknown forum, that the U.S. would vote against the tankers credit. Attempts at negotiation and compromise continued, however, initiated by a worried Indian government which under the terms of construction orders already placed was required to sign contracts for the tankers on March 9. In New Delhi, the Indian Finance Minister requested the assistance of the U.S. Ambassador. In Washington, the Indian Ambassador, having discussed the issue earlier with the Under Secretary of State, apparently raised it again with the Secretary and NEA Assistant Secretary on March 6, but to no avail. When informed by Treasury of the impending, unprecedented vote, the Bank management asked the Indian Executive Director to agree to deferral but failed to win his consent. The U.S. voted against the credit on March 7, following a lengthy statement by the U.S. Director which emphasized the project's alleged economic and financial faults. Only New Zealand abstained. All other Executive Directors voted for the credit and it was approved.

IV. USG Organizational Functioning: Evaluation and Conclusion

On most indices the USG agencies active in the abstention and tankers cases were adequate to the task; the principal faults were procedural rather than organizational. *PLANNING:* In the abstention case, where overriding foreign policy (i.e., the "tilt") was known months in advance, alternative scenarios and policies toward IDA's India credits were investigated weeks before the policy was adopted. Planning, on the other hand, was almost wholly absent from the tankers case due largely to inadequate information in the IDA monthly report. That report still provides only skimpy information on upcoming credits, even after a GAO recommendation that the U.S. urge more detail as a matter of course. The tankers case was also a rare failure of the informal information flow between Bank and USG agency staff. Early supply of more detailed information is preferable to organizational modifications. *AUTHORITY AND CONTROL:* In both cases the President and the National Security Adviser were recognized by all USG actors as the definitive policy sources, although that did not prevent differences of opinion and judgement from surfacing within and among agencies. AID's reluctance to intervene with Bank management in the tankers case appears to raise a question of the effective control of that agency by State and the NSC, but the

[13]The AID memo acknowledged, without comment, that nationalized oil fields might supply the Indian tankers' oil but rebutted three "minor arguments"—that the Bank had inflated the tankers' economic rate of return, that the project would have no employment impact and that prevailing tanker rates were too low for the venture to be remunerative.

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moral almost certainly is that State should be encouraged to execute political policy rather than rely on AID officials whose involvement necessarily compromises the agency's at least nominally apolitical status, a lesson of the bilateral aid cutoff as well. *INTER-AGENCY DIVISION OF FUNCTIONS AND COORDINATION:* Three agencies, State, AID and Treasury, and a compact number of their bureaus and offices were assigned clearly defined and usually distinct tasks the results of which were coordinated at the Assistant Secretary and Secretary levels (through both informal consultations and in the NSC forum) and thence fed to the National Security Assistant. That evaluation applies less categorically to the tankers case but only because of short lead time. In neither case was there evidence of conflict or unnecessary duplication of work between the State and Treasury offices assigned responsibility for monitoring the World Bank—the Economic Bureau's Office of Development Finance and OASIA's Multilateral Program Office. *POLICY-STAFF COORDINATION:* Policy-making officials excluded the NAC Staff Committee members from the abstention policy process intentionally. In the tankers case, by contrast, the Staff Committee provided an effective sounding board for agency concerns and positions which were transmitted by the participants to their superiors. Staff Committee representatives understandably show some resentment of their exclusion in the abstention period but in general accept the policy-staff distinction which serves as its rationale. Again, organizational modifications are uncalled for. The committee was cut out almost certainly in order that political policy could be made in a delimited and more easily controlled circle. Nor was the content of U.S. policy diminished by exclusion of the Committee's economic and technical expertise since the U.S. stance derived solely from overriding political considerations. *INFORMATION AND COMMUNICATION:* In both cases information on factors relevant to policy appears to have flowed without hindrance among agencies and vertically and horizontally within each agency. The informal policy debate conducted at the Assistant Secretary and office Director levels in December and January prepared a common fund of information which was disseminated throughout the relevant agencies and offices. It also clarified agency and intra-agency policy preferences. In sum, the evidence is that the supply of information which the individuals involved needed was complete, reliable and accurate throughout the period in question. If such qualities are indicative of desirable foreign policy organization, the machinery involved here needs no tinkering. *DISSENT:* Expression of dissent from the dominant political views was permitted at office, bureau and agency levels and, in the abstention case at least, played a part in the policy adopted.

Is the organization of the government with respect to the IDA/South Asia arena therefore optimal? We would argue that it is not and cite the most striking organizational feature of the four-month policy process—the complete absence of formal Congressional participation. The general disparity in Congressional and Executive roles in foreign policy-making is widely understood, if not condoned, as a product of problems inherent in informing, activating and coordinating 500-odd elected representatives of the people, even leaving aside the wide range of their individual policy views. Redress of the imbalance is perhaps most feasible in the economic field which typically lacks the sudden crises of political-military policy. In the case of the IBRD/IDA and the other multilateral banks it is especially important that U.S. participation be regular, predictable in the eyes of the Bank and other member countries and insulated from short-term "tilts," pressures and cross-currents.

It is reasonable to assume that members of Congress—with the exceptions of a few who intervened on their own initiative to support a hard line—were unaware of the U.S. stance as determined by the Executive, particularly since the Senate and House (on October 20, 1971 and February 1, 1972 respectively) passed the IDA Third Replenishment authorization bill by sizeable majorities, thereby providing for continued U.S. participation on what most believed would be a routine, non-interventionist basis. It is fair, furthermore, to conclude that Congress is ill-organized to apprehend and act on Executive policy toward the multilateral banks. The lessons of the abstention and tanker cases suggest three changes detailed in the following section: establishing direct Congressional oversight of Executive policy toward IBRD/IDA projects and activities (no such oversight exists at present); multiyear appropriations of the U.S. contributions to the IBRD/IDA corresponding to the successive three-year authorizations voted by Congress; and, finally, transfer of House oversight from the Committee on Banking and Finance to the Foreign Affairs Committee.

V. Recommendations for Organizational Change

A. U.S. POLICY TOWARD ENCOURAGING ECONOMIC DEVELOPMENT

1. Congress or the President should formally direct an inter-agency group to undertake formulation of comprehensive U.S. policy toward encouraging economic development.

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Implications: The issue of department and agency membership and roles is critical to the functioning of such a group. Treasury and State, the major contenders for the dominant role, both have legitimate interests in economic development policy. With equal or near-equal status for State and Treasury as a precondition, the proposed Development Coordination Committee is more appropriate than the NAC for policy formulation. An alternative, probably acceptable to both State and Treasury and, furthermore, tending to a more authoritative policy statement, would be the Council on International Economic Policy.

B. REVIEW AND EVALUATION OF IDA (AND OTHER MULTILATERAL BANK) PROJECTS AND ACTIVITIES

2. Congress and the President should support transfer of project review and evaluation from the NAC to the multilateral group conceived in the Foreign Assistance Act of 1973 and currently in the process of formation.

Implications: Transfer of review to a multilateral unit independent of Bank management and accountable to the Executive Directors would reduce U.S. influence in the selection of individual IDA projects but not in IDA operations as a whole. It would reduce the NAC's purview and to that extent would be opposed by all NAC agencies. It would, however, also reduce the NAC Staff Committee's heavy workload and allow it to concentrate on other functions now compressed together with project review. Transfer to a specialized group would improve the quality and scope of review and, most important, would place the U.S.-IDA relationship on a basis corresponding to that of other member governments.

C. CONGRESSIONAL OVERSIGHT OF EXECUTIVE POLICY TOWARD IDA PROJECTS

3. Oversight, now vested in the subcommittee on international finance of the House Committee on Banking and Finance and in the Senate Foreign Relations Committee, should focus more on Executive policy toward the IBRD/IDA than toward monitoring the Bank's lending. To that end, Congress should instruct the GAO to report regularly on the circumstances of executive branch opposition to Bank projects and/or assign a staff member of one of the oversight committees to monitor policy toward the Bank through frequent, regular contact with the Assistant Secretaries who act as NAC Alternates.

Implications: The change recommended would be resisted by the White House, NSC and Secretaries of State and Treasury. It would encounter mixed reactions at lower agency levels, reflecting differences in personal convictions about insulation of the Bank from political pressure. Most important, it would keep Congress informed and inhibit the Executive from unwarranted political intervention in the Bank.

4. To further reduce Executive ability to exert political pressure on IDA and the Bank, Congress should consider a formal or informal committment to three-year IDA appropriations, i.e., for the term of each IDA replenishment. IDA has had successive three-year authorizations and it is reported that key members of the House Appropriations Committee agreed to a *de facto* three-year appropriation for IDA III as a bargaining tool with the Nixon Administration.

Implications: Multi-year appropriations are resisted by appropriations committees regardless of their merits. It should be noted, however, that in the IDA case, multi-year appropriations, contrary to their conventional image, would *increase* Congressional control of U.S. policy toward IDA relative to that of the Executive by reducing its ability to use the annual uncertainty of appropriations as a political lever. Multi-year appropriations would facilitate continuity in IDA operations and demonstrate the U.S. commitment to IDA in a highly tangible manner. Similar treatment for the other development banks probably would be required.

5. To the extent that oversight focuses on IDA and the other banks directly, more attention should be given to evaluation of their projects' developmental effects than to assuring that they meet preestablished financial and economic criteria. An appropriate Congressional change would be to transfer oversight in the House to the Foreign Affairs Committee which has a history of concern with development not found in the Banking and Currency Committee.

Implications: Transfer of oversight was requested by the Foreign Affairs Committee and denied by the Bolling Committee. Transfer would remove the Banking and Currency imprimatur of financial soundness from IDA legislation and thus might cost IDA the votes of some unenthusiastic Representatives who find that commendation persuasive.

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A. United States Educational and Cultural Exchange Programs in India

Walter Andersen
September 1974

U.S. educational programs in India experienced a near moratorium for the two years following the American "tilt" towards Pakistan during the December, 1971 conflict between India and Pakistan. The event which formalized the freeze in academic relations between the United States and India was an announcement from the Ministry of Education and Social Welfare on November 22, 1972, establishing a set of guidelines to govern the academic work of foreign undergraduate and graduate students and Ph.D. candidates. Subsequent guidelines covered senior research scholars and short term group projects.

The November set of guidelines sought to establish greater Indian control over the work carried out by foreign students and research scholars in India. Undergraduate and graduate students could no longer enroll as casual students in Indian colleges and universities, as many Americans participating in special programs had done. They would now have to enroll in an approved certificate, diploma or degree course.[1] Students, consequently, would sit for examinations and abide by attendance rules. Following the model of the University of Wisconsin's junior-year-in-India program, several American academic institutions had established six to nine month undergraduate off-campus programs at Indian universities. While utilizing faculty and facilities at the Indian university, these programs were conducted by and largely managed by Americans. In correspondence with the American program directors, the Ministry of Education informed them that all academic work and living arrangements would be assumed by the Indian university with which the programs were affiliated. The Ministry also noted that no American academic personnel could be associated with either the academic or the welfare aspects of the Indian program. Vice-Chancellors at the affiliated Indian institutions were informed by the Ministry to make the necessary welfare arrangements for foreign students. The November announcement also required that American institutions award grades that conformed with the results of the Indian examination.[2]

From the American perspective, the requirements placed on Ph.D. candidates carrying out research in India posed a serious problem. Most American Ph.D. students in India were there to collect data for their dissertations, generally in the social sciences and humanities. The guidelines required that foreign students working for their Ph.D. in Indian Studies enroll as Ph.D. candidates in an Indian university. In effect, this created a double jeopardy requirement for the Ph.D. candidates. They would not only have to satisfy the Ph.D. requirements of their American university, but the Ph.D. requirements of an Indian university as well.[3] Ph.D. students in comparative fields, whose research focused on an aspect of Indian society or culture, were not required to enroll for another degree; but they were required to continue their research work for as long as their Indian supervisor felt was necessary. In both cases, the evaluation of the Indian supervisor was to be given equal weight with the evaluation of the American supervisor.

On January 12, 1973, the Ministry of Education

[1]Certificates (for undergraduate students) and diplomas (for graduate students) are awarded after taking examinations that test for a set of courses in a specific subject. Both require less time to complete than the regular three year undergraduate degree, usually three to nine months.

[2]Because grading systems in the United States and India are different, American colleges and universities have had to work out their own rules of conversion.

[3]As in the case of undergraduate students, most Ph.D. candidates in India had formerly enrolled as casual students. While many had Indian advisors, the supervision was often minimal and the students were generally free to pursue their research on their own.

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TABLE 1.—NUMBER OF AMERICAN AND INDIAN SCHOLARS FUNDED BY THE U.S. GOVERNMENT

FY	*Americans*	*Indians*
1960	41	181
1961	134	242
1962	130	290
1963	319	386
1964	344	481
1965	419	342
1966	340	383
1967	419	409
1968	270	266
1969	232	194
1970	205	110
1971	305	116
1972	547	113
1973	284	76
1974	360	32

announced another set of guidelines for post-doctoral research fellows. They too would need to affiliate with an Indian university and work with a project supervisor or consultant.[4] Research scholars were informed that they ought not to carry out research on a list of topics. These topics fell into two categories: (1) those that involved India's security (i.e., border areas, tribal areas, defense and security matters); (2) those that could result in an unfavorable interpretation of Indian society (i.e., questions involving "sensitive" political, regional, communal or religious themes). Moreover, it was stated that the list might be extended to "Any other field in which special restrictions may be imposed by Govt. (sic) from time to time." [5]

Besides the concern for parity and security that runs through the guidelines, there is also some reference to the size of the American academic presence in India.

The presence of American scholars and students, particularly in the social sciences and humanities, increased rather dramatically during the mid-1960's, as the figures in Table 1 demonstrate.[6]

These figures represent recipients of grants funded at least in part by the Office of Education, Institute of International Studies, the Bureau of Educational and Cultural Affairs, the United States Information Agency and a number of agencies dealing in the physical and biological sciences, notably the National Science Foundation.

The number of science students has always been considerably less than students in the social sciences and humanities, primarily because most Indian universities do not have the facilities or the same sequence of courses required by American schools. Research by senior science scholars has been less controversial than social science research for several reasons. It represents a "product" with a high demand in India (unlike the social sciences). Projects in health, engineering and the natural sciences have usually involved very close collaboration with Indian institutions.[7] These collaborative efforts can be more easily justified in the name of national development than can work in the social sciences and humanities. Yet, despite its less controversial nature, there was also a near-moratorium on new science and technology projects during the 1972–73 freeze period.

Up to 1967, there was a rather steady increase in the number of American students funded by government agencies. Between 1968 and 1970, there was a sharp decline. It picked up again in 1971, largely because of the increased number of short-term summer programs funded by the Institute of International Studies. The decline in the number of Americans studying in India, after 1967, and certainly the decline in the number of Indian students going to the United States resulted from a reduction in the funds allocated to the United States Educational Foundation in India by the Bureau of Educational and Cultural Affairs, as reflected in Table 2.[8]

The large drop in the rupee allocation between 1966 and 1967 is due, at least in part, to the Indian devaluation of the rupee. There was another significant decline in Fiscal Year 1969, resulting from the general budget cut for the Bureau of Educational and Cultural Affairs. The next major cut came in Fiscal Year 1973, during the educational freeze, when the Bureau placed India on a "back-burner". It remained there in Fiscal Year 1974.

While the constraint was never stated formally, various American funding agencies were advised

[4]For research scholars in health, engineering and the natural sciences, this regulation did not pose a problem since most were funded by American agencies which had collaboration agreements with their Indian counterpart agencies. This had not been general among scholars in the social sciences and the humanities.

[5]These topic restrictions were also applied to undergraduate, graduate and Ph.D. candidates. The Ministry of Education had, as early as 1969, been reluctant to grant visas to scholars who wanted to study border areas or defense matters. The sequence of events that led to this decision will be described on the following page.

[6]Compiled from records at United States Information Service, New Delhi.

[7]While the number of scholars in the natural sciences has been less than in the social sciences and humanities, the expenditures have tended to be higher. In 1973, 5 American agencies involved with health and environmental studies had 71 projects with a budgeted expenditure of $10.71 million. Six other agencies, concerned primarily with research in the physical sciences, had 66 projects in India, with a budgeted expenditure of $2.60 million. Figures supplied by the Office of the Science Attache, Embassy of the United States, New Delhi.

[8]Figures recorded in a publication of USEFI, *The Fulbright Program of Educational Exchanges between the United States and India*, Appendix I.

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TABLE 2.—FUNDS ALLOCATED TO U.S. EDUCATIONAL FOUNDATION IN INDIA BY THE BUREAU OF EDUCATIONAL & CULTURAL AFFAIRS

FY	*Rupee Allocation (Expressed in $)*	*Dollar Allocation*	*Total*
1962	1,000,000	185,290	2,185,290
1963	1,185,191	275,450	1,461,641
1964	1,174,307	236,480	1,410,787
1965	1,347,419	252,069	1,599,488
1966	1,211,909	262,884	1,474,793
1967	811,828	272,051	1,083,879
1968	757,813	244,689	1,002,502
1969	369,241	202,065	571,306
1970	372,032	193,587	565,619
1971	638,275	137,694	775,969
1972	675,242	137,775	813,017
1973	349,371	87,920	437,291
1974	302,338	99,575	401,913

that India could not accept more than 20 research scholars from any one country, on the grounds that Indian academic and research facilities were limited. The concern for numbers also showed up in the informal guidelines that the Ministry of Education set down for short-term study programs, most of which are funded by the Institute of International Studies. These programs had become increasingly popular and, in 1973, almost one half of the 547 Americans funded by the State Department's Bureau of Educational and Cultural Affairs and by the Institute of International Studies were participants in these short-term study programs.[9] The Ministry stipulated that no more than 10 such programs could be accepted in any single year, each program not to exceed 25 participants.[10]

The Ministry of Education's guidelines for the short-term study projects are interesting because they represent an approach to education that differs from the views of some of the American institutions that draw up short-term study proposals. According to the guidelines, every group must affiliate with an Indian university. Each group must have an Indian director, appointed by the Ministry of Education. Faculty members at the affiliating university, drawn largely from the social sciences and humanities, would be utilized to deliver lectures on a set of topics. The Ministry itself would pay for the Indian director and the lecturers. Groups could supplement their academic work with a certain amount of travel and all have done so.[11]

[9]Since Fiscal Year 1973, these programs have been administered by the United States Educational Foundation in India.

[10]In 1973, the limit was exceeded because the Prime Minister herself interceded on behalf of one short-term study program.

[11]In late spring, 1974, the Ministry of Education informed USEFI that the short term study groups must spend two-thirds of the program time at an Indian university. The Ministry had previously stipulated that one half the program time could be used for travel.

The Ministry tends to view a "valuable" educational experience in terms of lectures, required readings and reports. Many of the American administrators and participants in these programs, as well as in undergraduate programs, feel that as much, if not more, can be learned from a more unstructured experiential encounter with Indian society and culture. Many of the complaints about Office of Education funded short-term study programs, as well as about American students generally, can be traced to this disagreement on educational philosophy.

The restrictive content of the various guidelines was not entirely unexpected. At least since the mid-1960's, there has been a growing self-assertiveness by Indian academics, particularly in the social sciences and humanities. At one time American assistance and scholarly effort in the social sciences and humanities might have been welcomed. More recently, however, prominent academic and political leaders have expressed the opinion that the American influence on Indian scholarship, particularly in the social sciences, created an academic dependency complex which prevented Indian scholars from developing concepts and techniques relevant to the country's needs. Moreover, there were frequent charges that American social science represented a value system not necessarily applicable to India. Coupled with this was the concern that American academic influence was undermining values required for national development.

The complaints about the influence of American scholarship in India were catalogued in the December 1968 issue of *Seminar,* a prestigious monthly devoted to public affairs. A major theme of the articles was the proposal that American influence on the Indian academic system created the aforementioned dependency complex, labeled "servitude of the mind" by one of the writers. One writer suggested that "Academic autarky is the most appropriate slogan for the present generation of academics."[12] Another theme related to the alleged subversive uses of much American academic research in India. The lead article, defining the problem of the issue, claimed that American academics collected information which was utilized by the CIA, the Pentagon and other agencies to enable the United States to dominate Afro-Asian countries. American social scientists were identified as the major suppliers of this subversive information. Rajni Kothari, one of India's most prominent political scientists, suggested several solutions to the problems raised in the articles. He proposed the creation of a semi-autonomous academic body, funded by the government, to screen foreign research proposals "from the standpoint of national inter-

[12]Girja Kumar, "Servitude of the Mind", *Seminar* (Dec. 1968), page 24.

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est".[13] In order to free Indian social scientists from dependence on foreign funding agencies, he proposed that this body have sufficient resources to support research projects.

Not long after this issue of *Seminar* appeared, the Government of India did create a new agency within the Ministry of Education to carry out what Kothari had proposed. The Indian Council of Social Science Research both funds Indian social science research and also reviews all foreign social science research proposals before visas are issued by the Government of India.

The potential security risks of American social science research had become a public issue during the summer of 1968 when it was discovered that the Himalayan Border Study Project, a large-scale research project carried out by American social scientists, had received funds from an Agency of the United States Department of Defense. The source of the project's funding was discovered during hearings before the Senate Foreign Relations Committee on May 28, 1968, when Vice-Admiral Rickover made a critical reference to Defense Department spending on behavioral and social science projects outside the United States. Senator William Fulbright, Chairman of the Committee, revealed that he had a letter from Dr. Gerald Berreman at the University of California, Berkeley, criticizing the use of Defense Department funds on the Himalayan Border Study Project, in which Dr. Berreman was one of the chief researchers.[14] Indian newspapers and politicians picked up the information and it was debated on the floor of the Lok Sabha.[15] On December 4, 1968, the Prime Minister informed the Lok Sabha that the Government of India had investigated the project and that it was terminated.[16]

One result of the investigation of the Himalayan Border Study Project was the requirement of the Ministry of Education that all foreign scholars must associate with an Indian university or institute.[17] The ministries which investigated visa applications (Education, External and Home) began more closely to scrutinize the research proposals of graduate students and research scholars, often causing extensive delays in the issuance of visas. Funding agencies were informally told that projects relating to border areas, tribal areas and defense were not likely to receive government clearance. Because of the new regulations, the Office of Education delegated to the United States Educational Foundation in India the responsibility for securing visa clearance on research projects for those graduate students and research fellows who had received grants authorized under the Mutual Educational and Cultural Exchange Act of 1961 (sometimes referred to as the Fulbright-Hayes Act).[18] The American Institute of Indian Studies, a private academic association which receives funds from both the Institute of International Studies and the Bureau of Educational and Cultural Affairs, continued to use its own organization to secure visas and administer its grants. In 1972, the Institute of International Studies proposed that AIIS administer its Fulbright-Hayes doctoral dissertation grants. However, the Ministry of Education suggested that the Institute utilize the services of USEFI, primarily because of the binational character of USEFI's commission.[19]

In September 1970, representatives from the Ministry of Education and the External Affairs Ministry began a general review of all foreign cultural and educational programs in India.[20] The investigation was set in motion by the unauthorized construction of a cultural mission of the U.S.S.R. at Trivandrum. The roof of the building collapsed, killing several laborers. The event received a great deal of publicity and it was debated on the floor of the Lok Sabha. On January 26, the Minister for External Affairs announced the policy that foreign cultural centers would be permitted only in cities in which governments had consular offices.[21]

[13]Rajni Kothari, "The Tasks Within", *Seminar* (Dec. 1968), page 18.

[14]This project had been established at the University of California, Berkeley in 1960 to study social groups living in the Himalayan region. Beginning in 1967, the Advanced Research Project Agency, a branch of the Department of Defense, provided the Himalayan Project with funds that would have financed some 60% of its costs up to 1970.

[15]*Lok Sabha Debates*, August 5, 1968, page 236.

[16]*Lok Sabha Debates*, December 4, 1968, page 120.

[17]Previously some U.S. funding agencies had arranged such affiliation but it had not been a condition for receiving a visa.

[18]These grants are sometimes confused with other grants funded under the authorization of the Mutual and Educational and Cultural Exchange Act of 1961, P.L. 87–256, which are granted by the Bureau of Educational and Cultural Affairs of the Department of State. Its grants are administered by the United States Educational Foundation in India. The approval procedures for the two sets of grants are different. The State Department grants are screened by the Council for International Exchange of Scholars (for senior researchers) and the Institute of International Education (for pre-doctoral researchers). In 1962, an executive order of President Kennedy delegated to the Office of Education the responsibility for administering projects authorized by section 102(b) (6), of P.L.87–256. Initial applications for these grants go through an American university for both dissertation research and post-doctoral grants.

[19]The University of Wisconsin, on behalf of the undergraduate programs it managed in India, suggested in 1973 that AIIS disburse the rupee counterpart funds which had been allocated to it by the Institute of International Studies. The Ministry suggested that the funds be disbursed through the Office of the Cultural Attache.

[20]There is a widely held misconception that the review of foreign educational programs began after the December 1971 war with Pakistan.

[21]Most of the cultural missions outside consular cities were run by the U.S.S.R., the U.S.A. and cultural organizations managed by the embassies of Great Britain (British Council Library), the German Federal Republic (Max Mueller Bhavan), and France (Alliance Francaise).

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The Minister also announced that negotiations would be held with the concerned embassies on alternate arrangements for managing the cultural centers. On February 18, the External Affairs Ministry ordered the embassies to close their cultural centers in non-consular cities within three months.[22] Meanwhile, contacts were made with the embassies to work out some arrangement which would give the Government of India greater control over programming and the selection of books. With the exception of the United States, agreements were worked out with all other foreign governments. The cultural centers in non-consular cities would now operate as autonomous agencies. The Indian Council of Cultural Relations, a branch of the External Affairs Ministry, would have representation on their managing boards. The United States Information Agency refused to consider any alternative to exclusive U.S. management. Its director did not want to establish a precedent that would permit foreign control over its information activities. The argument was that the American libraries had operated with the full knowledge of the Government of India and that the Government had sanctioned their continued operation in 1954–55 and again in 1965–66. It was further argued that the United States was being made to suffer the consequences of the bad publicity caused by the unauthorized Soviet cultural mission at Trivandrum. The U.S. Secretary of State stated that the Indian decision was an "unfriendly act".[23] The Government of India extended the closure date of the libraries by one month, in part to give it more time to work out a negotiated agreement for the continued operation of the foreign cultural centers. However, on May 6, 12 days before the original date for the scheduled closure of the cultural centers, Ambassador Keating announced that the libraries would be closed on May 18, 1970.[24] The libraries were closed on May 16, two days before the scheduled closure. Flowing from this whole affair, the Education Ministry, in September, 1970, began a comprehensive review of cultural and educational relations with foreign countries.

Between 1970 and 1972, no decisions were arrived at by the high-level review. The war with Pakistan in December, 1971, introduced specifically political elements into the evaluation, since any decisions taken would affect relations with the United States, the country with the biggest educational presence in India.[25]

By March, 1972, it had become clear that group programs and individual scholars might experience long delays before their visas would be granted by the Government of India. For those who inquired, the answer from the Education Ministry was that visas would not be granted until the deliberations on educational exchange were completed. It was obvious that the government was in no mood to make a decision quickly. Few new science and technical exchange agreements were negotiated during 1972. The Education Ministry called a moratorium on approving new textbooks for the P.L. 480 funded Textbook Program, under which American textbooks are printed in India at about one-third their cost in the United States.

Several events in 1972 served to keep Indo-American relations frigid. One specifically involved the American academic community. After the breakup of Pakistan, President Nixon, in his State of the World Message, spoke of communal conflict and ethnic feud in India. The External Affairs Ministry responded sharply and stated, among other things, that American South Asian area centers had done an inadequate job presenting India to the American public. Some editorial writers saw a British colonial mentality in American scholarship while others noted that, despite the protest of individual American scholars over the "tilt" towards Pakistan, the American scholarly community seemed to have very little influence on the decisions of their government.

Prior to 1972, very few visas had been rejected by the various reviewing agencies of the Government of India, though it was not uncommon for visa applications to take two to three months for final approval. During 1972, 62 American scholars, mainly in the social sciences and humanities, applied for visas. By the end of the year, only 36 had been approved, 14 were refused, 10 had withdrawn because of long delays and 1 was still pending.[26] All American undergraduate programs, most of which were scheduled to begin during the summer, were cancelled since none had received visa clearance. However, the short-term study groups did receive visas. In late November, 1972, the first formal announcements on the long anticipated guidelines were released. The Cultural Attache advised American funding agencies to work out new programs based on the guidelines.

During much of 1972, there was no U.S. ambassador in New Delhi. Ambassador Kenneth Keating left for the United States on July 26, 1972 and Ambassador Daniel P. Moynihan did not arrive in India until February 20, 1973. On the issue of educational exchange, this vacancy did not really matter, as it had been decided that the educational freeze would not be elevated to an issue of diplomatic

[22]The United States had centers in Bangalore, Hyderabad, Lucknow, Patna and Trivandrum.

[23]Statement reported in *Times of India* (Delhi), March 4, 1970.

[24]Reported in *The Times* (London), May 8, 1970.

[25]The Political Affairs Committee of the Union Cabinet had Indo-American relations under on-going review in 1972 and 1973; questions of educational and cultural exchange were an element in its deliberations.

[26]Based on information at USIS, New Delhi.

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disagreement. No official negotiations on the issue were attempted nor were any official protests lodged. Easwer Sagar, the Washington correspondent for *The Hindu,* wrote that while officials in the State Department were not pleased with the educational restrictions, "They take the view that this is a matter purely between the Indian Government and the members of the American academic community affected by the restrictions." [27] Sagar's information was correct.

Educational relations began to thaw after the arrival of the new American Ambassador, who brought with him plans for solving the problem of the huge accumulation of P.L. 480 rupee counterpart funds. The new American proposals would, in effect, write off about two-thirds of this Indian debt and were a tangible sign to the Indians that the United States was no longer in "tilt".

One of the first signs of better relations was informal communications from the Ministry of Education to American funding agencies that many of the restrictions would be very liberally interpreted. For example, the double jeopardy requirement for Ph.D. candidates has not been enforced. With a few exceptions, the Government of India has shown considerable liberality in approving research topics, some of which came very close to the subjects that had earlier been placed on the "off-limits" list. By the end of 1973, 59 of 68 applications, in graduate student, lecturer and senior research categories, had been accepted. Only 7 were refused, 1 withdrew and 1 was still under consideration.[28]

After some indirect pressure from the U.S. Embassy the Government of India decided to lift its restriction on the number of senior research scholars who could receive visas in a single year. On September 3, 1973, an article appeared in the *New York Times* which drew attention to the Government of India's informal restriction that no more than 20 research scholars from any country could come in a single calendar year.[29] The writer claimed that U.S. Embassy officials felt that the restrictions were an indication of "blatant hostility to Americans". The article received wide publicity in both the United States and in India. At an interview on September 16, Ambassador Moynihan stated that South Asian studies would suffer if restrictions were applied to scholarly activities.[30] The issue of restrictions was taken up by the Political Affairs Committee of the Union Cabinet. On September 28, the Education Minister, at an open news conference, stated that there would be no restrictions on the number of American senior scholars who could be granted visas in any year. He also stated that postdoctoral fellows need not register at an Indian University.[31] In late 1973, the Ministry also unofficially informed U.S. funding agencies that no restrictions would be placed either on the number of short-term study programs or the number of undergraduate scholars who could come to study at Indian universities.

Between January 7–10, 1974, a summit conference of American and Indian scholars met at New Delhi, to discuss educational collaboration between the two countries. The proposal of a summit had been floated within the Ministry of Education and discussed by the Bureau of Educational and Cultural Affairs well over a year before it was finally held. It was not until late 1973 that the Ministry gave its formal approval for the summit and the director of USEFI arranged the meeting for January, 1974. Originally, the meeting was supposed to discuss the implementation of the guidelines. It ended up discussing programs for joint educational collaboration. The Bureau appointed twelve American delegates, only two who could be said to represent the interests of South Asian Studies, despite the fact that American scholarly interest in India is mainly in this area. Its inaugural session was attended by both the American Ambassador and the Indian Minister of Education. While it could be debated how much was substantively achieved, the meeting was a public sign that the educational freeze was over and that the two sides were ready to discuss each other's needs and interests. The conference drew up a set of topics in (1) sciences and technology, (2) social sciences and humanities, that both sides considered important for future research. The suggestions for the social sciences were sufficiently broad to permit research on almost any topic. Its vagueness also means that the Ministry is not committed to support any specific research proposals.

It is clear from the proceedings that the issue of parity in academic relations was a prominent theme, particularly in relation to the social sciences and humanities. It was suggested that the two countries establish binational seminars to identify specific collaborative projects, that academic institutions set up collaborative research agreements and that both sides identify potential sources of funding.[32] The double jeopardy requirement was omitted for doctoral candidates. Instead, it was simply stated that a Ph.D. candidate be attached to a university and work under the guidance of a supervisor, whose evaluation should be considered in the final evaluation of the research work. The Educa-

[27] *The Hindu* (Madras), September 6, 1973.

[28] Based on information at USIS, New Delhi.

[29] The number of American senior research scholars had not exceeded 20 by very much in previous years, but the restrictions did create the impression that senior American research scholars in South Asian studies might have difficulty getting visas for their field work.

[30] Reported in *Indian Express* (Delhi) September 19, 1973.

[31] Reported in *The Hindu* (Madras), September 29, 1973.

[32] Page 6 of the *Joint Statement* of the Conference.

tion Minister's statement in September that senior scholars need not be attached to a university was incorporated into the general recommendations.

Perhaps the most interesting recommendation was the suggestion that an Advisory Group of American scholars be constituted "to inform the academic community there on areas of fruitful academic cooperation arising out of these recommendations." [33] The University Grants Commission quickly established an Advisory Group in India, composed largely of scholars who had attended the summit. The American and Indian groups were charged with assisting "scholars in choosing areas of research and training beneficial to them and relevant to the needs of their country." [34] No Advisory Group was formed in the United States because there was no organization within the government that could bring together scholars representing the broad spectrum of American academic interest in India. Subsequently, the Advisory Group concept was abandoned. The Secretary of State informed the Bureau that he wanted to bring to India a proposal for establishing a joint commission with three sub-commissions to deal with three areas of potential collaboration: (1) trade and commerce, (2) science and technology and (3) educational and cultural exchange. The agreement to set up these subcommissions was signed by the Secretary of State in India on October 28, 1974. Another high-level educational meeting is scheduled for early 1975 to discuss the implementation of this agreement. The suggestions drawn up at the 1974 meeting will serve as a guide for identifying areas of joint educational and cultural collaboration.

ASSESSMENT OF THE DECISION-MAKING PROCESS

Educational and cultural exchange between India and the United States began in the nineteenth century primarily under the sponsorship of missionary societies. It has since expanded enormously and today includes foundations, universities and colleges, educational associations, international agencies, as well as government agencies, which have increasingly become the major funding source for American educational and cultural exchange. Very little coordination exists between these agencies. Most of them, particularly the private agencies, would prefer to keep it that way, since they do not want to subordinate their own goals to those of another organization. Private funding agencies are particularly concerned that cultural diplomatic policies of government agencies not influence their own programs. However, American scholars and students, whatever the source of their funds, are affected by the political relations between the two countries and the form of future exchange will be determined by the educational and cultural agreements which are worked out between this country and India.

It is important for the continuance of scholarly exchange with India that serious attention is given to Indian private and official opinion on the type of educational and cultural exchange they will permit within their own country. The State Department has been accommodating to the official Indian viewpoint, as evidenced by its reaction to the Ministry of Education's guidelines, by the composition of the American delegation to the academic summit and by the issues discussed at the summit. The American academic community is concerned that any decision arrived at not overlook the needs of American scholarship. Those involved in international education in India, as elsewhere, are interested in the development of technical and intellectual skills, in the establishment of links of communication between people engaged in similar intellectual and cultural activities, in the creation of a sympathetic understanding of beliefs, attitudes and cultural forms. For these goals to be realized, effective lines of communication must exist between the educational and cultural communities and the State Department. Otherwise short range political issues are likely to inform the United States' educational and cultural exchange policies.

Educational and cultural exchange has not received a high priority within the State Department and perhaps, for that reason, the educational and cultural communities have had very little influence on its policies. The low priority of education and cultural exchange is demonstrated by the way the United States organizes the exchange in India, as elsewhere. The exchange is managed overseas by the United States Information Agency (USIA), an organization whose major goals are to create support for U.S. foreign policy objectives and to develop a favorable image of American society. Within the United States Information Service, the overseas post of USIA, the Cultural Affairs Officer (CAO) is supposed to coordinate and plan government funded educational and cultural exchange.[35] The CAO, who reports back to the area desks of both CU and USIA, is located within USIA's promotional system.[36] The CAO is appointed by USIA,

[33]Page 7 of the *Joint Statement.*

[34]Page 8 of the *Joint Statement.*

[35]While some science projects are now being considered by the United States Educational Foundation in India, most science projects are coordinated through the Office of the Science Attache, which reports back to the State Department's Office of International Scientific Affairs.

[36]This dual arrangement is a result of John Foster Dulles' decision in 1953 to remove educational, cultural and informational activities from the Department of State and place them in a separate informational agency, the USIA. The Senate feared that educational and cultural exchange would receive a very low

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with the approval of the Bureau of Educational and Cultural Affairs (CU), and is charged with supervising CU's programs, as well as those USIA programs that involve scholars and books, including USIA libraries.[37]

There is no clear-cut boundary between programs funded by USIS and CU. Generally, CU funds the exchange of persons while USIS funds things—books, magazines, audio-visual material, exhibits. Each organization prepares a separate annual country plan, which is jointly administered in the overseas USIA post. Since 1971, the USIA budget for India has been between five and six million dollars, about seven times larger than CU's Indian budget. The emphasis on information as a total part of USIS operations is demonstrated by the fact that the press and publications allocation is twice that of the entire CU budget.

The CAO is administratively subordinate to the Country Public Affairs Officer (CPAO), who is chief of the USIA post in India. Because India has recently had a series of distinguished CAOs who have been recruited from academic life, the CPAOs have given them considerable freedom to define their tasks. While this has enhanced the importance of educational goals within USIS, it means that the chief cultural officer is not likely to know the people or the operating procedures in the Washington offices of CU and USIA. This has inevitably weakened their ability to exert pressure on the people who must draw up the final country plans and who must negotiate for the funds needed to implement the plans. Perhaps the major limitation on the CAOs ability to aggressively pursue educational goals is the environment in which they must work. USIA activities are basically informational, with an emphasis on the "fast" media such as radio, television and press releases. Educational and cultural activities tend to be considered support for the informational goals.

The linkage of education to a propaganda agency of the United States Government has, in the opinion of a former USEFI director, created the impression that U.S. scholarly effort is related to propaganda, a particularly damaging association in a country where there is already considerable suspicion about the goals and funding sources of U.S. scholarship. The State Department's most recent reorganizational study suggested eliminating USIA and placing all cultural and informational activities within a single branch of the State Department.[38] This suggestion overlooks the need to remove education from the pressures of public relations. To achieve the required separation, the CAOs need greater independence and a back-up agency in Washington which can effectively plan and negotiate for funds. As presently organized, the State Department is not a congenial atmosphere for educational goals to receive a serious hearing. Charles Frankel, in his study of the State Department's educational program, points out that the Department's "career service does not consist of men whose central interest lies in education, scholarship, or the arts." [39]

The existing planning process makes it difficult to consider seriously long range educational goals. Because of the necessity to submit yearly budgets to Congress, CU must draw up annual country plans that focus on short range objectives. The commingling of CU's plan with that of USIA in the field accentuates the short range perspective of its plans. CU plans are the result of negotiations between USEFI, chaired by the CAO, the CAO and CU in Washington. The advice of American academics (usually through the Conference Board of Associated Research Councils and the Institute of International Education) [40] is sought only when the plans are already in a well advanced stage. In effect, their major responsibility is to select participants for programs over which they had only marginal influence.

The Institute of International Studies' planning is entirely separate from CU, even though USEFI now provides services for most of the Institute's programs in India. While there is regular communication between CU and the Institute, it is on an *ad hoc* basis and no mechanism exists that would bring the two sides together to systematically plan their long range objectives. Perhaps because no consultative mechanism exists, the Institute was not involved in planning for the January 1974 summit. It was not consulted on the educational agreement signed with India and it has not been consulted on the forthcoming 1975 meeting. It had no representatives at the 1974 summit, and will probably have no representatives at the 1975 meeting.

The Institute does consult the CAO on the political sensitivity and feasibility of specific project proposals. The CAO and CU do influence the Institute's final decisions on specific projects; how-

priority in an informational agency and a Senate resolution proposed that such programs remain within the State Department. The Senate's intent to separate information and education is negated by combining the two activities in the field.

[37]The Information Officer at USIA directs the "fast" media activities, such as radio, television, films, publications and press releases.

[38] *Diplomacy for the 70's: A Program of Management Reform for the State Department*, pages 478–481.

[39]Charles Frankel, *The Neglected Aspect of Foreign Affairs* (Washington: 1966), page 140. See his discussion of the difficult circumstances under which CAOs operate to carry out their educational tasks. *Ibid.*, pages 9–23.

[40]These are private academic associations which have contractual agreements with both the State Department and the Institute of International Education to provide advice on planning and to review applications for specific grant categories.

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ever, some in the Institute question the reliability of CU's interpretation of the Government of India's views on political sensitivity. Spokesmen within the Institute recognize that they do need a clearer picture of the political situation in India, and that it would be helpful to have their own representatives in the field to supply them with information relating to political sensitivity and feasibility.[41] Even if the Institute could arrange to send a representative to India, it does not have the funds to support an overseas representative. Its present staff is inadequate to properly plan and implement its present responsibilities. Despite an increased work load, the Institute operates with fewer than one half the staff it had five years ago. The low priority of international education within the Office of Education is demonstrated by the fact that OE proposed a budget in 1974 which allocated zero funding for NDEA —Title VI grants, which fund about ten per cent of the total operating costs for the area studies centers in the United States.[42] The congressional appropriations sub-committees restored the allocation, in large part, due to the pressure exerted by individual American scholars and by educational associations. Since World War II, Congress has proved to be more consistently sensitive to the needs of educational exchange than either the State Department or the administration. It has also, on several occasions, expressed its opinion that educational exchange should not be closely tied to the activities of the United States Information Agency.

The Institute has received considerable criticism from both CU and USIS over the number of programs it finances and the types of people it selects to participate on its programs. While it does listen to CU's advice on the political sensitivity and the feasibility of projects, it is reluctant to abandon its freedom to judge the academic worth of projects. The distinction between political sensitivity, feasibility and academic worth is not a clear cut one. When there is a conflict between these two sets of criteria, academic worth receives a higher priority. Institute spokesmen claim that CU and the Institute tend to direct their attention to different American academic audiences. According to those spokesmen, CU funds programs which will create a good impression of American scholarship and society in India and hence, show a partiality towards senior scholars from recognized centers of international education. The Institute, on the other hand, is more interested in funding younger scholars and in providing an international experience to teachers from schools which are in the process of developing international programs, precisely the kinds of people one often hears complaints about from CU and USIS.

The educational freeze and the guidelines were the result of basically political causes. When Indo-American relations began to improve in 1973, particularly with the solution of the P.L. 480 issue, educational relations also improved. The State Department's policy of accommodation was probably the only response that would not have jeopardized the continuation of educational exchange. Had the State Department decided to vigorously protest the guidelines or to implement retaliative measures, it would have been politically difficult for the Ministry to liberally interpret the guidelines or to consent to an academic summit to discuss the future development of educational and cultural relations.[43] Nevertheless, it still remains that the government agencies funding education had no long range plans to serve as a guide in responding to the freeze, or more importantly, no planning mechanism to bring together a broad spectrum of American academic interest in India to consider proposals to submit at the 1974 academic summit. The State Department, which will negotiate the terms under which educational and cultural exchange will continue, operates without a clear understanding of the needs of the American academic community. It is not surprising that American academics are concerned that short range political concerns might be accorded a higher priority than educational goals in the new exchange agreement now being evolved.

RECOMMENDATIONS

The Indian and American academic systems differ considerably, both in terms of local autonomy and in terms of financial independence. On the Indian side, curriculum control and funding are

[41]The International Education Act, passed in 1966, but never funded, would have permitted OE to have representatives abroad. The Institute is a unit of the Office of Education (OE), Department of Health, Education and Welfare.

[42]In 1973, the administration considered impounding $13.3 million appropriated for NDEA-Title VI. After considerable pressure on OMB and HEW from the academic community and Congress, $12.67 million was released. Several academic associations interested in international education have vigorously protested against the amount ($8.6 million) which the administration proposed for funding NDEA-Title VI in 1975. The House Appropriations Sub-committee on Labor-HEW added two million to the administration request. The Senate reported out a somewhat higher figure and the final House/Senate Conference figure for both NDEA-Title VI and Fulbright-Hayes was $14.3 million, about $3 million more than the House sub-committee recommended for both funding categories.

[43]None of the guidelines have been formally revoked by the Government of India, which means they could be more literally interpreted should Indo-American relations deteriorate again. During the summer of 1974, the Ministry added another guideline to its list. The heads of departments at Delhi University and principals of its constituent colleges were informed by the Ministry of Education that no foreign scholar could be invited to deliver a lecture without the prior permission of the Ministry. This decision was vigorously protested by teachers at Delhi University.

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highly centralized, whereas educational institutions in the United States operate with considerable autonomy in determining their educational objectives and in finding financial resources. These different systems have led to different conceptions of what educational and cultural exchange between the two countries should be. The Ministry of Education would like a cultural agreement between the two countries, on the model of cultural agreements it has negotiated with countries in Western Europe and elsewhere. In these agreements, bi-national commissions have been created, composed of representatives from the ministries of finance, education, and foreign affairs of the two countries. The commissions meet a few times each year to establish broad policies governing the cultural agreement for the year. Sub-committees composed of representatives from both countries identify the areas of need, available facilities and then arrange for the exchange of students, research scholars, lecturers and various kinds of cultural groups.[44]

Once the needs and available facilities have been identified, specific cultural programs are decided upon by the two countries. The Bureau of Educational and Cultural Affairs opposes the proposal for a cultural agreement between the United States and India. The Institute of International Studies opposes it even more strongly.

The major argument against a cultural agreement is that the United States has a pluralist system of education. The various units in the American educational system would reluctantly abandon the freedom they now have to define their own goals and to supervise their own programs. Undoubtedly, the State Department would also not want to get embroiled in the controversies that might develop between American academic institutions, American scholars and the governing body which would have to implement the cultural agreement.

The Ministry of Education would like a single point of contact with some educational agency representing American academic interests. At the least, they seek an agency which could identify what topics or subjects Americans are studying, the subject matter of research projects and the sources of funding. Such a reporting agency might provide certain pay-offs to American scholars as well. If the agency were one in which the Ministry of Education had confidence, it could speed up visa approval on proposals which were delayed, by clarifying to the Ministry the source of funds and the nature of the proposals.

An agency now exists, which, with some changes, could discharge the reporting and coordinating functions mentioned above. The United States Educational Foundation in India seems the most likely candidate for these tasks. It was established in 1950 through an agreement between the Governments of the U.S.A. and India to facilitate exchange of knowledge and professional talents through educational contacts. However, most American academic work in India has been carried on outside its jurisdiction (though the Institute of International Studies has recently delegated to it the administration of its grants to American students, research scholars and group programs). The Foundation has developed valuable contacts inside the Government of India and with Indian scholars. It would be accepted as a legitimate contact point by the Ministry of Education. The Ministry of Education has already suggested to CU that USEFI become the Ministry's contact agency for American scholarship.

If named as the coordinating agency, USEFI could create program sub-committees with representatives from the various funding agencies which operate programs in India, as well as representatives from the Ministry of Education. These program sub-committees could advise American funding agencies on specific topics or program formats which might be accepted by the various Indian ministries which review grant proposals. This proposal would provide for the minimum reporting and coordinating functions sought by the Ministry of Education without imposing controls which would not be acceptable to the various American institutions and scholars interested in South Asian Studies.

USEFI could also serve as the secretariat for the Cultural Affairs Officer. This assumes the separation of education from public relations. USIS has a legitimate informational task to perform, but it is not the agency to manage the overseas educational and cultural programs of the United States Government. The present arrangement weakens the credibility of American scholarship in India. More importantly, this arrangement tends to make educational exchange a support for short range informational goals.

The CAO's position within the Embassy hierarchy should be equal to that of the CPAO. The CAO should have a separate organization, in this case USEFI, to manage all educational and cultural programs funded by CU, USIS and the Institute of International Education. This would include U.S.

[44]Very few American groups in the performing arts have come to India, since CU has not had sufficient funding to pay the high transportation costs involved in bringing groups to India. CU has funded 6 to 7 Short Term American Grantees (STAG program) each year for the past several years to participate in seminars and deliver a few lectures. It also funds the International Visitors Program (IV Program) in which prominent Indians come to the United States for a month or so. During the academic freeze, the Government of India did not permit any Indians to participate in this program and it has only recently been resumed. During 1973–74, Ambassador Moynihan took a direct interest in bringing prominent American intellectuals to India to deliver lectures in a program funded by USIA.

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libraries, book programs, the STAG and IV programs, as well as all faculty and student grants funded by CU and the Institute of International Studies. The CAO would continue to serve as chairman of USEFI's board of directors. The board would also continue to serve as one element in the planning process, along with the CAO, and the agency in Washington responsible for funding the exchange program.

Up to now, USIA has not been willing to permit any foreign control over any of its activities. This policy resulted in the closure of the U.S. libraries in non-consular cities. This proposal would permit, through USEFI's bi-national board of directors, foreign involvement in the planning and the operation of U.S. libraries and other government funded exchange programs. One criticism of foreign involvement is that it would deprive American government funding agencies of the freedom to formulate their own goals. However, this has not been considered a serious problem with the exchange programs now planned and administered by USEFI. Moreover, the issues of political sensitivity and feasibility would be more accurately assessed if there were informed opinion from the Indian side during the early stages of the planning process. For the continuance of educational and cultural programs within India, it would be prudent to construct an organizational strategy that considers long range educational needs within the limits of what is politically possible and feasible.

It still remains to consider what organizational entity within the United States should be responsible for planning and funding the government's educational and cultural exchange programs, if, in fact, there should be a single agency. Both CU and the Institute of International Studies have low priority within their respective departments. Because of this, neither CU nor the Institute has been conspicuously successful in upholding the interests of international education. It would make sense to create a single semi-autonomous foundation with a governing board composed of members drawn from concerned government departments (i.e. the State Department, the Office of Education, the Library of Congress, the National Endowment for the Humanities, and other agencies involved with international education), as well as representatives from various private educational and cultural associations. Such an agency would be analogous to the National Endowment for the Humanities, which has both private and official representation on its governing board and which receives financial support from both public and private sources. This foundation should have a full time staff of career officials who would periodically serve in the field. The American representatives on the new joint sub-commission for educational and cultural exchange should be appointed by and receive their instructions from the foundation's governing board.

The major advantage of such a foundation is that it provides an organizational framework within which long range educational and cultural goals would have top priority consideration. Such a foundation could do a more effective job of representing the needs of international education to Congress than the agencies now responsible for planning international education. Presently, the task is divided between several departments and agencies, many of which consider international education a rather unimportant part of their total effort. Because of the broad spectrum of educational and cultural interests represented on its governing board, the foundation would be responsive to American scholarly and cultural interests.

Even with the proposed foundation, a large part of overseas educational and cultural activities in India will remain outside its jurisdiction. The American educational system is not unified and its diverse parts will surely continue to pursue their own interests in their own way.

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B. The Role of the Peace Corps in U.S. Relations With South Asia

Charles S. Lenth
October 1974

The Peace Corps Act of 1961 established a new and unconventional government agency of American diplomacy and international involvement. The new agency was directed to recruit, train and support American "volunteers" in programs which would, as was suggested in the Act, assist in meeting the middle-level manpower needs of nations who requested such aid, contribute to a fuller understanding of the United States by those nations, and increase the understanding of foreign nations among Americans. The Peace Corps was established as an assistance program, but it could not claim to offer direct economic, material or political benefits. The agency at best could offer the assistance of the modest talents, the different outlook and the oftentimes considerable dedication of individual Americans who sought the challenge of learning, adapting and contributing to different and less "developed" societies. With the retrospect of fifteen years, it seems clear that the framers of the Peace Corps Act underestimated the difficulties and ambiguities of human resource development and the costs inherent in their notion of development.

The Peace Corps was also meant to promote educational and cultural exchange and, through it, mutual understanding and appreciation between peoples and nations. However, to the degree that the agency was intended as an exchange program, it was limited by the one-way flow of personnel and by preconceived notions about the requirements and direction of "development." Finally, and permeating its other purposes, the new agency was intended to give a new orientation to U.S. foreign policy and to improve the American image in the Third World. The Peace Corps was the Kennedy's administration's opening to the world, its initial, most visible proposal in response to anti-American attitudes and perceptions within the neutral and developing nations.

The Peace Corps objectives were multiple and sometimes inconsistent. The new agency entered the foreign policy arena as the "benign and benevolent" American presence abroad. Yet it was unavoidably political, despite disclaimers by the agency and purposes, and explicit in its dependence on U.S. and host-country government support for its activities. Often individual country Peace Corps programs were used by the U.S.G. as a part of its foreign policy objectives or accepted by host governments for reasons which were external to the agency's stated goals. At times the agency itself took advantage of its ambiguous and unconventional role in foreign policy to pursue, sometimes at the expense of overextending its real capabilities, its own organizational and ideological goals. The agency cultivated a style of crusading idealism hospitable to ambitious undertakings; at times it was this claim to be altruistic, non-political and uncompromising that fed criticisms of its naivete at home and accusations of imperalistic and surreptitious operations abroad.

This case study characterizes the role of the Peace Corps in U.S. relations with the states of South Asia. India is the main focus; unfortunately, there is no consideration of the relatively successful and continuous Peace Corps program in Nepal. It is not the intention of this study to recount or assess the effectiveness of specific volunteer projects within South Asia, which would be a much different, interesting and more substantial undertaking. Evaluation is included only to the degree that the strengths or weaknesses of particular projects appeared significantly to influence the role of the Peace Corps within bilateral relations. On the one hand, this study focuses on the overall role which the agency attempted to play in U.S. foreign policy; on the other it attempts to identify the political significance which was given to the agency's programs within the host nations and by the host government.

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The most general conclusion of this study is that when the Peace Corps as an agency, or separate country programs in particular, became too closely identified with conventional U.S. policy abroad or too closely controlled by actors or contingencies external to the agency, it was unable to pursue its stated objectives with respect to volunteer assistance projects; cultural-educational exchange; and the promotion of international understanding. "Success" depended upon some degree of insulation from political and policy considerations, and a difficult mix of support and independence from the context of bilateral relations within which the Peace Corps programs operated. Thus, on a general level, this study attempts to examine the conditions and organizational requirements for a government agency to pursue effectively non-strategic, non-economic people-to-people goals in foreign policy.

A brief outline of the establishment and organizational status of the Peace Corps might be helpful. The agency appeared as one of the first major initiatives of the Kennedy administration on March 1, 1961, after a few intensive weeks of planning by a group gathered together by Sargent Shriver. The agency was initially established by executive order, using the authority and contingency funds provided to the President under the Mutual Security Act of 1954. This strategy avoided immediate congressional challenges, and along with the appointment of Sargent Shriver as Director, helped the agency to establish its independence, to build a base of support, and to overcome the controversies which its establishment inspired.

However, as overall plans for the new foreign assistance organization began to take shape, David Bell, director designate of the AID program, wanted the Peace Corps to be integrated into a single structure of American programs abroad. In an April meeting in which neither the President nor Shriver were present, a decision was made to make the volunteer program part of AID and a chapter within the foreign assistance bill. Shriver and his staff were already committed to building an independent agency. They sought to avoid identification with the bureaucracy and reputation of the old International Cooperation Administration and conventional assistance programs. Through the intercession of Shriver's associates with Vice-President Johnson, and Johnson with Kennedy, the AID association was reversed.

The Peace Corps Act as passed by Congress several months later gave the Secretary of State authority to oversee the operations of the agency, and to provide a degree of integration with U.S. foreign policy and assistance commitments. Vaguely defined supervision over individual country programs was extended to the chiefs of U.S. diplomatic missions abroad. In practice, the authority retained within the State Department was not as important in determining the operations of the agency as Secretary Rusk's cordial view of the Corps, on one hand, and Shriver's leadership, stress on independence, and White House connections on the other. Peace Corps saw itself as representing a "new" America abroad; it sought to be a people-to-people program and attempted to maintain its autonomy, both organizationally and philosophically, from the routines and national self-interest presumed to be the basis of conventional foreign policy.[1]

PROGRAMS WITH UNSTABLE POLITICAL SUPPORT: PAKISTAN AND CEYLON

The difficulties encountered by the short-lived and politically manipulated Peace Corps programs in Pakistan and Ceylon highlight some of the problems faced by the agency. It attempted to establish projects under the constraints of volatile host country political conditions and unstable bilateral relations. As one of the nations which appeared to be most sympathetic to its initial overtures for program requests, the Peace Corps early in 1961 proposed several projects to the Government of Pakistan. Pakistan accepted, no doubt pleased to be able to demonstrate its cooperation and close ties with the U.S. during that period. The program in Pakistan expanded to nearly 200 Peace Corps Volunteers (PCVs) by the end of 1963, but then leveled off and began to decline in size as the military government recognized that a large contingent of volunteers was no assurance of American support in other areas and was detrimental to establishing a neutral international status. The program in East Pakistan proved to be troublesome as the PCVs made known their support of the Bengali region against the government in the West. The volunteers were finally withdrawn from the East on the insistence of the military government during the 1965 Indo-Pakistan war. In short, the failure of the program to serve the interests of the Government of Pakistan led to the decision not to accept any additional groups after 1965. Moreover, it was understood that this decision was also intended as a response to the withholding of weapons and supplies by the U.S. to Pakistan during that period. The Peace Corps program in Pakistan was dominated by the existing conditions within U.S.-Pakistani relations and the narrowly defined interests of the military government. The exaggerated initial support, the emerging constraints, and the final rejection attempted to use the Peace Corps program for pur-

[1]There are several good accounts of the establishment and early months of the Peace Corps. See for example: David Hapgood and Meridan Bennett, *Agents of Change: A Close Look at the Peace Corps* (Boston: Little Brown, 1968), and Robert G. Carey, *The Peace Corps* (New York: Praeger, 1970), p. 46.

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poses unrelated to its own objectives as a volunteer agency.

In contrast to Pakistan, the initial acceptance of a Peace Corps program in Ceylon (now Sri Lanka) in 1962 was not enthusiastic. The left-leaning government of Madame Bandaranaike avoided any appearance of close ties with the U.S., and the agreement for a small group of PCVs was the result of the agency's hard-sell approach and determination to exploit whatever opening it could find.[2] The difficulties of this lack of firm support within the host government soon became apparent. One week before their arrival, the Parliamentary Secretary to the Prime Minister would not admit to Parliament that the government had agreed to allow PCVs into Ceylon. The lack of public and private support continued in the refusal of the Bandaranaike government to defend the Peace Corps against the severe attacks by leftist and nationalistic politicians. As a result, the program remained a totally American effort and accomplished little towards improving bilateral relations.

Within this oftentimes inhospitable political atmosphere, a series of initial mistakes by the inexperienced Peace Corps administrators made the agency's program in Ceylon even more difficult to defend. Seemingly unaware of the growing number of educated unemployed within Ceylon (including teachers) the program placed PCVs as teachers in secondary schools. The agreement with the Ministry of Education had unrealistically anticipated that after a short training period the PCVs would be capable of teaching in Sinhalese or Tamil. Adding to the difficulties, they arrived during the mid-term of the last semester of the school year, facing months with no work. Finally, the PC staff in Ceylon had flush toilets installed in all of the schools where volunteers were stationed, providing physical convenience at the cost of personal embarrassment and a fueling of political commentary by the opposition. After other forms of American assistance in Ceylon were suspended under the Hickenlooper Amendment in 1963, the Bandaranaike government refused to renew the agreement with Peace Corps when the initial group terminated in 1964.

Following a change in government, a second Peace Corps program in Ceylon began in 1967 through an agreement with the more pro-Western government of Dudley Senanayake. Senanayake evidently requested the program as a means of initiating a more friendly posture towards the U.S. In reality, however, it did not appear that the political environment or the degree of government support for the Peace Corps had improved. The first announcement of the agreement for eighty-one PCVs first reached Ceylon through a USIA bulletin from Washington, which put the government and the program on the defensive. An opposition book, *The Peace Corps Again: A New Invasion of Ceylon,* made a contention to which both the program and Senanayake's government were vulnerable: "Ceylon does not need the help of any Peace Corps, but the United States has made it imperative that countries like Ceylon should accept a contingent of the Peace Corps as a gesture of good will and prove our *bona fides* that we are not anti-American." [3] Control of the government returned to the more leftist and nationalistic parties, and no new volunteer groups were approved after 1969.

In Ceylon and Pakistan, the Peace Corps programs suffered from unstable or unsympathetic host government support for the agency's projects. It seems apparent that the volunteer projects were accepted not because of an understanding of or commitment to the agency's purposes, but because a token gesture of cooperation towards this relatively inconsequential U.S. program seemed appropriate at the moment. Given this conception of U.S. policy and this type of host government support it is understandable that the Peace Corps was unable to establish viable and independent volunteer programs. These two examples point out the underlying dependence of country programs on the prevailing condition of bilateral relations. Without some insulation from both American and host country politics, programs aimed at softer, long-term objectives easily become little more than instrumentalities manipulated for short-term affects.

THE PEACE CORPS IN INDIA

Similarly, but to a lesser degree than in Pakistan and Ceylon, the attitude towards the Peace Corps program in India and the role which the agency was allowed to play in U.S. policy was influenced by the underlying conditions of bilateral relations between the two nations. The difference was that the attitude of the Government of India (GOI) was never simplistically opportunistic or openly hostile to the agency. GOI generally respected the intentions of the agency, and showed a good deal of understanding of its requirements and capabilities. This general understanding and acceptance of an American volunteer program in India was supported by the similarities between it and the philosophy and projects of the Gandhian "sarvodaya" tradition for social service and village uplift. Both GOI and U.S. government allowed the Peace Corps/India (PC/I) to develop, to build a base of support, and to demonstrate the potential for low-level assistance and exchange programs.

[2] *Peace Corps Country Evaluation-Ceylon,* Peace Corps, Washington, 1964.

[3] *The Peace Corps Again: A New Invasion of Ceylon* (Ceylon: Tribune Publications, 1967), p. 1.

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The two important factors appear to have been the maintenance of open and friendly bilateral relations and some degree of insulation from the other agencies and issues involved in bilateral relations. Unfortunately, both insulation and good bilateral relations were strained and damaged during the mid-and later 1960s.

The activities and program size of Peace Corps/India were subject to broad guidelines set by GOI, which in turn reflected domestic political interests and the success and leverage of the agency itself, as well as the conditions of Indo-U.S. relations. The decisions and determinations regarding general policy and specific projects were shared and manipulated by many actors and affected by subtle shifts in the nature and enforcement of the guidelines. Separate political decisions on the acceptance or rejection of PC/I projects represented a way by which the individual states could establish an identity and position towards the U.S. presence in India.

Within the agency, decisions on the size and role of PC/I projects revealed competing views and the working out of organizational and policy questions. What was to be the relationship between the PC/I program and foreign policy objectives as viewed from Washington? Between Washington and field determined policy within the agency itself? Between PC/I and the American country-team in India? The underlying questions involved the degree of autonomy on one hand, and coordination on the other, necessary for PC/I to be able to pursue its own objectives within the political and social context of India.

THE DIFFICULTIES OF PROGRAM FORMULATION AND EXPANSION

In spite of the general receptiveness for the Peace Corps idea in India, for practical and political reasons the Indian leadership was not anxious to see a very large contingent of young Americans become involved in the complex problems of rural India. The national leadership had initiated ambitious developmental programs in the 1950s, and was well aware of the complexities, the need for careful planning and reformulation, and the uncertainty of results. There was justifiable skepticism of the raw idealism, untested approaches and the foreign involvement which the Peace Corps represented. In addition, Nehru's policy of non-alignment sought to avoid too close identification with the U.S. Direct responsibility within GOI for overseeing the Peace Corps and other national volunteer programs was given to the Planning Commission, which was controlled by the Prime Minister and committed to development through its own brand of democratic socialism. Among GOI bureaucracies, it was one of the organizations least receptive to U.S. proposals. The Peace Corps represented a very different outlook. The directness of its approach, the idealism and boldness of its objectives, and its inclination to attribute resistance to its initiatives to the conservative, unimaginative nature of government bureaucracies resulted in a clash of attitudes.

The underlying difficulty for PC/I and a reason for the cautious GOI position was that India had no obvious middle-level manpower needs which volunteers could fill. With underemployment already a problem among Indians with education and skills comparable to American volunteers, it was unacceptable to bring in Americans who might displace or appear to threaten Indian counterparts. PC/I had several broad options for justifying and placing volunteers, none of which were free of dangers and limitations. Peace Corps Volunteers could be placed in positions alongside and rivaling Indian counterparts with the intention that they act as agents of attitude change. Another alternative was to develop new positions within projects, types, and areas of work which Indians were unwilling or culturally unprepared to undertake. But role definition and project formulation were continuing problems within PC/I. For example, the agents of change approach created difficulties in the recruitment and training of volunteers for unspecified roles in India. Both attitude change and the establishment of new types of work raised issues which were culturally and politically sensitive.

The understanding in principle but lack of cooperation in practice which characterized PC/I relations to counterpart Indian agencies also influenced its relations with other U.S. government organizations. In the early years the agency was shaped by the leadership of Sargent Shriver and the direct connections he had with the White House of both Kennedy and Johnson. He instructed his country directors that they had an importance equivalent to ambassadors, and that they were to remain separate from the conventional foreign policy institutions and objectives. While the PC/I Director sat on the embassy's country-team in Delhi, he did not actively participate or take part in cooperative agency projects. To do so, he felt, would have been out of line with Shriver's directives.[4] Under these arrangements coordination between U.S. agencies was minimal and relations took on the appearance of competition. A photo essay put out by PC/I ("This People India") was well received by GOI; its success so upset rival American agency officials that the press run was confiscated from Washington and the booklet was republished in nearly identical form under the USIS im-

[4]Personal correspondence with Charles S. Houston, August 8, 1974.

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primatur. As another example, shortly after his return to New Delhi as Ambassador in 1964, Chester Bowles cabled USDA in Washington to locate an expert who would be able to help a PC/I project on a particular poultry problem. The reply from USDA informed the Ambassador that the foremost American expert in the field was already working in an AID project within the same state as the volunteers.[5]

In spite of these initial difficulties in formulating acceptable volunteer projects and the incompleteness of working relationships with related Indian and U.S. agencies, PC/I projected a very considerable expansion of the size of the program. The level of 200 to 400 volunteers which had been maintained in the 1962–64 period was considered a pilot stage. A PC/I projection made in 1964 foresaw an expansion from the 400 level to over 1000 PCVs by 1966, 1700 by 1967, and over 2700 by 1969.[6] These projections were in line with the anticipations of the growth of Peace Corps around the world.

The process of "indenting", the granting of final approval for new groups by the Planning Commission, was seen as the main obstacle to expansion in India. PC/I administrators complained of difficulties in dealing with the official liaison at Planning, and accused him of self-serving and irrational treatment of indenting requests. Within the discretionary guidelines agreed to by GOI, this official preferred to keep the program at a size and in activities which he could personally oversee. From the PC/I point of view, he sought to run the program from his turban. His authority over the approval and distribution of volunteers and projects created a log-jam in the efforts to expand. PC/I disregarded the possibility that the official's attitude might signal an underlying political determination by GOI to limit the size of the volunteer program in India. The situation also showed the limits of the agency's independence. In this situation it required embassy level support in the coordination of country programs. GOI control over the PC/I program had been captured by Planning partially as a result of the agency's own modes of operation.

PRESSURES FROM WASHINGTON AND THE EXPANSION IN 1965

PC/I administrators sought support for expansion of the program in India by appealing up the ladder, even as far as the Prime Minister. While they received sympathy, they did not achieve results. Finally in 1965, Peace Corps in Washington wrote to Asoka Mehta, Deputy Chairman of the Planning Commission, suggesting a high level visit to the U.S. in order to discuss the agency's proposals for expansion in India. The trip was made by Mahmood Butt, Joint Secretary to Government in the Planning Commission and one step above the Delhi liaison. His report back to the Commission relayed Washington's concern over the unimpressive size of the program.[7] He was assured by Washington that the Peace Corps could supply 2000 to 2500 volunteers to help meet the manpower needs of India's developmental programs. His report stressed that India competed with other nations for a limited number of high-quality PCVs, with program size and official cooperation constituting important factors. The report implied that large national programs had more leverage in Washington, and urged increased support from the Indian government at all levels.

Following Butt's return from Washington, the log-jam in the indenting of program requests gave way. Ten new groups of volunteers were brought into India in the last months of 1965 and early 1966. In contrast to the impression which was apparently given to Butt in Washington and conveyed to Delhi through his report, the new projects were not more technical in nature than those of the past, nor were the volunteers more specialized or better trained for their work. Quite the opposite was probably the case. The quick expansion of the program brought in younger and less skilled volunteers who might not have been accepted if the quota for recruitment had not been so large. Several of the new groups did expand the relatively successful efforts of the Peace Corps in projects for the development of poultry raising in India. But other large groups were assigned to experimental and hastily formulated projects in community development, applied nutrition, and family planning. Many of these were noticeably unsuccessful. Thus the first wave of real program expansion in India demonstrated the weaknesses rather than the strengths of the existing arrangements for project formulation and approval by both Indian and PC/I administrators. The Planning Commission had little information or appreciation for the needs and preferences of the States which were to receive the volunteers, or for the problems of project implementation and administration at lower levels. Peace Corps was not sufficiently aware of the training, selection criteria, and degree of support necessary to make the projects viable.

[5]Chester Bowles, *Promises to Keep: My Years in Public Life 1941–68* (New York: Harper & Row, 1971).

[6]"Five-Year Projection," Peace Corps India Memorandum, New Delhi, March 27, 1965.

[7]Mahmood Butt, "Report to the Planning Commission on Trip to the United States," Planning Commission, Government of India, New Delhi, June, 1965.

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THE REQUESTS FOR FOOD GRAINS AND THE RAPID EXPANSION OF THE PEACE CORPS INTO AGRICULTURAL PROGRAMS IN INDIA

The March, 1966, meeting between President Johnson and Prime Minister Indira Gandhi in Washington seemed to indicate changing conditions in Indo-U.S. relations. With respect to the Peace Corps, it demonstrated again how the agency was influenced and itself could exploit the conditions of the bilateral relationship within which it operated. The Prime Minister had come to Washington to seek assurances of increased grain shipments to meet the needs of India during the mid-decade droughts. In the joint communique of March 29, the President indicated that, Congress willing, the U.S. would aid India in meeting the immediate grain needs and would continue to participate in long-range programs to help India achieve self-sufficiency in food grain production. The Prime Minister agreed with these objectives, and expressed India's gratitude for the support of the President and the American people.[8]

The following day the President sent a special message to Congress urging quick recognition and approval of the necessary measures to fulfill the agreements of the communique. Following a statement in which he praised India's own efforts to increase agricultural production, he stated his belief that Americans could participate in these efforts. "If they can be used," the President's message read, "I feel certain that American agricultural experts would respond to an appeal to serve in India as part of an Agricultural Training Corps or through an expanded Peace Corps." [9] He was optimistic about the Peace Corps' ability to attract and use agricultural experts and of the contribution they could make to the Indian programs.

The next day, March 31, in a speech to business and cultural groups in New York, the Prime Minister talked briefly about her impressions of the Peace Corps. She seemed to view it primarily as a people-to-people educational exchange, and was more reserved than the President about the contributions which Americans might be able to make to India's developmental efforts. Yet, her remarks gave the impression that changing Indo-U.S. governmental relations might facilitate cultural and cooperative programs between the two nations.

Probably neither the President nor the Prime Minister gave much thought to their mention of the Peace Corps program in India. In comparison with ten million tons of food grains, the size of the volunteer program was of minor importance, and the two leaders did not appear to share a common view of its nature and purposes. Yet, following the March meetings, the remarks of the leaders and the changing conditions within bilateral relations took on a logic and direction of their own. India was in need of grain shipments from the U.S. and was willing to play the role of a cooperative friend, accepting American involvement in India as part of this friendship. From the U.S. perspective, increased grain shipments would be more likely to get support, especially in Congress, with demonstrations of Indian friendship. As an agency of both friendship and assistance, the Peace Corps was a suitable means of indicating and accepting American involvement in India. Pressure built up within the agency to exploit the opportunities of changing bilateral relations and to pursue greater expansion.

On the day of the President's message to Congress and Mrs. Gandhi's address in New York, a cable arrived in the PC/I office in New Delhi from Warren Wiggens. At that time the Deputy Director and in charge in Washington, Wiggens had a reputation within the agency as the foremost proponent of expansion and large-size volunteer programs. His cable to the program office in Delhi read, in part:

> Message appears to be direct challenge to PC to consider dramatic and meaningful contribution. . . . (S)ituation in India as dramatized by Prime Minister's visit and President's message offers unique opportunity to respond in full to need for agricultural experts and Corpsmen through dramatic expansion in size and emphasis (of) PC/I program . . .[10]

Wiggens spoke of 1000 additional PCVs for India, including specially recruited agricultural specialists, and anticipated that GOI would be ready to cooperate at all levels.

The PC/I Director at this time was Brent Ashabranner. His reply to the cable argued against the proposed expansion, pointing out that the program in India was already in line with the President's message. New groups with 480 volunteers were scheduled to arrive to replace those terminating and to boost the size of the program to over 1000 by the end of the year. But Ashabranner was a lame duck administrator, scheduled to return to Washington to take up another position. Jack Vaughn, who had been confirmed as Director of the Peace Corps only the previous month, was also in New Delhi at this time. His position on expansion in India seems to have been between that of Wiggens

[8]President Lyndon Johnson and Prime Minister Indira Gandhi, Joint Comminique, Washington, March 29, 1966.

[9]President Lyndon Johnson, Special Message to Congress, March 30, 1966. See also, Brent Ashabranner, *A Moment in History: The First Ten Years of the Peace Corps* (Garden City, New York: Doubleday, 1971).

[10]Allan Bradford, David Hapgood and J. Richard Starkey, "Overseas Evaluation: India," The Peace Corps, Washington, July 28, 1967.

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and Ashabranner. In a speech to the National Press Club in Delhi he foresaw a more modest 50 percent increase in the volunteer program in India as a result of the improved bilateral relations, and was less certain than either President Johnson or Wiggens about the potential of the Peace Corps to provide real "agricultural expertise" to India.[11]

Several days later Vaughn and Ashabranner met in Delhi with the GOI Secretary for Agriculture, C. Subramaniam. The meeting had apparently taken place on the advice of the Ministry of External Affairs, though the Secretary did not say so. In the meeting no agreement was reached on the number of PCVs to be taken into agricultural projects, but there was clearly a new receptiveness to PC/I proposals for expansion.[12]

The potential for placing PCVs within expanded agricultural development programs in India had been debated for some time. Beyond the immediate conditions of the 1965–66 droughts, both Indian officials and foreign observers looked forward to rapid rural development through the introduction of new varieties of seeds, different crops, fertilizers, and improved practices. Government programs were expanding and it appeared that PCVs could be useful as extension agents. However, whether volunteers commanded the technical background and skills necessary for such a program was uncertain. In early 1965, a series of communications from Chester Bowles to Shriver proposed a joint AID-PC/I program in Indian agriculture combining the technical resources of the former with the volunteer approach to rural extension.[13] Bowles strongly supported the joint agency approach. Many in PC/I, including volunteers from the field, supported higher levels of technical competence for volunteers, so they could play a useful and significant role in Indian agriculture. But the proposal was discouraged by Shriver because of a fear that any identification with AID and the use of technical criteria for the selection and placement of volunteers would damage the established approach of the agency. It was this unwillingness and inability of the Peace Corps to accept the field evaluations of the needs of Indian agriculture and meet the requirements of viable volunteer programming which had delayed expansion for agriculture.

Chester Bowles returned to Washington in July, 1966, in order to clear up difficulties which had arisen over the food grain shipments. Again the question of an expansion of American programs in Indian agriculture came up. Bowles was a firm supporter of the PC/I program. While doubtful of its present technical capabilities, he saw it as having an advantage over high-level assistance programs because of the ability of volunteers to adapt and fit into Indian conditions. As his personal account of his ambassadorship makes clear, however, Washington was not often sensitive to the Indian point of view. While in Washington Bowles learned that without consultation with Delhi, USDA had proposed and the President seemed inclined to support a delegation of one thousand American experts to help India remake its backward agriculture. Bowles was appalled by the one-sidedness of this proposal, the lack of consultation, and the potential disruption caused by such a mass migration of experts. He cabled his staff in India, "asking them to meet immediately with Indian officials and persuade them to make a formal request for five hundred Peace Corps Volunteers to work especially on agricultural problems." The arrangements were made, and while still in Washington Bowles was able to get approval for the Peace Corps program in place of that of the USDA. While skeptical about the technical capabilities of PCVs, Bowles saw that an expansion of the Peace Corps could probably be handled without causing a great deal of reaction or disruption within the ongoing GOI programs and the improving climate of Indo-U.S. relations.[14]

The program indents expedited by the maneuvers directed by Bowles from Washington committed PC/I to rapid and extensive expansion into a largely untested program area. It had previously undertaken agriculture programs; nine of the twenty-seven programs prior to mid 1966 had been involved with some area of rural extension. But these had been loosely structured volunteer placements, and no additional agriculture programs had been approved during the previous year. PC/I had no proven pattern to draw upon in this expansion —no standards of selection, training, placement, or support. The issue of the degree of technical skill and support needed for productive work in Indian agriculture extension had never been satisfactorily resolved. This contributed to the misunderstanding and exaggerated expectations of the programs among Indian officials. In the opinion of PC/I Director Ashabranner, who left just prior to this period, the big build-up in what were called "agriculture" volunteers would never have occurred had it not been for the unusual conditions surrounding the supply of needed food grains to India.[15]

The new groups which arrived in India were under projects called Village Level Food Production. As extension agents in villages and local government centers the PCVs conducted demonstrations and worked with individual cultivators in the pat-

[11] *Ibid.*

[12] Correspondence with Brent Ashabranner, August 2, 1974.

[13] Judy Mudd, "India: Peace Corps' Stumbling Block," Interns Report, Peace Corps, Washington, September 15, 1967.

[14] Bowles, *op. cit.*, p. 524.

[15] Correspondence with Brent Ashabranner, August 2, 1974.

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tern established by Indian village-level workers, and as part of the extensive efforts by GOI and the Indian states to bring new inputs and techniques to village agriculture. PC/I planning and training of the first groups for VLFP began before the July indents initiated from Washington by Bowles. However, in quick succession from September to the following February eight of ten programs which arrived in India came under the same description, bringing over 400 volunteers to eleven Indian states. Another three programs, one state, and 120 volunteers were added by September, 1967. Agriculture extension at the village level became the backbone of the PC/I program. Mainly as a result of the expansion into agriculture extension projects, the size of the PC/I program, which had doubled from 1964 to 1965 to nearly 600 volunteers, more than doubled again to 1,439 volunteers and trainees in India at the end of 1966. It remained above the 1000 level until the end of 1967.

SMALLER SIZE AND DECENTRALIZATION OF THE PROGRAM IN INDIA

The results of this rapid expansion were very mixed. An early 1968 Peace Corps evaluation concluded that the "great haste of that build up accounts for most of what went wrong in the 1966 programs—a hazy conception of what Volunteers would actually do in the field, weak and irrelevant training and speedy, sloppy site selection." [16] The poorly prepared and quickly placed PCVs were nearly as likely to disrupt as aid in the slow-moving but constructive Indian government programs in the rural areas. One state received a group which was one-third female volunteers, although the request had specified only males. The promised quotas of those with agriculture skills were inevitably undercut. One group had two weeks of agriculture "experience" before their arrival. In a report commissioned by PC/I, Kusum Nair, the well known journalist and student of rural development, severely criticized the training and technical deficiencies of the volunteers, their unstructured role and their often antagonistic attitude toward India's agriculture programs.[17] This was a confusion wrought by poorly defined goals and a lack of understanding of the needs and conditions of rural India.

On the other hand, there were good volunteers and well received programs during the expansion into agriculture. The more understanding and sympathetic Indian officials and observers accepted the PCVs not as skilled technical resources, but for their ability to bring "fresh air" into some areas of rural India and the often unresponsive Indian bureaucracies. From several of the more successful programs, guidelines were developed for better training, programming, and more adequate support of VLFP volunteers. Through more conscientious programming and support PCVs without agricultural expertise continued to be requested for village level agriculture programs into the 1970s.

In the aftermath of the period of expansion the number of PCVs in India declined as sharply and rapidly as it had risen. Many of the groups from the 1965–66 expansion completed their terms and were not replaced. The total program fell to below 600 volunteers by the end of 1968, and remained below 500 thereafter. The lower level was not the result of a single policy decision or agreement on the size of the program by GOI, Washington, or the Peace Corps. It was the result of new operational guidelines drawn up by different decision makers, more thorough consultation with officials in the states and at lower levels, and the changing political climates in which these decisions were reached.

Feedback into the decision making process was a major factor in determining the changes which occurred. The volunteers, unlike unused equipment or wasted dollars, did not sit idly by as symbols of American friendship when they felt their purposes had been betrayed and their intentions unfulfilled.[18] A Forum in New Delhi in 1967 of representatives of all the PC/I groups in India demonstrated the volunteers' concern and disappointment. In a questionaire sent by the Forum to all volunteers in India, only 60 percent replied that they felt they had made some sort of significant contribution in their positions, 54 percent thought that their co-workers and supervisors had not been advised or prepared for their arrival, and 58% did not feel that their programs should be followed by another.[19] The negative responses, however, were skewed between programs, revealing the weaknesses of certain programs which had been undertaken during expansion.

During 1966 and concomitantly with the expansion period the staff in India went through a nearly complete turnover. The first issues and problems which the new administrators faced were those resulting from the expansion, and they were determined not to let it happen again. They emphasized a decentralization of operations, both in programming and support. New programs had to be worked out with the cooperation of the state ministries and district level officials. Several new regional offices

[16]Peggy Anderson and Walter Arenberg, *"Overseas Evaluation: Indian Agriculture Program,* Peace Corps, Washington, April 8, 1968.

[17]This study by Kusum Nair is referred to in the Anderson evaluation.

[18]This theme is developed by Hapgood and Bennett.

[19]"Forum: Peace Corps India," Peace Corps India, New Delhi, April 5, 1967.

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were established along with smaller offices in several of the state capitols which brought the number of full-time PC/I staff to over forty. An increasing number of these were Indians, and most were fully involved with the preparations and support of volunteer programs. Although there was a five-year limitation on service within Peace Corps imposed by Congress and generally supported within the agency, PC/I built up a group of administrators with valuable program experience. This degree of professionalism, binationalism, and organizational support greatly improved the volunteer projects.

During early 1967, PC/I solicited the aid of Ambassador Bowles to have GOI responsibility for the program moved from the Planning Commission to the Department of Economic Affairs in the Ministry of Finance. PC/I was freed from dealing with the official who for years had assiduously exercised his personal prerogatives at the expense of a good working relationship. In DEA the Peace Corps found officials with whom they could deal frankly and constructively, and who were in agreement with the plans to decentralize programming responsibilities and require more involvement from the states. The Finance Ministry seemed more aware of the complexities of center-state relationship and less prone to dictating projects and volunteer placements to the states, as had often been the case with Planning.

DEA arranged for the appointment of state level coordinators for volunteer programs, each with authority to carry out negotiations for new projects with the regional staff of PC/I. Such a delegation of responsibility had never been possible under Planning. The PC/I staff did the necessary leg-work involved in the preparation of project proposals and volunteer placements. The proposal went first to the state level coordinator for consultation and approval to approach the appropriate lower-level officials in the state departments or district offices. With his permission to pursue the project, details of volunteer qualifications, placement and support were worked out with the Indian agencies or departments. The final proposal went from the department officials back to the state level coordinator for his approval and submission to a political screen —usually the Chief Minister of the state or the minister of the concerned department. Proposals approved at the state level proceeded to DEA for indenting. At any of these three levels a new project could be blocked without explanation. After indenting, the project proposal was sent to PC/I in Delhi for approval and forwarding to Washington to initiate recruitment and training of volunteers.

The new process located primary authority for approval or rejection with those most directly concerned. More informal procedures resulting from the close working relationships which developed (especially between DEA and PC/I in Delhi, and between the regional offices and the state level coordinators and departmental officials) often speeded up this complicated process. But the existence of these procedures and the involvement of officials at many levels improved the preparation for new projects and helped to assure support once the volunteers had arrived.

Along with the adoption of better programming procedures, changing political configurations within the states contributed to a decrease in the requests for volunteer groups coming to PC/I by the end of 1967. Kerala, under a CPI (Marxist) led government after the 1967 general election, was among the first state governments to change policy towards Peace Corps programs. The initial announcement of expulsion of the Peace Corps from Kerala received considerable publicity. As it worked out, one of the four groups was never asked to leave, two groups peacefully finished their two year stint two months after the decision was issued, and the final group had sufficient support from the All Kerala Poultry Producers Association that the Kerala government was led to reverse its decision after arrangements had already been made to move the PCVs to Mysore State. The rise of anti-American political parties in West Bengal created a situation similar to Kerala. The difficult working environment and lack of state government support finally led to the withdrawal of the PCV groups. The governments of Andhra Pradesh, Maharashtra, and Uttar Pradesh reacted to the excessively large and unproductive groups which had been brought in during the expansion period. While groups were not removed from these states, the requests were reduced and the number of volunteers in the states became a sensitive political issue. The increased coolness toward Peace Corps demonstrated broader changes in the attitudes and political climate within India in regard to all foreign assistance and developmental programs. There was a reaction to the mid-sixties period of pride-wounding dependency on foreign grain shipments and the influx of Western experts and efforts in developmental programs. Rising national pride and some encouraging results after 1967, especially in the field of agriculture development, supported the belief that India would be able to achieve self-sufficiency without extensive foreign participation.

This change of attitude within India was taking place at the same time as a change of attitude and approach within Peace Corps. Disillusionment on the American campuses with a government program claiming to achieve peace in the world and some frank revaluations of the whole Peace Corps idea led to a decline in applications in 1967–68. Director Vaughn sought a lower profile for the agency; from a policy of enthusiastic expansion,

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Peace Corps moved toward steady size and consolidation of support.

The relations between PC/I and DEA over program approval and requirements were extremely open and constructive during the 1967–70 period. The regional and state offices of PC were given a good deal of freedom to work out proposals and agreements with state and district officials, while these were sorted through and given approval in Delhi. Encouraged by DEA, PC/I concentrated its programs in areas where it would not be controversial. Though the working agreement between DEA and PC/I allowed a volunteer program of from 500 to 1000 PCVs, in fact it remained near or below the minimum after 1968. This was due to the low-profile which GOI and PC/I deliberately sought and the efforts which were made to assure good programming and support.

In mid-1970, the Ministry of Finance announced a review of all volunteer programs in India and approval of new groups was postponed. New size guidelines were finally announced in September, 1971. The total number of foreign volunteers in India was not to exceed 600; the maximum allowed Peace Corps was 400. Approval of several new groups within the new guidelines was anticipated by PC/I in December 1971.[20] With the outbreak of war between India and Pakistan on December 3rd, GOI placed an immediate freeze on all foreign volunteer programs. In mid-1972 it was announced that all programs in India would be limited to fifty volunteers each after January, 1974. Though this limitation applied to all foreign volunteer programs, its effect was felt by the Peace Corps most directly. There is little doubt that the GOI decision was influenced by the coolness of Indo-U.S. relations.

By early 1974 the number of PCVs had fallen to less than twenty, and permission to bring in more volunteers in small groups was granted by DEA. PC/Washington appointed a new Country Director, indicating a willingness to continue even at the level which GOI imposed. Most of the other foreign volunteer programs either withdrew from India as a result of the new guidelines or had not received any new requests from the states. Although other U.S. assistance agencies had not been asked to remain in India, PC/I was approached by four states with requests for over a hundred volunteers—more than would be approved by GOI. Two factors clearly contributed to this. PC had established a base of support within several of the states, and had developed a reputation for useful work and little disruption. Second, as the DEA Deputy Secretary told a former Country Director in India, the Peace Corps had been allowed to stay because of the understanding they had shown in dealing with the Government of India.[21]

THE PEACE CORPS IN U.S. RELATIONS WITH SOUTH ASIA: LIMITATIONS AND RECOMMENDATIONS

The programs in South Asia illustrate that the Peace Corps was not effective in achieving short-term objectives in foreign policy. When used as an instrumentality, the agency realized neither its own goals nor those of its manipulators. Many of the difficulties of the programs in Ceylon and Pakistan, of the expansion period in India in 1966–67, and the atrophy of the program after 1971 were the result of the dependence of country programs on good bilateral relations with the U.S. Manpower assistance and educational exchange programs are aimed at long-term objectives; results are difficult to evaluate and cannot be expected to have immediate impact. Programs which are intended to be of a people-to-people nature require a degree of insulation from the politics of bilateral relations.

Peace Corps programs also suffered when they failed to achieve integration into the foreign political environment. The agency's program in India suggests that integration demands a great deal of organizational and operational decentralization. Country programs must be based upon mutual understanding and involvement between Peace Corps personnel and host country nationals at all levels. Specific projects must fit into the priorities and politics of their environment, and the program must be sufficiently useful and accepted to build up local support. On a higher level, country programs are dependent upon the establishment of good working relationships with the host country liaison and continuing back-up support by the host government.

The agency's own ideological and organizational rigidities often contributed to the inability of the Peace Corps to be accepted within foreign political contexts. The ideology was not overtly political, but stemmed from the roles and ruberic under which the agency operated. For many years Peace Corps represented an extreme can-do attitude which was little more than a simplistic faith in the ability of Americans with strong hands, stout hearts and an idealistic outlook to work miracles abroad. As the horse of this rejuvenated American frontiersman, the Peace Corps was ridden to death. Exaggerated idealism was eventually out of place, and good intentions had to be accompanied by the ability to produce. In the late 1960s the Peace Corps adopted a policy of "new-dimensions", attempting to make

[20]Correspondence with David Rogers, August 6, 1974.

[21] *Ibid.*

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up for lost innocence by emphasizing the technical nature of small programs and specially recruited volunteers. This approach was also a simplification of the agency's purposes and strengths. Both approaches confused and antagonized host countries when the Peace Corps could not live up to its public image.

In organization and program structures Peace Corps has been overly attached to the patterns adopted at its establishment. For instance, selection and training criteria have been reshuffled to emphasize different mixes of technical skill, language ability, and cultural adaptability. Always the same basic structures and need for uniformity have been maintained. The programs in South Asia suggest that these narrowly defined constraints and organizational rigidities should be reexamined. More attention must be given to fitting the volunteers, their training, and the projects to the multiple purposes of the Peace Corps and the needs of the host nations. Flexible and, if necessary, longer training periods are needed in order to promote the multiple purposes of volunteer programs.

Finally, the Peace Corps in South Asia has been limited by its identification with a particular historical period and outlook. Established with the zeal and idealism of new American leadership in the early 1960s, the agency first exploited and then suffered from changing social and political moods. By defining its role too ambitiously, Peace Corps obscured its more modest purposes. In attempting to be conspicuous in its uniqueness, the agency overextended itself, and cut itself off from necessary cooperation with other agencies.

Programs with a people-to-people and humanitarian orientation draw support from a lasting constituency within the United States. The idea of a Peace Corps caught on and, despite difficulties, continues to be alive in America as in no other nation. Its constituency can continue to participate, contributing its spirit and moral conception of the U. S. role in the world to the composite of U. S. foreign policy. Peace Corps adds an alternative, an element of pluralism in the definition of foreign policy goals which has an integrity at home and abroad.

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Annex: A Chronology of Events in South Asia Bearing on the Conduct of Foreign Policy

Joan Landy Erdman
September 1974

1965

February

Supplies of U.S. wheat to India were again delayed by a prolonged dockers' strike in ports on the Gulf of Mexico, which held up 60 ships loaded with wheat and rice for India. The failure of the 1965 monsoon led to a sharp fall in the 1965–66 crop; emergency aid from the U.S. and other countries alleviated fears of widespread famine.

19 An agreement for a loan of U.S. $60,000,000 by China to Pakistan was signed in Karachi. This interest-free loan was to be used for Pakistani imports of commodities from China and for financing projects in Pakistan.

March

6 In response to an appeal by the U.S. Ambassador to India, Mr. Chester Bowles, the U.S. dockers decided to load food ships for India, while continuing their strike as far as other shipping was concerned.

19 The International Monetary Fund (IMF) announced that it had approved a stand-by arrangement authorizing India to draw up to the equivalent of $200 million over the following 12 months, since "increased foreign exchange outlays had been necessary for imports of foodgrains, as domestic output during the recent past had failed to meet the substantial increase in consumption which had resulted from the rapidly rising population and an accelerated monetary expansion."

April

2 The Chinese Prime Minister, Mr. Chou En-lai, arrived in Karachi and had a two-hour meeting with President Ayub Khan, leaving the following day for Peking.

9 Fighting between India and Pakistan broke out in the Rann of Kutch, on the frontier between Indian Gujerat and West Pakistan, and continued until the end of the month, when *de facto* ceasefires came into effect. On June 30 a formal ceasefire was signed, through the mediation of the British Government. India protested to the U.S. use of American arms against India, and on May 22 U.S. Embassy sources in New Delhi confirmed that the U.S. Government had lodged a strong protest with Pakistan, which had not been made public because of on-going cease-fire negotiations.

16 The White House announced that State visits to the United States by President Ayub Khan of Pakistan and the Prime Minister of India Lal Bahadur Shastri, which were scheduled to take place on April 25–26 and June 2–3 respectively, had been postponed.

April

20 In a Lok Sabha discussion the postponement of Mr. Shastri's visit to the U.S. was attacked, and it was suspected that it was a reaction to Indian criticisms of U.S. policy in Vietnam. On 4/21 the White House said that the invitation to Mr. Shastri still stood, and that President Johnson hoped that the Prime Minister of India would visit Washington in the late summer.

June

22 A formal agreement covering compensation payments to Shell, Caltex and Esso, to be spread over five years, covering assets largely taken over in 1962 by the State-owned Ceylon Petroleum Corporation, was signed in Columbo. On May 11, a Ceylon government spokesman said that the Government's offer for compensation had taken into consideration the need for the resumption of U.S. aid, suspended in Feb. 1963 as a result of the compensation dispute.

July

3 The U.S. Agency for International Development announced that Ceylon had again become eligible to receive U.S. economic assistance under the Foreign Assistance Act.

August

Fighting broke out between India and Pakistan on the Indian side of Kashmir between infiltrators from the Pakistan side and Indian security forces, and subsequent occupation by Indian forces of posts on the Pakistan side of the ceasefire line. On Sept. 3 the Indian Ambassador in Washington, Mr. B.K. Nehru, lodged a strong protest with Secretary of State Dean Rusk, against the use of U.S. equipment by Pakistan in Kashmir, and pointed out that this violated assurances given the Indian Government in 1954, that the equipment supplied to Pakistan would not be used against India.

September

3 The British Prime Minister, Mr. Wilson, sent a personal message to Mr. Shastri and President Ayub Khan expressing concern over the fighting in Kashmir, which had broken out in August.

3 Mr. B.K. Nehru, Indian Ambassador in Washington, lodged a strong protest with Mr. Dean Rusk, the Secretary of State, against the use of U.S. equipment, including Patton tanks, F-86 Sabre jets, and F-104 supersonic

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fighters, by Pakistan in Kashmir, and pointed out that this violated assurances given to the Indian Government by President Eisenhower in 1954 that equipment supplied to Pakistan would not be used against India.

6 U.S. officials in Delhi informed Washington, after visiting the Indian side of the Jammu front, that Pakistan was using American equipment against India.

September

7 Mr. Bhutto announced that Pakistan had invoked the CENTO agreement in the face of "Indian aggression." No request for aid under the pact was made to Britain, however, as the British Government had repeatedly informed Pakistan in the past of its view that the pact would not cover a dispute between the two Commonwealth countries.

8 The British Government imposed a ban on shipments of arms to India; Pakistan had not been receiving arms from Britain, and was therefore not affected.

8 U.S. Secretary of State Dean Rusk informed Congress that all U.S. military aid to India and Pakistan had been stopped, and no further economic aid would be granted until Congress had been consulted. Throughout the war the Chinese Government repeated its full support for Pakistan. Great Britain, Canada, the Soviet Union, and the U.S. made mediation attempts.

10 In a communique, after talks between the Persian Prime Minister and the Turkish Premier, the Persian and Turkish Governments declared themselves ready to support their brother and ally, Pakistan, and supported international initiatives to end the conflict. Reportedly they rejected a request from Pakistan for 24 jet aircraft, with pilots and instructors, on the grounds that they could not send Pakistan arms supplied by NATO or as part of U.S. military aid.

13 The Indian Government requested the U.S. to ensure that American arms did not reach Pakistan through Turkey and Persia. A similar request by the Indian Government was made to the Soviet Union to ensure that Indonesia did not supply Soviet arms to Pakistan.

23 Cease-fire between India and Pakistan, in accordance with resolution of the Security Council of the U.N.

November

8 Both Prime Minister of India Lal Bahadur Shastri and Pakistan's President Ayub Khan agreed to meet in Tashkent in January 1966, accepting the Soviet offer of good offices in their Kashmir border dispute. It was expected that the Soviet's Kosygin would take part in the meeting.

December

15 President Ayub Khan of Pakistan addressed the U.N. General Assembly regarding the Kashmir problem.

16 The Government's Bill giving legal effect to the agreements reached with the Shell, Caltex and Esso oil companies on the payment of compensation for their properties taken over by the former Government of Mrs. Bandaranaike, passed the Ceylon Senate, having been approved in the Ceylon House of Representatives on October 7, and received the Government's assent.

16 After talks between President Johnson of the U.S. and Pakistan President Ayub Khan in Washington, a joint communique was issued, in which they reaffirmed their Governments' support for the U.N. Security Council resolution of Sept. 20, 1965, in all its parts, as well as the resolutions adopted on Sept. 27, and Nov. 5, 1965. Subjects discussed also included the upcoming Tashkent meeting between President Ayub Khan and Indian Prime Minister Mr. Shastri, and a projected visit to Washington by Mr. Shastri in February for talks with President Johnson.

1966

January

4–10 Meeting in Tashkent, the President of Pakistan Ayub Khan and the Prime Minister of India Lal Bahadur Shastri, with the mediation of Soviet Prime Minister Kosygin, signed on January 10 a declaration under which India and Pakistan agreed to renounce force in the settlement of their disputes and to withdraw their troops to the positions existing on August 5, 1965, before the outbreak of hostilities between the two countries.

11 In the early hours of the morning Indian Prime Minister Shastri suffered a heart attack and died shortly thereafter. Midst military honors and world-wide tributes, the body of Mr. Shastri was flown, over Pakistan, to Delhi, where it was cremated on January 12.

February

12 Sheikh Mujibur Rehman, president of the East Pakistani Awami League, issued a six-point programme for regional autonomy.

15 An agreement between Ceylon and the U.S. Agency for International Development was signed, providing for a loan of $7,500,000 to help Ceylon finance the import of essential commodities for its industrial and agricultural development from the U.S.A.

March

2 U.S. Government agreed to resume the sale of "non-lethal" military equipment to India and Pakistan, the distinction between "lethal" and "non-lethal" military supplies depending on political considerations and being the subject of discussions between the U.S. and the two Asian countries.

12 A Food-for-Peace agreement under U.S. Public Law 480 was signed in Columbo by the Governments of Ceylon and the United States. Under the agreement the U.S.A. was to provide Ceylon with 50,000 metric tons of wheat flour and 5,000 metric tons of corn-grain sorghum, together worth $4,100,000. Payment was to be made by Ceylon in rupees and 70% of these counterpart funds were to be made available to Ceylon in the form of long term loans for economic development projects.

20 President of Pakistan Ayub Khan denounced the autonomist movement in East Pakistan as aimed at the disruption of Pakistan and the unification of East Pakistan and West Bengal as an independent state, and declared that the country would accept the challenge of civil war if one were forced upon it.

21 The U.K. Commonwealth Relations Office announced that Britain would resume the sale of arms to India and Pakistan, which had been suspended on Sept. 8, 1965.

27–31 The Prime Minister of India, Mrs. Indira Gandhi paid an official visit to the United States, at the invitation of President Johnson. En route Mrs. Gandhi paid a 3-day private visit to Paris, and met with President de Gaulle on March 25, and with Prime Minister Pompidou. In Washington March 27–29, Prime Minister Gandhi met with President Johnson, met U.S. Administration leaders and addressed the National Press Club. In New York March 30–31, Prime Minister Gandhi met Mayor Lindsay, addressed U.S. economists and industrialists at the Economic Club, visited the U.N. and had a meeting with U Thant. On her return journey to India Prime Minister Gandhi met with Prime Minister Harold Wilson in London, and with Soviet Prime Minister Kosygin in Moscow, on April 2 and 3 respectively.

28–29 At a White House dinner on March 28, and in a communique issued March 29, President Johnson proposed, and Prime Minister Gandhi welcomed, the establishment of an Indo-American Foundation to be set

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up in India and endowed with $300,000,000 of counterpart funds, i.e., U.S.-owned Indian currency accumulated in payments made by India to the U.S.A. for PL 480 wheat etc. Its aims should be to "promote progress in all fields of learning, to advance science, to encourage research, to develop new teaching techniques in farm and factory, and to stimulate new ways to meet age-old problems."

29–30 Within two hours of the Indian Prime Minister's departure from Washington for N.Y., President Johnson asked Congress for approval for emergency shipment to India of a further 3,500,000 tons of American grain, in addition to the 6.5 million tons which the U.S. was already providing in the financial year ending June 30, 1966. Shipment of vegetable oils and milk powder was also proposed to Congress.

April

19 By voice vote and without opposition, both Houses of U.S. Congress approved a resolution which endorsed and supported President Johnson in organizing substantial American participation in an urgent international effort to combat malnutrition in India, to encourage the expansion of Indian food production, and to send food to Indians in dire need.

May

14 The Government of India signed an agreement with the American International Oil Company (AMOCO) for the construction at Madras of India's largest fertilizer plant. To be known as Madras Fertilizers, the new plant was to be a joint Indo-American venture, with 4 American and 4 Indian directors, one of the latter being Board Chairman, and having a tie-breaking vote. Managing Director of the company was to be an American. Of the equity capital, 51% will be held by the Indian Government and 49% by AMOCO.

27 An amendment to the U.S. food aid agreement of Sept. 24, 1965 with India was signed in New Delhi, providing for the shipment of an additional 3.5 million tons of food grains to India to supplement the 6.5 million tons allocated since July 1965.

June

5 It was announced in New Delhi that the Indian Government had decided to devalue the Indian rupee by 36½% and that the new official exchange rate would be 7.50 rupees to the dollar. The previous rate had been 4.76190 rupees to the dollar. Confirming the new par value of the Indian rupee on June 5 in Washington, the International Monetary Fund said it had concurred in the change.

1967

February

15 An agreement was signed in New Delhi by Dr. Atma Ram, Director General of the Indian Council of Scientific and Industrial Research, and Mr. Chester Bowles, the U.S. Ambassador, providing for an exchange of scientists and engineers between the two countries.

15 Chairman of the Indian Atomic Energy Commission, Dr. Vikaram Sarabhai, announced in Moscow that the USSR would help India to send rockets into space in the next few weeks in order to check the chemical composition of the atmosphere at very high altitudes. Dr. Sarabhai and Mr. L.K. Jha, Secretary to the Prime Minister, also had successful discussion with Soviet scientists on cooperation between the two countries in the field of utilizing atomic energy for peaceful purposes.

April

12 The U.S. State Department announced that the U.S. would not resume military assistance to either India or Pakistan and did not contemplate selling combat equipment to either country, suspended since Sept. 1965. "Lethal end items" (i.e. finished products for combat) would not be sold by the U.S. to either India or Pakistan, i.e. such equipment as armoured vehicles, combat aircraft, infantry weapons, and artillery. Restrictions of the U.S. Government on the kinds of spare parts which might be sold to India and Pakistan were removed.

December

1 Mr. Zulfigar Ali Bhutto, the former Foreign Minister of Pakistan, formed the People's Party, its policy being described as one of Islamic Socialism, democracy, and an independent foreign policy.

1968

January

23 On a round-the-world journey, President Johnson stopped at Karachi airport for an hour's meeting with President Ayub Khan. Their joint statement said that Johnson had congratulated Ayub Khan on Pakistan's continued economic progress, and that the two Presidents had agreed that everything possible should be done towards achieving a rapid peace in Vietnam.

February

1 The U.S. Defense Secretary, Mr. Robert McNamara, said in Washington that the U.S.A. was continuing to refrain from sales of "lethal weapons" to India and Pakistan.

9 In his message to the U.S. Congress on foreign aid, President Johnson predicted a dramatic recovery in India's ability to meet its food needs, but pledged continued U.S. help.

May

13 Mr. B.R. Bhagat, Indian Minister of State for External Affairs, announced in the Rajya Sabha that India had sent strong protests to both Pakistan and China against the construction of the Gilgit-Sinkiang Road, stating that the building of the road sought to interfere with Indian sovereignty in Kashmir, and that Pakistan-China agreements concerning "Pakistan occupied Kashmir" were "illegal, invalid, and totally unacceptable to us."

20 Mr. Arshad Husain, Foreign Minister of Pakistan, announced in the Pakistan National Assembly that Pakistan had given notice to the U.S. to close its communications base near Peshawar, which had been handed over to the U.S. in 1959 under a bilateral agreement to expire on July 1, 1969. The *New York Times* stated that the U.S. communications unit in Pakistan had been used by the U.S. for 9 years for surveillance on the Soviet Union and Communist China.

June

19 The trial in the "Agartala Conspiracy" case opened in Dacca. The defendants, including Sheikh Mujibur Rehman, were accused of "plotting to deprive Pakistan of its sovereignty over a part of its territory by an armed revolt with weapons, ammunitions, and funds provided by India." All the accused pleaded "not guilty."

August

8 Strong opposition was expressed in the Indian Lok Sabha against the continuation of the University of California sociological research project underway since September 1960 in the Himalayan border regions of India. Concerned that the U.S. Defense Department might use the results of the project, the Minister of State for External Affairs, Mr. B.R. Bhagat, stated in reply to questions that the Government of India was reviewing the advisability of permitting the continuance of the U.S. programme.

12 Yielding to the pressure of opinion against the Univer-

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sity of California sociology project in the Himalayan border regions, and despite the denial of Mr. Ivan Vallier, Acting Director of the Institute for International Studies of connections between the project and U.S. espionage, the Government of India was reported to have decided not to allow the University of California to continue its project.

September

28 Vice-Admiral A.R. Khan, Pakistan Minister for Kashmir Affairs, opened the first all-weather road linking Gilgit, in Azad Kashmir, with Skardu, in Chinese Sinkiang. An agreement for construction of the road, which was to be usable throughout the year by jeeps, was signed on October 21, 1967.

1969

January

24 The Jawaharlal Nehru Award for International Understanding for 1966, posthumously conferred on the American Negro civil rights leader, Rev. Dr. Martin Luther King, was presented to Mrs. Coretta King, by the President of India, Dr. Zakir Hussain in New Delhi.

February

19 The third major Economic Agreement between the U.S.A. and Ceylon was signed in Columbo, providing for the supply of about 150,000 metric tons of wheat flour at an estimated cost of $17.5 million.

21 President of Pakistan Ayub Khan announced his "final and irrevocable" decision not to seek re-election as President. The next day the Government withdrew all charges against Sheikh Rehman and the 33 other accused in the Agartala Conspiracy Case, who were released on the same day. On Feb. 23 Mr. Bhutto flew to Dacca for talks with Sheikh Rehman.

March

25 President of Pakistan Ayub Khan resigned, following mass strikes and revolt in East and West Pakistan, and martial law was proclaimed, with the result that order was restored without difficulty. The Commander-in-Chief of the Army General Yahya Khan, who had been appointed Chief Martial Law Administrator and dissolved the National and Provincial Assemblies, assumed the Presidency on March 31. On April 10 he gave an assurance that elections to a Constituent Assembly would be held on the basis of direct adult franchise.

April

3 Mr. Kenneth Keating, currently serving as Associate Justice of the New York State Court of Appeal, was nominated as the next Ambassador of the U.S. to India.

July

12 It was learned in London that India had protested to Russia and the U.S.A. against what it believed were Soviet and U.S. moves to build rival military bases in the Indian Ocean.

25 President Nixon, on a round-the-world tour, visited five Asian countries: the Phillipines, Indonesia, Thailand, India, and Pakistan, and also Rumania in Eastern Europe. Among those accompanying him were Secretary of State William Rogers, Presidential Foreign Affairs Adviser Henry Kissinger, and White House Press Secretary Ronald Ziegler. Included in the trip was a previously-unannounced stop in Saigon, where Nixon met with President Thieu of South Vietnam.

25 At an informal news conference at Guam with press correspondents accompanying him on his round-the-world tour, President Nixon said that the time had come when the United States should be emphatic in telling its Asian allies that, except for a threat by a major power involving nuclear weapons, the United States had the right to expect that the problem would be increasingly handled by the Asian nations themselves. If the U.S.A. just continued on the road of responding to requests for assistance, of assuming the primary responsibility for defending these countries when they had international or external problems, they were never going to take care of themselves.

October

13 In an agreement signed in New Delhi, the U.S.A. agreed to supply to India 3 million tons of wheat, 100,000 bales of cotton, and 95,000 tons of vegetable oil under a new PL 480 agreement.

1970

June

14 The Governor-General called upon members of the Ceylon House of Representatives to draft and adopt a new Constitution declaring Ceylon to be a free sovereign and independent Republic pledged to realize the objectives of a socialist democracy.

July

12 It was announced that the Government of Ceylon had decided to extend full diplomatic recognition to the Democratic People's Republic of Korea (North Korea) with effect from June 25, 1970.

15 It was announced that the Government of Ceylon had decided to extend full diplomatic recognition to the Democratic Republic of Vietnam (North Vietnam) with effect from June 24, 1970.

19 In a speech to members of the Ceylon House of Representatives, Ceylonese Prime Minister Mrs. Bandaranaike moved the following resolution: We the Members of the House of Representatives, in pursuante of the mandate given by the people of Sri Lanka at the general election held on May 27, 1970, do hereby resolve to constitute, declare, and proclaim ourselves the Constituent Assembly of the people of Sri Lanka for the purpose of adopting, enacting and establishing a Constitution for Sri Lanka which will declare Sri Lanka to be a free, sovereign and independent Republic pledged to realize the objectives of a socialist democracy including the fundamental rights and freedoms of all citizens, and which will become the fundamental law of Sri Lanka deriving its authority from the people of Sri Lanka and not from the power and authority assumed and exercised by the British Crown and the Parliament of the United Kingdom in the grant of the present Constitution of Ceylon nor from the said Constitution . . ."

29 The Ministry of Defense and External Affairs announced that Ceylon had decided to suspend diplomatic relations with Israel with immediate effect. Furthermore it was announced that in accordance with the election manifesto of the United Front, the Cabinet had decided that the American-sponsored Asia Foundation should wind up its activities in Ceylon by October 31, 1970.

August

Chairman of the Pakistan Atomic Energy Commission Dr. I.H. Usmani, visited the United States, and finalized the draft of a bilateral agreement between the U.S.A. and Pakistan on mutual cooperation in the peaceful uses of atomic energy, under which the U.S.A. will supply to Pakistan enriched uranium fuel for the Rooppur station for a period of 30 years.

October

9 Final agreement for the supply of the entire equipment of a nuclear power station at Rooppur in East

Pakistan between the Pakistan Atomic Energy Commission and the Belgian firms of Cockerill and Ateliers de Construction Electrique de Charleroi was announced in Brussels. ACEC is a subsidiary of the American Westinghouse Company, and the plant was to be based on American technology (the Karachi nuclear plant now nearing completion is based on Canadian designs).

November

10–15 The President of Pakistan, Gen. Yahya Khan, paid a State visit to China.

December

7 Elections in Pakistan to the National Assembly were completed, with Sheikh Mujibur Rehman's party emerging victorious. Mr. Z.A. Bhutto's People's Party was second.

10 While Pakistani political parties discussed Constitution-making, Maulana Bhashami called for an independent and sovereign East Pakistan. On December 12, three more parties joined the independence demand. On December 17 in Provincial Assembly elections, the Awami League won an overwhelming majority in East Pakistan. On December 28 Mr. Bhutto voiced disagreement with Mr. Rehman's call for provincial autonomy. On December 29, Gen. Yahya Khan conceded Mr. Rehman's demand for holding the National Assembly session in Dacca.

15 The British and U.S. Governments announced that the building of a naval communications centre at Diego Garcia in the Indian Ocean would begin in March. The U.S. Congress approved President Nixon's request for $5.4 million to begin construction, to counter what the Administration claims to be a growing Soviet naval presence in the area.

1971

February

13 Gen. Yahya Khan fixed March 3 for National Assembly session, but on March 1 postponed it on Mr. Bhutto's request. Mr. Rehman called for general strike in Dacca to protest the postponement. March 8, civil disobedience movement was launched in East Pakistan. Meetings on March 19–22 in Dacca with Gen. Yahya Khan, Mr. Bhutto, and Mr. Rehman to discuss Constitution were deadlocked.

March

6 A carefully planned armed attack was made on the U.S. Embassy in Columbo, Sri Lanka involving damage to property and the death of a police inspector.

15 The U.S. State Department announced that the last remaining restrictions on travel by American Nationals to the People's Republic of China had been lifted, and U.S. citizens would no longer need special permission to visit mainland China.

17 Ceylon (Sri Lanka) proclaimed a state of emergency following a number of incidents; the Government assumed sweeping emergency powers, and on March 23 disclosed a plot to overthrow the Government by an armed left-wing organization calling itself the People's Liberation Front (JVP).

21 Following the discovery of a large arms cache on the campus of the University of Ceylon, the Ceylon Government authorized, under its emergency powers, the death penalty for arson, looting, trespassing and damage by explosives.

26 Civil war broke out in East Pakistan, and the Awami League leader, Sheikh Mujibur Rehman, declared a sovereign independent People's Republic of Bangla Desh, even as the President, General Yahya Khan, ordered the Army to "fully restore the authority" of his Government in the turbulent East Wing.

26 In a broadcast to the Pakistan nation, General Yahya Khan charged Sheikh Mujibur Rehman with committing an act of treason and insulting the National Flag.

25–26 Sheikh Mujibur Rehman arrested at his residence in the evening; subsequently it was reported that Sheikh Mujibur had been taken to West Pakistan, where he was detained.

31 Both Houses of the Indian Parliament passed resolutions expressing solidarity with the people of East Bengal following the arrest of Sheikh Mujibur Rehman on March 25, 1971 and Pakistan's crackdown.

April

1 India told the U.N. that "the scale of human suffering in East Bengal is such that it ceases to be a matter of domestic concern of Pakistan alone."

6 Prime Minister of Sri Lanka Mrs. Sirimavo Bandaranaike announced in a radio broadcast that the Janatha Vimukthi Peramuna (JVP) had been banned, a nationwide dusk to dawn curfew imposed, and the closure of all universities, schools and other educational institutions following a series of attacks the previous day by JVP insurgents on 25 police stations, security patrols and Government buildings.

6 China accused India of "interfering" in Pakistan's internal affairs and "conniving at provocation" against the Chinese Embassy in New Delhi. The next day India rejected China's protest, and the Note was returned to the Chinese Charge d'Affaires.

10 A team of American table tennis players and accompanying journalists visited China at the invitation of the Chinese Table Tennis Association. At a reception held in Peking on April 14, the Prime Minister, Mr. Chou En-lai, said that the visit by the U.S. team had "opened a new page in the relations between the Chinese and American peoples."

14 President Nixon of the U.S. announced a relaxation of American restrictions on travel and trade with China.

15 The U.S. Ambassador to India, Mr. Kenneth Keating, said in Bombay that his Government did not view the current tragic events in East Bengal as an internal affair of Pakistan. The international community could not remain indifferent to the events in East Bengal under the cover of "internal affair."

15 The Government of Ceylon reported that it had been successful in combatting the threat posed by the insurgents, "despite attempts by the so-called People's Liberation Front to unleash terrorism against the people and public property," Prime Minister Mrs. Bandaranaike said.

15 India protested to Pakistan against the "wanton and unprovoked firing" along the East Bengal border.

18–24 Pakistan Deputy High Commission in Calcutta declared its allegiance to Bangla Desh; Pakistan withdrew its Deputy High Commission from Calcutta and asked India to withdraw its mission from Dacca from April 26, 1971.

23 Prime Minister Mrs. Bandaranaike announced that the Army was in full control of the situation in Sri Lanka, and that 3,000 insurgents were in custody, and an amnesty was being offered to the rebels.

May

6 India appealed to the U.N. to take up direct responsibility for relief of the refugees from Bangla Desh as it had done in other places. On May 18, Indian Prime Minister Indira Gandhi warned Pakistan that India was undeterred by any of her threats and said: "If a situation is forced on us, we are fully prepared to fight."

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June

9 India and the Soviet Union called for immediate measures by Pakistan to create conditions in East Bengal which would stop the flight of people to India.

15 Speaking in the Rajya Sabha, Prime Minister Indira Gandhi of India said that the developments in Bangla Desh created for India a challenging situation, and that India would never endorse any political settlement "which meant the death of Bangla Desh."

22 After the *New York Times* reported that two Pakistani ships had sailed from New York in May 1970 with cargoes of U.S. military equipment, the Indian Ambassador in Washington raised the matter with the U.S. State Department. In reply the U.S. Administration stated that no fresh foreign military sales to Pakistan had been authorized or approved and no export licenses for commercial purchases issued or renewed since March 25, when the civil war in East Pakistan began; the ships might have been carrying items licensed for export before that date.

24 Mr. Swaran Singh, Indian External Affairs Minister, told the Rajya Sabha that besides the U.S. shipments China was the only country which had given military assistance to Pakistan after the crisis developed. Both the French and Soviet governments, he announced on July 6th, assured that they had not delivered arms to Pakistan since March 25.

28 In a broadcast President Yahya Khan barred Sheikh Mujibur Rehman and the Awami League from any role in his scheme of transfer of power to elected representatives of the people. On June 29 the Pakistan People's Party Chairman, Mr. Z.A. Bhutto, demanded the lifting of the Martial Law ban on political activity and asked for a smooth transition to civilian government.

July

7 Dr. Henry Kissinger, Presidential Adviser on Security Affairs, visited New Delhi, and the Indian Government raised the question of U.S. military aid to Pakistan, but failed to obtain an assurance that it would end.

9–11 Dr. Henry Kissinger held secret talks in Peking with the Chinese Premier, Mr. Chou En-lai, while on a fact-finding mission, which took Kissinger to the Republic of Vietnam, India and Pakistan. In Pakistan he was said to be indisposed, and his appearance in Paris was delayed a day, allowing time for the Peking visit.

12 Mr. Swaran Singh, Indian External Affairs Minister, told the Lok Sabha that "our view of the subject" of U.S. arms to Pakistan "has been conveyed in unequivocal terms to the U.S. Government," but rejected demands for the recall of the Indian Ambassador in Washington.

15 The U.S. President, Mr. Richard Nixon, announced in a televised broadcast that he would visit China sometime before May 1972. In announcing his plans, he disclosed that Kissinger, had held secret talks with the Chinese Premier, Mr. Chou En-lai, from July 9 to 11, 1971.

(Last week in July)

In an interview President Yahya Khan refused to give an assurance that Sheikh Mujibur Rehman would not be executed after he had been tried by a military court for "high treason." The secret proceedings began, according to informed Government sources, on August 11th. On that day Prime Minister of India Indira Gandhi appealed to the leaders of several nations to exercise their influence with General Yahya Khan and save the life of Sheikh Mujibur Rehman.

August

8 President Yahya Khan of Pakistan threatened to unleash a war on India.

9 India and the Soviet Union signed a 20 year Treaty of Peace, Friendship and Cooperation, effective from August 18, 1971.

16 American Senator Edward Kennedy, who had earlier visited refugee camps in India, accused Pakistan of perpetuating genocide in East Bengal. He demanded the release of Sheikh Mujibur Rehman.

16 At a press conference in New Delhi, Senator Edward Kennedy said that the reasons given by the Administration in the U.S. for its continued support to Pakistan were difficult to understand, and that he would make every effort in the Senate to stop not only further arms supplies but those in the pipeline.

22 Indian Minister of State for Food and Agriculture, Mr. A.P. Shinde, stated that the Indian Government proposed to stop all foodgrain imports by December 1971, and had decided not to enter into any fresh commitment for the import of foodgrains from the U.S. under the PL-480 scheme after the existing agreement expired in June 1972.

September

27 Prime Minister of India Indira Gandhi arrived in Moscow on a State visit to the USSR.

October

12 In a broadcast to the nation, President Yahya Khan promised his people a new Central Government by the beginning of the new year, but gave no indication about its likely composition and character.

20–26 Dr. Henry Kissinger paid a second visit to Peking to prepare the groundwork for the U.S. President's visit.

Oct. 24–Nov. 13

Prime Minister Indira Gandhi left New Delhi on October 24 for a tour of six Western capitals: Brussels, Vienna, London, Washington, Paris, and Bonn—and in each held meetings with heads of state, discussing the situation in East Bengal, the refugee repatriation problem for India, international support for refugee relief, etc. These issues were also discussed in press conferences and public meetings.

November

4 Prime Minister Gandhi arrived in Washington for talks with President Nixon. After their meeting the White House stated that the President supported the withdrawal of their troops from the frontiers by both sides —Pakistan and India. Mrs. Gandhi spoke at a White House dinner the same day, referring to the magnitude of the refugee problem, and the strains on a country already battling with the problems of huge population and poverty.

8 The U.S. Administration announced that it had revoked export licenses for military equipment for the Pakistan Army valued at more than $3 million, although spare parts to the value of $16,000 would be allowed.

13 In statements to both Houses of Parliament in India, Prime Minister Gandhi said that she thought that international opinion had shifted from a "tragic indifference" to a growing sense of the urgency of seeking a political solution of the Bangla Desh issue with the elected leaders. She stated that most countries also realized that the release of Sheikh Mujibur Rehman was essential, and intended to impress this fact on the Pakistani military regime. She had been told of the U.S. decision to stop further arms shipments to Pakistan.

14 The Chinese Premier, Mr. Chou En-lai, in a message to the Prime Minister of India Indira Gandhi, expressed the hope that the friendship between the Indian and Chinese peoples would "grow and develop daily". The message, the first to be exchanged between the heads of the two Governments in many years, was in reply to

the felicitations cabled by Mrs. Gandhi from Vienna on China's admission to the U.N.

30 Prime Minister of India Indira Gandhi called for the withdrawal of West Pakistani troops from East Bengal to prove that General Yahya Khan wanted a peaceful solution of the crisis.

December

1 The United States announced the suspension of all future licenses for arms shipments to India, and cancelled licenses for arms and ammunition valued at about $2 million which had already been approved. Licenses for communications and other non-lethal military equipment worth about $11.5 million were "under review."

3 The U.S. announced cancellation of all outstanding licenses for shipment of military equipment to India, covering communications and electronic equipment and aircraft spare parts to the value of $11.5 million.

3 Pakistan declared war against India. President Giri of India declared a state of emergency in India following Pakistan's attack on Indian air bases in the eastern and western sectors. On December 4, Indian forces entered East Bengal in support of Mukti Bahini, the Bangla Desh freedom fighters. India informed the U.N. of Pakistan aggression on India, and on December 6, India recognized the People's Republic of Bangla Desh. On the same day, Pakistan broke diplomatic ties with India.

4 A senior official in the U.S. State Department asserted that India bore "a major responsibility" for the war between India and Pakistan. Admitting that the beginning of the crisis can be fairly said to be the use of force by Pakistan, the official maintained that "Indian policy, in a systematic way, has led to the perpetuation of the crisis, a deepening of the crisis, and India bears a major responsibility for the broader hostilities which have ensued."

5 In a statement issued by the official Tass Agency the Soviet Government attributed responsibility for the Indo-Pakistani War to Pakistan and warned other Governments to avoid becoming involved in the conflict.

5 Two resolutions in the U.N. Security Council calling for a cease-fire in the Indo-Pakistani War were vetoed by the Soviet Union.

6 Chinese official statements attributed entire responsibility for the Indo-Pakistan War to India, and accused the Soviet Union of encouraging Indian "aggression."

6 United States economic aid to India to the value of $87.6 million was suspended. A State Department spokesman said that "the U.S. will not make a contribution to the Indian economy which will make it easier for the Indian Government to sustain its military effort, and that the question of similar action against Pakistan did not arise because all the aid in the pipeline was earmarked for humanitarian relief in East Pakistan.

7 Dr. Henry Kissinger said at a news conference that the Administration had felt it necessary publicly to blame India for the outbreak of the war because the United States had an obligation to make it clear that it did not favour military solutions to political problems.

7 The U.S. Seventh Fleet moved from the Gulf of Tonkin to the Bay of Bengal.

16 The unconditional surrender of Pakistan forces was accepted by Lt. Gen. Arora, General Officer Commander-in-Chief of the Indian Eastern Command, in Dacca. Prime Minister Indira Gandhi announced unilateral cease-fire on the western front with effect from December 17, 1971. On that day General Yahya Khan accepted India's unilateral cease-fire, and the 14 Day Indo-Pakistan War ended.

18 The discovery of the mutilated bodies of a score of leading Bengali intellectuals in Dacca was made. They had disappeared from their homes over the preceding week.

21 The World Bank's International Development Association (IDA) approved two new loans to India totalling $50 million.

29 The Central Minister of State for Agriculture in India, Mr. A.P. Shinde, disclosed in Chandigarh that India had stopped wheat imports from the U.S. under PL-480, and decided to stop with immediate effect the import of rice for domestic requirements.

1972

January

5 It was announced that the U.S. Government had been informed by the Indian Government that the remaining 400,000 tons of the 1,750,000 tons of wheat to be imported under the last PL-480 agreement, signed in April 1971, would not be required in view of the excellent rabi (spring) crop.

7 It was officially stated in New Delhi that India's diplomatic representation in North Vietnam had been upgraded to the level of an Embassy from this date. A protest regarding this move was lodged by the U.S. Ambassador in India, Mr. Kenneth Keating, when he called on Mr. S.K. Benerji, Secretary (East) in the External Affairs Ministry. On January 8 India firmly rejected the U.S. protest.

8 Sheikh Mujibur Rehman was released from detention in West Pakistan and taken to London in a PIA plane; he proclaimed in London that Bangla Desh was "an unchallenged reality" and called for world recognition and the admission of his country to the United Nations.

9 According to a joint statement issued in Calcutta after talks between Prime Minister of India Indira Gandhi and Prime Minister of Bangla Desh Sheikh Mujibur Rehman, Indian armed forces would withdraw from Bangla Desh by March 25, and every means would be adopted to ensure the return of all refugees from India.

9 President Nixon notified Congress in a message that in the light of the more normal situation in Pakistan, the fact that the Pakistan authorities were no longer in control of Bangla Desh, and the return of most of the refugees to Bangla Desh from India, the restrictions imposed by Congress in 1971 on U.S. military and economic aid to Pakistan no longer applied.

February

14 The Bangla Desh Government statement in which it stated that Bangla Desh would remain a sovereign state and that "there is no question" of existing within the framework of Pakistan, was made a U.N. Security Council document.

March

4 The Prime Minister of Ceylon Mrs. Bandaranaike, sent a message to Sheikh Mujibur Rehman announcing Ceylon's recognition of Bangla Desh and expressing the wish for "close relations and friendly cooperation" between the two countries.

16 President of Pakistan Z.A. Bhutto arrived in Moscow for a three day official visit.

17 Indian Prime Minister Indira Gandhi arrived in Dacca to a tumultuous welcome by a vast crowd, where she was greeted by Sheikh Mujibur Rehman.

April

4 U.S. Secretary of State William Rogers announced diplomatic recognition of Bangla Desh by the United States. He said that the principal U.S. officer in Dacca, Mr. Herbert D. Spivak, was on his way back to Bangla Desh following consultations in Washington, and was carrying a message from President Nixon to Sheikh Mujibur Rehman "informing him of our recognition and avowed desire to establish diplomatic relations at the embassy level."

20 The U.S. Defense Department declassified its records,

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revealing for the first time that it gave Pakistan eight times as much military aid as India prior to the 1965 war. Following the war, the U.S. greatly curtailed its aid programs to both Governments, and subsequently Pakistan received most of its arms from China.

May

11 It was announced that Pakistan had devalued its rupee; now 11 Pakistani rupees would equal one U.S. dollar. The parity value before devaluation was Rs. 4.75 (Pakistani) to the U.S. dollar.

11 The official par value of the Pakistan rupee was reduced from 0.186621 grams of fine gold per rupee to 0.-0744103 grams; in terms of dollars the devaluation was from 4.7619 to 11 rupees.

13 In Washington President Nixon welcomed the prospect of direct talks between the leaders of India and Pakistan on the problems of South Asia. The occasion was the acceptance of the credentials of the new Ambassador of Pakistan to the U.S., Mr. Sultan Mohammed Khan.

17 The International Monetary Fund announced its approval of a stand-by arrangement with the Government of Pakistan authorizing purchases of foreign exchange up to the equivalent of 100 million special drawing rights over the succeeding 12 months. The new par value of the Pakistan rupee corresponded to a rate of 11.9428 rupees per special drawing right.

26 Under the chairmanship of the World Bank, representatives of the Governments of Belgium, Canada, France, Western Germany, Italy, Japan, the Netherlands, Norway, Sweden, the U.K. and the U.S.A., as well as the IMF, the Asian Development Bank, the Development Assistance Committee of the Organization for Economic Cooperation and Development, and Switzerland, met in Paris, with a view to concluding an agreement on debt relief and to considering Pakistan's request for new commodity assistance in support of its efforts to increase the pace of development.

June

2 In a dispatch the *New York Times* said that China had delivered to Pakistan substantial quantities of new military equipment, including jet fighter-bombers and tanks, as part of an economic and military aid agreement worked out in early February when Pakistan President Z.A. Bhutto visited Peking.

8 The U.S. General Accounting Office (GAO) reported to Congress that most of a grant of about $10 million made to Pakistan last autumn for humanitarian relief was diverted by Islamabad for the construction of military defenses on what was then the East Pakistani border with India.

13 The United States Senate voted by 44 to 41 to cut off military aid to Pakistan, India, Bangla Desh, Nepal, Ceylon, and other areas. The Senate voted the full $100 million requested for economic aid to Bangla Desh.

July

4 President Nixon's personal envoy, John Connally, arrived in New Delhi from Dacca to hold talks with Government officials on Indo-U.S. relations.

6 The American Ambassador to India, Mr. Kenneth Keating, announced his resignation from the post and his intention to "campaign actively" for the re-election of President R. Nixon.

29 The International Development Association (IDA) approved a $50 million credit for Pakistan.

August

1 Sri Lanka's Deputy Defense Minister, Mr. Lakshman Jayakodi, told Parliament that Chinese arms and gunboats gifted to Sri Lanka recently were meant for the island's internal and external security.

10 The U.N. Security Council members, striving to avert a Chinese veto, agreed to defer further consideration of Bangla Desh's application for U.N. membership.

September

14 The Prime Minister of Bangla Desh, Sheikh Mujibur Rehman, returned to Dacca to a large welcome after a 49 day stay abroad for medical treatment. On the way to Dacca he had stopped in New Delhi for three hours and talked with Prime Minister of India Indira Gandhi.

27 Speaking at a National Press Club luncheon in Washington, the Finance Minister of India, Mr. Y.B. Chavan, referred to the state of Indo-U.S. relations and what was being done by both sides to repair them. Both countries should make an effort to "understand deeply" the views of the other.

October

2 India and the Soviet Union signed in Moscow an agreement for cooperation in the fields of applied science and technology.

2 The Government of India banned the landing in India of U.S. military airlift command flights without prior clearance, pursuant to the Government's policy to follow a uniform policy and discourage flights of military aircraft for purposes that could be served by commercial aircraft.

November

19 President Nixon, in a message to Prime Minister Indira Gandhi of India on her 55th birthday, said that he shared her "desire that the relations between India and the United States be further strengthened," and thanked her for her "very thoughtful message on my re-election as President of the United States."

27 The President of Bangla Desh, Mr. Abu Sayeed Chowdhury, arrived in New Delhi on a 10 day state visit.

28 President Z.A. Bhutto of Pakistan inaugurated the Karachi nuclear power plant with a pledge to use nuclear energy for peaceful purposes only.

November-December

As a result of the failure of the monsoon, the Indian Government's buffer grain stock fell from 9 million to 5 million tons between July and October 1972, and was expected to be exhausted by March 1973. The Government in consequence was compelled to abandon its policy of self-sufficiency, and entered into contracts in November and December 1972 for the purchase of 2 million tons of grain from the U.S., Canada, Argentina, and Australia.

December

11 It was officially announced in New Delhi that Mr. Patrick Daniel Moynihan had been appointed U.S. Ambassador to India, succeeding Mr. Kenneth Keating.

14 The Constitution of the People's Republic of Bangla Desh was signed by members of the Constituent Assembly in Dacca. Prime Minister Sheikh Mujibur Rehman was the first to sign the master copies written in Bengali and English. On December 16, 1972 the Constitution came into force, to mark the first anniversary of the liberation of Bangla Desh.

16 The Foreign Office of Bangla Desh announced that Mr. Hossain Ali, High Commissioner in Australia, had been appointed Ambassador to the U.S.A.

19 Addressing a news conference at Columbo, Sri Lanka, the Deputy Minister for Defense and External Affairs, Mr. Lakshman Jayakodi, said that no foreign power had facilities on the east coast and, "even if asked, we will definitely not accede to such a request." Sri Lanka at that time had a proposal before the United Nations to declare the Indian Ocean region a peace zone.

20 India and Pakistan announced completion of the withdrawal of their troops to the international border in conformity with the Simla Agreement, in a joint statement, issued in Islamabad and New Delhi.

31 On this date the Government of the U.S. had rupee funds in India totalling Rs. 687 crores, resulting from

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PL-480 transactions for the import of foodgrains since 1956, and non-PL 480 credits from development assistance under PL-665, repayments and interest payments.

1973

January
20 The Pakistan Government announced that it was setting up an inquiry commission to investigate alleged cases of atomic spying by Pakistan International Airlines flying over China. The affair came to light on April 11, 1972 when the Karachi newspaper *Morning News* reported that a special commission was investigating the use of instruments and tapes for top level espionage missions on the Dacca-Shanghai route.

February
5–11 In the current quarterly issue of the scholarly journal published by the Far Eastern Institute of the USSR Academy of Sciences *Problemi Dalnevo Vostoka*, Soviet scholars discarded their sympathetic reserve in favour of a frank exposition of Chinese cunning and full support to the Indian position on its territorial problems with China and Pakistan. Official maps of the Sino-Indian border remained to be changed, however.

February, first week
Pakistan's Law Minister, Mr. Abdul Hafex Pirzada, paid a three-day visit to Moscow, during which he signed a Cultural Agreement with the Soviet Government and continued talks on improving economic and trade ties. Mr. Pirzada's principal mission, however, was political—to secure Soviet help in getting the release of prisoners of war in India. As a special envoy to Moscow of Pakistan President Bhutto, he discussed this question with the Soviet Foreign Minister, Mr. Andrei Gromyko.

February
18 The Finance Minister of Bangla Desh, Mr. Tajuddin Ahmed, said in Dacca that Bangla Desh had formally become a member of the Asian Development Bank (ADB), an affiliated body of the World Bank.

February
19 The Indian Charge d'Affairs Mr. Brajesh Mishra, walked out of a banquet in Peking, China, during a speech by Begum Bhutto, wife of the Pakistan President, who had arrived on the inaugural Pakistan International Airlines flight to Peking. Mr. Mishra left when Begum Bhutto said, "We are still in the process of recovery from the traumatic events of December 1971, when by use of naked force efforts were made to destroy the very existence of our State."

February
27 Pakistan's Ambassador to the USA, Mr. Sultan Mohammed Khan, told an Overseas Writers Luncheon in Washington that his country welcomed the arms it had been able to obtain from China and France, but it still would like to see a renewal of its traditional arms supply from the United States. He also accused India of pressuring USA to recognize her "dominant position" in South Asia and to refrain permanently from any further arms shipments to Pakistan.

February
27 Asked what was Pakistan's real role in the visit of Dr. Kissinger to Peking in the fall of 1971 and the subsequent groundwork for President Nixon's visit in February 1972, Mr. Khan said that it was very limited. He explained that Pakistan merely communicated certain views, presumably the feelers from President Nixon, that he was interested in a detente—and provided certain communication facilities—presumably the PIA plane and crew which secretly flew Dr. Kissinger and his aides to Peking.

February
27 Although officially opened in a ceremony on February 1971, the Karakoram Highway which connects Gilgit and Hunza with Kashgar in Sinkiang China, had not yet been opened to full traffic, Pakistan's Ambassador to the USA, noted in a speech.

February
28 The United States Ambassador, Mr. Daniel Patrick Moynihan, presented his credentials to President V.V. Giri of India, at Rashtrapati Bhavan in New Delhi.

March
1 Pakistan and the United States signed agreements for three separate development loans amounting to $64 million; $40 million for import of industrial commodities, $20 million for import of fertilizers, and $4 million for completion of the Tarbela Dam.

March
10 The Soviet Union and Pakistan signed an Agreement which would have the effect of taking away from Pakistan the debt payment liabilities for the State credits utilized in East Pakistan before December 1971.

March
14 It was officially announced in Washington that the United States had resumed sales of non-lethal military equipment plus spare parts to Pakistan and India. State Department spokesman Charles Bray said that the USA had no intention of entering into an arms race in South Asia, and that both Pakistan and India had been informed of the US decision. Through Ambassador Daniel Moynihan, the Indian Government said that any resumption of American arms supply to Pakistan would be a negative factor in normalizing India's relations with both of them.

March
14 It was announced in Washington that the U.S. had lifted the embargo on arms supplies to India and Pakistan imposed in December 1971 at the time of the Indo-Pakistan War. That is, the State Department explained, the U.S. could sell "non-lethal" equipment and spare parts to either Pakistan or India.

March
15 The United States announced the release of a $87.6 million development loan to India—which had remained suspended since December 1971—for priority imports. The announcement was made by Mr. D.G. McDonald, Assistant Administrator of the AID, in testimony before a House Foreign Affairs sub-committee. The release of the funds was timed to follow the State Department's announcement that Pakistan had been given over $14 million worth of military equipment, including reconditioned aircraft engines.

March
15 At a news conference President Nixon stressed that the military sales to Pakistan would not affect the balance of power in the subcontinent, where "India's superiority is so enormous that the possibility of Pakistan being a threat to India is absurd."

March
23 Press reports quoted official sources as saying that the Soviet Union had offered to assist Sri Lanka develop in a big way key sectors of the economy, including oil, fertilizers and petro-chemical industries. The Soviet Union signed an agreement on March 26, 1973 to provide Sri Lanka with aid worth Rs. 1.9 million for expansion of a Government-owned State flour mill, and equipment and machinery required for production of components for pre-fabricated housing.

April
1 Following the failure of the 1972 monsoon in most states of India, and with the continuation of drought conditions into summer 1973, a plan under which the Government took over wholesale trade in foodgrains was implemented in the wheat-growing states of Punjab, Haryana, Madhya Pradesh, Uttar Pradesh, Maharashtra and Gujarat.

April
2–8 Mr. Triloki Nath Kaul, former Foreign Secretary, was appointed India's Ambassador to the USA, succeeding Mr. L.K. Jha.

April
10 A bilateral Aid Agreement between Bangla Desh and the United States for $30 million was signed in Dacca, for supply of vital agricultural inputs such as fertilizers, insecticides and vegetable seeds from the USA.

April
19 In his annual report on US foreign policy issued in Washington, the Secretary of State, Mr. William Rogers pledged "to continue our strong support for the viability and cohesion of Pakistan," justified by "our long-standing relationship and its importance to the stability of the entire region." Turning to India, Mr. Rogers said that in recent months India had expressed a desire to improve the relations with the USA. "We reciprocate that desire. We will look to India as South Asia's largest nation to play a leading role in building a climate for peace in South Asia . . ."

April
23 The UN General Assembly adopted a formal declaration making the Indian Ocean a zone of peace. While granting the unimpeded use of the Indian Ocean for peaceful navigation, the declaration stated that "warships and military aircraft may not use the Indian Ocean for any threat or use of force against the sovereignty, territorial integrity and independence of any littoral or hinterland States of the Indian Ocean in contravention of the purposes and the principles of the UN Charter."

April
26 The Dacca newspaper, *Bangla Bani*, quoting responsible sources, said on April 26 that Bangla Desh had received 10 MIG-21 fighter planes from the Soviet Union and would establish its first fighter squadron in the next few weeks. The planes were given following Soviet assurances of military assistance to the Prime Minister, Sheikh Mujibur Rehman, on his visit to Moscow in March 1972.

April
27 Pakistan and the Soviet Union signed in Islamabad a three-year Trade Agreement, providing for Soviet import a number of manufactured goods, including cotton textile, hosiery, towels and sheets, machine-made carpets, footwear and surgical instruments. The Soviet Union would export, among other things, dyes and chemicals, pharmaceuticals and tractors.

May
3 President Richard Nixon asserted that USA will not join any groupings or pursue any politics directed against India, in his annual State of the World message. Stressing India's stature as a "major country", he said that while India's relationship with the major Powers was for it to decide, "We have a natural concern that India not be locked into exclusive ties with major countries directed against us or against other countries with whom we have relationships which we value." In regard to aid, he said where "our economic assistance does not serve mutual interests, it should not be provided," but added that "where it does, ways must be found to assure that the form of aid is consistent with the dignity of both the donor and recipient", with the donor not expecting "special influence in return." . . . In short, he said, "USA wants to see a subcontinent that is independent, progressive and peaceful. We believe India shares these objectives, and this can be the firm basis of a constructive relationship."

May
5 The Director of the Stockholm International Peace Research Institute (SIPRI), Mr. Frank Barnaby of Britain, said that of the several countries with the capability, "India is probably closest to acquiring nuclear armaments. There is an influential group of politicians in India lobbying for the development of a peaceful nuclear programme, and it is only a matter of time before India may decide to develop nuclear weapons. . . .", in order to "keep her prestige and leading role in Asia."

May
5 It was disclosed in a news dispatch that China was supplying TU-16 jet bomber aircraft to Pakistan, and Chinese advisers, and pilots and aircraft maintenance technicians had arrived in large numbers in Pakistan to train Pakistan Air Force personnel on the use of the TU-16 aircraft.

May
29 The International Development Association (IDA) an affiliate of the World Bank, announced that it had granted $71 million in two credits for agriculture in India, financing farmers in Madhya Pradesh and Uttar Pradesh in a three-year programme designed to increase agricultural production.

June
8 The International Development Association (IDA) the soft loan affiliate of the World Bank, announced a loan of $100 million to India for import of industrial raw materials, components and spares for medium and large-scale enterprises in selected priority industries.

June
15 The Aid Consortium announced at the end of its meeting in Paris that member-States and institutions had agreed to commit for the current year non-project assistance including debt relief of $70 million and project assistance of about $500 million to India.

June
17 During an official visit to Canada, Prime Minister of India Mrs. Gandhi had discussed the possibility of importing wheat with the Canadian Prime Minister, Mr. Trudeau, and in New Delhi in June Mr. Ahmed had raised this subject with Mr. Daniel Moynihan, the U. S. Ambassador.

June
18 The US Navy put into operation a communications station on the British-held island of Diego Garcia in the Indian Ocean. The station will help in controlling movements of American ships and planes in the area. The station was commissioned on March 20, but there was no public announcement. USA is therefore the first of the super-Powers to establish a military base on foreign territory in the Indian Ocean. Indian protests went unheeded in both Washington and London.

June
18 President Richard Nixon of the USA and Soviet Communist Party Secretary Mr. Leonid Brezhnev, met in a marathon summit session in Washington, and signed agreements (1) committing their nations to negotiate before the end of next year a Treaty calling for mutual reduction of nuclear weapons; (2) undertaking to do everything possible to avoid a nuclear war not only between their two nations but also with third nations; and (3) to increase commercial ties between their na-

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tions, and to lay plans for establishing a joint "chamber of commerce."

June
18–19 The Chinese Foreign Minister, Mr. Chi Peng-fei, visited Karachi for talks with President Z.A. Bhutto. Topics discussed included the Pakistani prisoners of war, and the situation on the subcontinent.

June
26 The Pakistan Government appointed Mr. Mumtaz Ali Alvie, the Foreign Secretary, as the new Ambassador to China to replace Mr. Agha Shahi.

July
10 The National Assembly of Pakistan approved a resolution giving President Z. A. Bhutto authority to recognize Bangla Desh.

July
13 Mr. Munir Ahmed, Chairman of the Pakistan Atomic Energy Commission said that plans had been finalized for setting up a giant nuclear power station in the northern part of the country, to be complete in two and one half years.

July
26 The Minister of Agriculture Mr. Fakhruddin Ali Ahmed announced in the Lok Sabha that the Government proposed to make further purchases from the United States, Canada, Argentina and Australia.

August
8 Bangla Desh signed the first Agreement with USA for the purchase of 80,000 tons of wheat under the amended PL-480 Food for Peace Act which provides for payment in dollars.

August
28 In an agreement signed in New Delhi by India and Pakistan, the repatriation of prisoners, from Pakistan and India and Bangla Desh, as well as other humanitarian problems left over from the 1971 war were dealt with. Addressing a news conference at Rawalpindi the next day, The Pakistan Minister of State for Defence and Foreign Affairs, Mr. Aziz Ahmed, indicated that Pakistan would recognize Bangla Desh soon.

August
30 Pakistan's Minister of State for Foreign Affairs and Defence, Mr. Aziz Ahmed, paid a visit to Peking, after returning from successful talks with India in New Delhi. In Peking he met with Foreign Minister Chi P'eng-fei, and Premier Chou En-lai. At a banquet in honor of Mr. Ahmed, Mr. Chi P'eng-fei reiterated Chinese support for the Pakistan Government in combating "foreign interference and defending State sovereignty."

September
10 Pakistan to get 60,000 tons of wheat from the USA on an urgent basis under an agreement signed in Islamabad. USA's President Nixon would also authorize supply of an additional 30,000 tons through the World Food Programme.

September
18 Meeting in Washington, President Nixon and Pakistan's Prime Minister Mr. Zulfikar Ali Bhutto reviewed plans for future long-term US assistance to Pakistan. Mr. Nixon assured Mr. Bhutto of "strong US support for Pakistan's independence and territorial integrity," which he considered a guiding principle of US foreign policy.

September
18 President Nixon of the USA announced that he intended to nominate the veteran diplomat Mr. Henry Byroade, to be U.S. Ambassador to Pakistan.

September
28 The Soviet Union offered India 2 million tons of food grains, including some rice, on a loan basis. The offer came personally from Mr. Leonid Brezhnev, General Secretary of the Communist Party of the Soviet Union, and it was accepted by the Government of India.

September
28 The U.S. Senate voted to prevent the Administration from agreeing to settle an Indian debt of $3,000 million worth of rupees (arising out of the wheat sales under PL-480) for less than the full amount unless Congress agreed to such a step. The measure, attached as an amendment to a Military Procurement Bill, was introduced by Senator Harry Byrd, who said the step was taken because Mr. Daniel Moynihan, US Ambassador to India, had recommended that the Indian debt be settled at a substantial discount.

September, 3rd week
During the visit of Pakistan Prime Minister Bhutto to Washington it was decided to let Pakistan keep six helicopters sent there to fight floods in August, despite an embargo on the delivery of military weapons to South Asia. State Department officials said on September 26 that the helicopters were unarmed, and therefore, the action was not contrary to present US policy.

October, 1st week
India repatriated 1680 more Pakistani prisoners of war as Pakistan and Bangla Desh mutually decided to continue the airlift of stranded citizens beyond the original deadline of Sept. 30.

October
8 A Colombo report said that China had agreed to provide Sri Lanka with an advance supply of 40,000 tons of rice immediately, to be set off against what Sri Lanka would buy next year under the Sino-Lanka bilateral trade pact now due for renewal.

November
26 The Soviet Communist Party chief, Mr. Leonid Illyich Brezhnev, received an enthusiastic welcome when he arrived in New Delhi for a five-day visit. Mr. Brezhnev and Mrs. Gandhi highlighted the common ideal of peaceful co-existence shared by their countries at a State banquet on November 26. At a civic reception in Delhi on November 27, Mr. Brezhnev said "We shall stand by you in the future, in times of trial, test and triumph." The need for long-term cooperation was stressed. A number of agreements were signed on November 29.

December
12 An agreement was reached in New Delhi for resolving the problem of US rupee holdings amounting to Rs. 2,497 crores either already standing in USA's name with the Reserve Bank of India or which would be due to it in coming years.

December
26 According to an official communique issued in Colombo, China will supply to Sri Lanka 200,000 tons of rice by the end of 1974 including a gift of 40,000.

December
27 India and the Soviet Union signed in New Delhi a Protocol providing for Soviet aid for the coal industry including development of two or more large opencast mines in the Singrauli coalfield in UP and MP.

December
29 Bangla Desh and India agreed in New Delhi on long-term bilateral cooperation in regard to the production of raw jute and export of jute goods.

December
31 In another initiative to facilitate the process of normalization in the subcontinent, India proposed to Pakistan to exchange delegations to start negotiations in terms of the Simla Agreements.

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January
20 A French news agency, quoting authoritative sources in Islamabad, reported that China would collaborate in production of ground-to-air missiles in Pakistan. The plan had been initiated when General Tikka Khan, Army Chief of Staff for Pakistan, had visited Peking in January 1973.

January
22 Prime Minister of Sri Lanka Mrs. Bandaranaike arrived in New Delhi to a warm welcome on a week's official visit.

February
18 India and USA formally signed the agreement on the disposal of the USA-held PL480 rupees. The agreement was signed in New Delhi by American Ambassador Daniel Moynihan and Mr. M.G. Kaul, Secretary, Department of Economic Affairs, Finance Ministry.

February
22 Pakistan and Bangla Desh recognized each other, 26 months after the erstwhile East Pakistan wrenched itself away to become a sovereign nation.

May
12–16 The Prime Minister of Bangladesh, Sheikh Mujibur Rehman, paid a state visit to New Delhi, during which he had talks with the Indian Prime Minister, Mrs. Indira Gandhi, on a wide range of political and economic questions.

May
18 India became the sixth nuclear power when she carried out her first nuclear test, involving the detonation of a plutonium device in the 10–15 kiloton range at a depth of over 100 metres in the Rajasthan desert. Responding to foreign criticisms of India's nuclear test on May 25, Prime Minister Gandhi said: "This same argument (i.e., that such a poor country such as India could afford the luxury of peaceful nuclear experiment) was advanced when we established our steel mills and machine-building plants. They are necessary for development, for it is only through acquisition of higher technology that you can overcome poverty and economic backwardness. Is it the contention that it is all right for the rich to use nuclear energy for destructive purposes but not right for a poor country to find out whether it can be used for construction? . . ."

June
7 An application by Bangladesh for admission to the United Nations was unanimously approved by the Security Council, and will go before the UN General Assembly at its 29th session in the autumn. Bangladesh's first application for membership had been vetoed by China in August 1972.

June
18 The Chinese Government announced that it had successfully conducted a new nuclear test "over the western region" on the previous day. The communique declared that "the conducting of necessary and limited nuclear tests by China is entirely for the purpose of defence and for breaking the nuclear monopoly of the super-Powers and for ultimately abolishing nuclear weapons," and that "at no time and in no circumstances" would China be the first to use nuclear weapons."

June
27 The Prime Minister of Pakistan, Mr. Bhutto, arrived in Dacca for the first official visit to Bangladesh by a Pakistani leader since the country became independent. Talks between Sheikh Mujibur Rehman and Mr. Bhutto produced no agreement on the issues discussed, which included the repatriation of refugees to Pakistan from Bangladesh, the exchange of diplomatic missions, assets and liabilities, etc.

July
25 President of the U.S., Richard Nixon, accompanied, among others, by Dr. Henry Kissinger, Secretary of State, visited the Soviet Union, where on July 8 President Nixon and Soviet leader Brezhnez signed several statements, including a Soviet-American treaty on the limitation of underground nuclear weapon tests, effective March 31, 1976.

Appendix W:
Ethical Considerations: Foreign Policy and National Security Policy

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Introduction

Appendix W includes two papers, prepared independently. The first, by Donald F. McHenry, focuses on human rights and ethical dimensions generally. The second, by Francis X. Winters, S.J., is an examination of ethical considerations as they concern national security policy. Related papers appear in Appendices B, C, and I.

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Ethical Considerations and National Security Policy

Francis X. Winters, S.J.
December 1974

I. Introduction

A review of four areas of national security planning reveals a significant failure to include ethical considerations in the formulation of foreign policy. Reflection on these failures suggests the need to create a National Academy of Defense and Diplomacy, as a public, non-governmental panel of senior foreign-policy practitioners and thinkers, to provide the long-range planning which alone is adequate to embody adequate ethical considerations. A detailed analysis of three policy areas (and a brief comment on a fourth area) will suggest the dimensions of the problem and offer an explanation of the failure to deal adequately with ethical considerations in foreign policymaking. Afterwards, the proposed remedy for these failures will be sketched in brief.

II. Recent U.S. Foreign Policy Decision-Making Which Gave Inadequate Weight to Ethical Considerations.

A. STRATEGIC DOCTRINE

In a press conference at the Overseas Press Club on January 10, 1973, the Secretary of Defense reopened the national debate on strategic doctrine by announcing that the Department of Defense was developing plans for introducing greater discrimination into strategic targeting in order to provide Presidential options in the dire eventuality of a strategic nuclear exchange between the U.S. and the Soviet Union. Six months later, Secretary of State Kissinger, on his return from the abortive summit meeting in June, summoned the nation to a "great debate" on strategic arms limitations, in order to persuade the U.S. military leadership of the urgency of accomodation with the USSR on strategic doctrine and planning. Although the personal, bureaucratic and diplomatic factors influencing the respective Secretaries will not be known for years to come, it is clear that their initiatives during the year 1974 had very significant impact on the November agreements between President Ford and Chairman Brezhnev, which may come to be known as the "Vladivostok shock" because of the impetus given to the national debate on the future of the arms race. This public debate, carried on both within the bureaucracy and in the press, has frequently made explicit reference to ethical considerations. It is the contention of this part of the essay that the debate (and the simultaneous processes of decision-making in the bureaucracy) has given insufficient weight to one overriding ethical consideration: the *cultural destabilization* threatened by U.S. (and USSR) strategic doctrine as it is articulated both by defenders and critics of Schlesinger's counterforce strategy.

At first sight, it may appear that both Secretary Schlesinger and his critics have paid adequate attention to the moral argument in arriving at and articulating their respective positions. For example, the "counterforce" approach to strategic doctrine emphasizes the priority of protecting civilian lives as a constraint on policy and planning. That is, the reported process of retargeting has attempted (wherever possible) to discriminate among military, industrial and civilian targets and to build breaks into SIOP (Single Integrated Operation Procedure [for nuclear strategic response to attack]) precisely in order to hold off civilian targeting as a final deterrent threat and bargaining move. Thus it is hoped that a strategic exchange could be terminated short of the ultimately threatened mutual assured destruction. It seems then that the traditional abhorrence of targeting the defenseless (including women and children) has been given due weight in this decision making (and public debate) process.

Attentive scrutiny of the Secretary's statements, however, fails to reveal any willingness to consider a declaration (mutual or unilateral) that such civilian sectors would be unconditionally immune to

direct targeting by our forces. In the absence of such a declaration, the ethical critic is bound, I believe, to observe that the traditional insistence on moral restraints against civilian targeting has been reduced here to a chronological or strategic restraint, namely, a postponement of civilian targeting to the last moment in the strategic exchange. (It seems that this revision of the tradition of civilian inviolability constitutes a curious reversal, and final abandonment, of the civilized instinct that saved "women and children first" from a sinking ship. Now they will be targeted last. One might ask whether this postponement of their fate does not promise a unique psychological atrocity for these temporary survivors, only to be followed by the counterforce *coup de grace,* annihilation.)

The ethical consideration given inadequate weight by Secretary Schlesinger and those who agree with him is this: the mere *postponement* of civilian targeting not only includes the malice of killing the defenseless, but heightens the threatened horror by allowing those so "protected" to witness the death of their society and their loved ones before their own slaughter.

Schlesinger's critics, including many of the most knowledgeable, experienced, articulate and sensitive members of the arms control community, both within and around the government, have been quick to point out some of the ironies in the counterforce proposals, and have basked in the complacency of a moral superiority which is equally dubious to some ethical observers. Arguing that the development of nuclear weapons has made obsolete the ancient proscription of targeting civilians, and persuaded, perhaps, that there are no morally significant differences at any rate between civilians and soldiers, these arms control theorists propose as a substitute norm the achievement and maintenance of stable deterrence. According to this criterion, military strategy should be based upon the maintenance of parity in destructive potential between adversaries, which prevents an expansionist move by either of the superpowers and therefore protects equilibrium in the international system. Relinquishing the limit earlier provided by the principle of the inviolability of innocent human life, this school urges a defense posture based on: (1) the *mutual vulnerability* of the *cities* of each society to the offensive missiles of the other (assured through the virtual abandonment of ABM systems since SALT I); (2) the *invulnerability* of a *retaliatory strategic force* (assured by a submarine fleet, armed with SLBM's); and (3) the *improbability* of nuclear *hostilities* (assured through the combination of (1) and (2), above). By raising the destructive stakes as high as possible (through the unimpaired mutual vulnerability of citizens), the stable deterrence school seeks to reduce the statistical probability of the outbreak of nuclear hostilities until it approximates zero. Among these theorists themselves there is an ample spectrum of strategies for retaliation if deterrence should fail, ranging from (1) assured destruction (the assured capacity to destroy the Soviet Union as a viable society through a twice redundant (ICBM, SLBM, bomber) capacity to destroy 60,000,000 Soviet citizens and one-half of its industrial capacity) down to a retaliatory and delayed obliteration of ten Soviet cities. Such, it seems, is the meaning of stability in the nuclear era.

A moral critic might plausibly argue that the countervalue school of strategic doctrine, despite appearances to the contrary, likewise fails to give due weight to moral considerations. Specifically, it seems that this school has inadvisedly consigned the principle of civilian immunity to obsolescence because:

(1) The attempt to reduce the probability of nuclear hostilities as far as possible (to levels approaching zero) by raising the stakes as high as possible (by threatening deliberate attacks on civilians) ignores: the monumental gap between a low probability of hostilities and a zero probability, which is admittedly unattainable because of factors of political necessities, human unpredictability, human error or technological malfunction, or the final spectre of "the irrational actor".

(2) The apparent (relative) political and military stability that has been secured by the current strategic doctrine of MAD has been purchased at the price of a much more fundamental stability, namely, that ancient tradition of limiting the use of violence by the political (and later legal) boundary of civilian immunity from intentional attack.

In support of this contention that the countervalue approach to strategic doctrine is no more adequate than counterforce to resolving the moral issue of nuclear warfare, the following question might be addressed to the supporters of MAD: The question can be formulated thus: is it possible that the policy of targeting civilians, at the very time it is serving to stabilize the international political situation through deterrence of nuclear hostilities, is also profoundly destabilizing the international cultural and ethical situation by undermining the primeval instinct to respect human life? The value of political stabilization achieved through policies of mutual assured destruction ought to be weighed very carefully against the loss (with its consequent cultural destabilization) of the last generally accepted (and legally recognized) boundary on the use of violence. Stabilization or destabilization, in other words, are processes at work both in the political-military and in the broader cultural sphere of ethics

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and international law. In an article ("Can Nuclear Deterrence Last Out the Century?", *Foreign Affairs*, January 1973) which appeared on the eve of his appointment as Director of ACDA (the U.S. Government's Agency for Arms Control and Disarmament), Fred Iklé raised this question of the long-range impact of national defense policies which have as a starting point an acceptance of genocide.

> The jargon of American strategic analysis works like a narcotic. It dulls our sense of moral outrage about the tragic confrontation of nuclear arsenals, primed and constantly perfected to unleash widespread genocide. It fosters the current smug complacence regarding the soundness and stability of mutual deterrence. It blinds us to the fact that our method for preventing nuclear war rests on a form of warfare universally condemned since the Dark Ages—the mass killing of hostages. (P. 281)

It may be that we are presently purchasing political and military stability at the cost of cultural and symbolic destabilization. If so, the price is too high. Neither of the publicly debated approaches to strategic doctrine, then, "counterforce" or "countervalue", gives adequate weight to the ethical considerations proposed in the tradition of absolute prohibition against direct "intentional" attack on civilians.

The proponents of these opposing strategic doctrines, however, would be justified in asking their critics: What conceivable strategic doctrine would meet such a test? In the interest of advancing the public debate on strategy, let me propose an alternative strategy along side those currently being discussed and ask whether this strategy combines the three requirements of a military posture compatible with a sense of morality, namely, that it: (1) protects the legitimate political, military and economic interests of the U.S. in the international system; (2) without triggering nuclear holocaust; and (3) without eroding the crucial cultural heritage of respect for human life.

A strategy which might meet these requirements might be called a "counter-strategic defense". It would avoid targeting cities, industry, communication centers and conventional combat forces (such as the Soviet troops on the Chinese border). It would target only U.S.S.R. strategic forces, including: ICBM's, submarines and their support facilities, ABM systems, air fields, air fuel depots, missile depots, railroad lines servicing ICBM fields, and whatever other targets could be established to be contributing, or about to contribute, to the strategic attack on the U.S. These targets seem to me to constitute the upper level of the minimal force which is necessary to defend the U.S. and which is justifiable according to the principles of discrimination and proportionality. The cultural and specifically the moral stability of the human enterprise requires the observance of the limits defined by the principles of discrimination and proportionality.

Would the adoption of such a radical change in U.S. military strategy be liable to result in a destabilization of the international system and in consequent Soviet gains in areas (such as Europe and the Middle East) where it presumably has ambitions? Almost certainly it would, if the proposed strategic shift were to be implemented immediately, or even by 1980. But there is, of course, no chance that U.S. policymakers would change their own perceptions with such destabilizing rapidity. Even if such a proposal were to be seriously examined as part of the imminent national debate, no consensus for a counter-strategic defense could be formed before 1985. By then, the domestic debate would have made this remote possibility well known to world leaders. Even if such a radical reversal of strategic doctrine were adopted by 1985, the U.S. would require another ten years to reorient its defenses to conventional forces before abandoning our present and currently projected force structures. Surely by 1995, the international system could have adapted to the proposed change in U.S. defense policies.

B. STRATEGIC AND TACTICAL WEAPONS CHOICE

The implications for weapons choice of the adoption of the previously proposed "counter-strategic defense" posture lie beyond the competence of the present author (although the continued reliance on SLBM's is questionable because of their apparently exclusive direction against "soft targets"). Presumably such choices among available weapons systems (as well as research and development of weapons more appropriate to such a strategy) could be made largely on technical grounds without further recourse to moral criteria.

The choice of tactical nuclear weapons, however, is the focus of a vigorous policy debate both within and around the government. (*Cf. U.S. Nuclear Weapons in Europe: Issues and Alternatives*, by Jeffrey Record [with the assistance of T. Anderson], Brookings, 1974.) This debate likewise involves moral arguments, some of which are explicitly made by advocates of competing weapons systems, while other moral considerations have so far been either ignored or prematurely discounted. A review of the three most widely held views, along with the accompanying moral argument, will illustrate both the actual and potential impact of ethical considerations on the choice (or rejection) of tactical nuclear weapons.

Several military and political considerations have stimulated the current review of U.S. policies for

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the defense of Europe, including: (1) The disparity between the size and yield of currently deployed TNW's (tactical nuclear weapons) and their potential military missions: many of these weapons are too damaging to be used without destroying the object of defense (Europe); (2) The risk of escalation from tactical to strategic conflict through (a) loss of command and control during hostilities; (b) asymmetry of U.S. and Soviet doctrines about limited tactical nuclear war; (c) difficulty of distinguishing kiloton from megaton nuclear explosions on a battlefield; (3) The risk of accident, theft or capture of TNW's; (4) Political complications resulting from the admitted (and intended) strategic capabilities of some present NATO "tactical" nuclear forces. To obviate some of these difficulties, various defense analysts have proposed altering NATO defense postures by: (1) Reducing the *number* (from 7,000 to 1,000 or 2,000), and restructuring the composition of nuclear weapons deployed in and around Europe, while building up conventional defenses; (2) Reducing conventional defenses, and redesigning TNW's to a low yield (subkiloton) forces, which would be used promptly against any significant Warsaw pact threat to seize territory in Western Europe; (3) Withdrawing all TNW's and relying on conventional forces alone.

A moral critic can argue, I believe, that both positions #1 (reduction of the number of TNW's) and #2 (reduction of the yield of TNW's and of conventional forces) are partially motivated by explicit moral considerations which in themselves are valid, but which, if complemented by further moral reconsideration, might lead to quite a different conclusion, namely, the adoption of policy #3 (the total withdrawal of U.S. nuclear forces from Europe, along with substantial build-ups of conventional defenses there).

Those who advocate reducing the number of TNW's (and phasing out specific systems, such as QRA [quick reaction alert]) include moral arguments among the considerations that support their positions. They argue, for example, that the present size of the arsenal is dangerously and unnecessarily large. Therefore, to eliminate risks, to reduce political tensions and to free scarce resources for the improvement of conventional force structures, they urge a reduction from 7,000 to 1,000 or 2,000 TNW's. Against those who urge cutting back conventional forces and miniaturizing nuclear weapons, their moral retort is that such a change in force structure unwisely ignores the significance of the "atomic taboo" (Aron), which puts the most significant strategic firebreak between conventional and nuclear weapons of any size, and thus threatens to facilitate the outbreak of nuclear hostilities. Against those on the other side who want to remove all TNW's and rely solely on conventional forces, they insist that such a radical change would be politically destabilizing and therefore an invitation to Soviet aggression and European capitulation ("Finlandization").

The moral structure of the argument advocating miniaturization of nuclear weapons, along with reduction in conventional forces, is persuasive: the improved capacity of NATO for tactical defense, clearly separated from any potential strategic utility in the remaining NATO nuclear forces, contributes to political stability and super power accommodation.

What ethical considerations are lacking, then, in the case made for (1)—decreasing—or (2) miniaturizing—the TNW force of NATO? Principally, the further considerations which lead to recommending a different course of action, namely, total withdrawal of TNW's from Europe and increased reliance on conventional forces are these:

(1) [in response to the reduction thesis]

(a) the residual risk of escalation from TNW's to strategic conflict remains the overwhelming political/military threat to peace;

(b) the continued presence of nuclear weapons on European soil risks undermining the shared perception of U.S. and Soviet leaders that it is crucial to maintain the firebreak between conventional and nuclear weapons;

(2) [in response to the miniaturization thesis]

(a) the transfer of the firebreak from quality (conventional versus nuclear) to quantitative (superkiloton to subkiloton) radically undermines the "atomic taboo" and thus heightens the possibility of nuclear hostilities;

(b) economic and technological reasons for prefering nuclear to conventional forces are superficial and pusillanimous solutions to the political challenge of combined European and U.S. defense of vital interests in Europe.

In the light of these reflections, let me propose "the extreme viewpoint that the U.S. should not deploy any non-strategic weapons systems" (Record, *op. cit.* p. 56). In support of this alternative proposal one might offer political, military and moral considerations. Let me stress only the last: that "the long-standing U. S. tradition of trading technology for manpower" (Record, *op. cit.* p. 9) is extremely short-sighted since it contains an unacceptable risk of theater or global escalation.

C. COUNTERINSURGENCY DOCTRINE

Counterinsurgency, like the insurgent movement which it seeks to overcome, is a political/military strategy to consolidate political power. Hence, it may be morally legitimate or even morally obligatory. The participation of allies in a nation's counterinsurgency is legitimated by the same criteria as

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the counterinsurgency itself, namely, the political welfare of the population and the costs of bringing about this welfare through violence. In this section, "counterinsurgency doctrine" is taken to mean the political/military doctrine governing U.S. participation in the counterinsurgency activities of its allies (whether allied by treaty or otherwise). The example chosen to examine ethical considerations which may be relevant to U.S. counterinsurgency doctrine is U.S. involvement in Vietnam from 1963 until the cease-fire negotiated by Dr. Henry Kissinger and DRV Special Advisor Le Duc Tho.

The decisive question in attempting to assess the ethical legitimacy of U.S. participation in the counterinsurgency efforts of the successive South Vietnamese governments is this: was U.S. involvement a function of (and thus subordinate to) the local counterinsurgency itself, or was it rather part of a (U.S.) global strategy of containment of Communist advances? Evidently, U.S. policymakers were not oblivious of the global context in which the Vietnamese conflict took place. The record of the period documents the decisive impact of the memory of Munich on key decision-makers. Therefore, it seems clear that the global containment of Communist forces was one of the factors motivating U.S. involvement. From this fact, of course, no judgement can be made that U.S. participation was morally illegitimate, for it is quite possible that the interests of the U.S. in containing Communism and the interest of the South Vietnamese government in protecting its own power base coincided. The crucial issue therefore is one of intention: what were U.S. policy-makers trying to accomplish?

Short of extensive and necessarily unverifiable interviewing, there is no way to judge the intention of U.S. decision-makers. Yet, a persuasive index of intention can be exegized from their strategic and tactical decisions. If, for example, the level of U.S. support was disproportionate to the intrinsic importance of the local conflict and if such a level of support effected profound and lasting damage to the political, economic and ecological structure of Vietnam itself, then a moral observer might plausibly infer that the actual motivation of U.S. decision-makers was the implementation of a global strategy of containment, which happened to be prosecuted in Vietnam, but which could have been attempted in a variety of other localities. It may be plausibly inferred, in other words, that the geopolitical configuration of the domino didn't finally matter in Washington: what mattered was its standing or falling. If the identity of the domino isn't finally significant for U.S. counterinsurgency doctrine (except in its most technical aspects), the doctrine runs a very high risk of leading to decisions which are counterproductive to the counterinsurgency itself, by causing: (1) excessive penetration of the indigenous society by the United States; (2) replacement of local leaders solely on the grounds of flexibility and subservience to U.S. interests; (3) high casualty rates; (4) economic dislocation; (5) ecological destruction; (6) violation of territorial integrity of neighboring states; (7) violation of international law by bombing cities; (8) erosion of (recent) customary limitations of warfare against interdicting supply routes; (9) withdrawal of popular support from the government; (10) heightened morale among insurgents. Further consequences of deciding on a level of U.S. participation which is proportionate to a global contest for power (but which is clearly disproportionate to supporting the counterinsurgent forces) stems from the fact that such levels of violence can be made intelligible to others only by admission that the real motivation is the prosecution of a global strategy of containment. Such an admission, however, is impossible because it would exacerbate international tensions. Therefore, U.S. leaders had to try persuading their fellow citizens that the level of U.S. participation in the counterinsurgency was determined solely by the intrinsic demands of the local situation. To make this case, the leadership was forced to deceive the Congress (Gulf of Tonkin resolution) and finished by deceiving itself in a pattern of bureaucratic activity that might be described by a phrase adapted from strategic terminology: "mutual assured deception". (*Cf.* David Halberstam, *The Best And The Brightest*, N.Y.: Random House, 1972.) The price of this reciprocal deception turned out to be the abandonment of the Presidency by one of its most jealous suitors.

Employing these indices of proportionality in order to gauge the intention of decision-makers concerned with Vietnam from 1963 to the end of 1974, the moral critic is forced to conclude that the effective motivation for U.S. policies in Vietnam during this period was the prosecution of a global strategy of containment, which was counterproductive to the counterinsurgency itself (as Diem might have testified), as well as to the political power of the decision-makers in Washington.

Counterinsurgency doctrine, then, should be simply that, and not a doctrine of containment, except in those few cases where the two doctrines and their respective policies actually converge. The failure to distinguish the two is both a moral and a political mistake of almost inestimable proportions.

D. COVERT POLITICAL ACTION

The instinctive repugnance evoked by the revelations of United States government successes in destabilizing the Allende government of Chile is an adequate expression of the immorality of most reputed or conceivable forms of covert political ac-

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tivity. The only moral argument here is the intensely interesting question of situations in which such activity would *not* be repugnant to most U.S. citizens. Several intriguing suggestions for morally acceptable subversive activities were mentioned in the *Time* cover story on the CIA (September 30, 1974).

Ideas vary about what limits should be set. Harry Howe Ransom, professor of political science and an intelligence specialist at Vanderbilt University, believes that "covert operations represent an act just short of war. If we use them, it should be where acts of war would otherwise be necessary." Ransom would permit covert actions only when U.S. security is clearly in jeopardy. William T.R. Fox, professor of international relations at Columbia University, would additionally permit them "to undo the spread of Hitler and other like governments." Dean Harvey Picker of Columbia's School of International Affairs would allow clandestine operations to prevent nuclear war. As Senator Church points out, however, the "national security considerations must be compelling" for covert action to be justified. For his part, Colby declines to say under what precise circumstances he would favor covert action.

III. A Tentative Explanation and a Proposed Remedy for the Failure to Give Due Weight to Ethical Considerations in Recent Foreign Policy Decisions.

In reviewing three broad areas of defense policy making, (strategic doctrine, strategic and tactical weapons choice and the doctrine of counterinsurgency), the author has come to the following conclusions, the last of which seems to suggest one procedural change which might allow more weight to ethical considerations in such policy decisions:

(1) strategic doctrine has given insufficient attention to the culturally destabilizing effect of targeting civilians;

(2) weapons choice has failed to give adequate attention to the feasibility and desirability of avoiding the risk of escalation by withdrawing all TNW's from Europe and relying solely for theater defense on conventional NATO forces;

(3) counterinsurgency doctrine has failed to distinguish sharply enough between genuine and effective counterinsurgency and counterproductive policies of containment;

(4) the disparity between currently accepted and/or debated policies and ethically defensible ones proves at least that ethical inputs to the policy-making process (if indeed they were made) were ineffectual in shaping policies;

(5) [perhaps most significantly for the improvement of the policy process] the change to policies that would be ethically more adequate would almost certainly have been destabilizing to the equilibrium of the international system, and hence would have brought about ethically undesirable results. When viewing the gap between current policies and those that are ethically compelling, one is inclined to say: "you can't get there from here."

What conclusions can be drawn from reflection on the dilemmas of ethical policy making that would be politically (and perhaps militarily) destabilizing?

The conclusion, offered here with the tentativeness and trepidation appropriate to what seems a novel approach, is this: the formation of a public and official (but non-governmental) National Academy of Defense and Diplomacy, composed of fifteen (15) elected senior (and retired) statesmen, military officers, academicians, university presidents, corporate executives, Congresspersons, journalists, artists, and religious leaders who would be elected to serve as an extra-bureaucratic board of advisors on U.S. foreign policy. [Figures of national prominence who come to mind as appropriate candidates to serve on such a panel include: George Kennan, William Fulbright, Kingman Brewster, Robert McNamara and Sam Ervin.] This proposed National Academy would be federally supported and its members would serve until seventy-five (75) years of age. Their responsibilities (which would exclude other remunerative work and subsequent elective or appointive office) would be to reflect, write and advise on the long-range goals and strategic policies required for foreign policy. They would have no power beyond that of persuasion. They would have the support of an able staff of (perhaps twenty-five [25]) specialists in foreign affairs, and would be associated with an institution such as the Smithsonian Institution. They would have access to (and be accessible to) government officials, including the Congress.

The purpose of establishing such an Academy of distinguished foreign affairs advisors would be to overcome the bureaucratic constraints on foreign policy formulation, including the following limitations:

(1) the necessity to plan in one- (1), four- (4) or eight- (8) year spans;

(2) the difficulty of proposing creative alternatives for consideration and debate without unsettling domestic and foreign audiences about the short run implications of such alternative policies (the destabilizing nature of creative alternatives);

(3) uncertainty and ambition on the part of policy makers about future status and economic security.

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From the creation of such an academy we might expect informed deliberation and debate about United States goals and strategy to ensure a more peaceful and just international system by the end of this century. The mandate of such an academy would be simple: to exercise political foresight. Perhaps with the benefit of such vision, the nation will not perish.

Ethical Considerations and Foreign Policy*

Donald F. McHenry with the assistance of Fred K. Kirschstein**
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This paper seeks to show that recent history of U.S. foreign policy decision-making demonstrates insufficient attention to humanitarian and ethical considerations; and that this deficiency results from a combination of institutional shortcomings and a distortion of traditional American values. *This paper further suggests that while organizational changes are a necessary first step, proper consideration of the ethical aspects of U.S. foreign policy awaits a rediscovery of what foreign policy is about—people.*

I.

In the waning days of direct U.S. participation in the Vietnam war, a Canadian disc jockey gave a stirring recitation of America's good deeds. With appropriate patriotic music as background, the DJ spoke of America's democratic and humanitarian instincts; of bloody sacrifice in far away wars; of financial and technical assistance to friends and former enemies; and of unselfish emergency assistance in times of flood, famine, pestilence, and natural disaster. Americans, he said, had neither requested nor received assistance in return. The recording was in the best tradition of the American Legion, Archie Bunker, and McGuffey's Reader combined. As such, it was immediately popular across a country grown weary of reminders of its shortcomings.

The speech provided momentary relief from charges that the United States of the sixties and seventies had lost its way and was not living up to its ideals. The United States continued to speak of its ideals and sometimes cited those ideals as justification for acts which critics found most repulsive, but allegations of unethical conduct were frequent in regard to such activities as:

—seemingly unprincipled pursuit of an endless and debilitating war in a distant country where no vital American interests were at stake and where the chief beneficiary of American sacrifice was not the long-suffering Vietnamese people but a regime as undemocratic as the one being fought;

—close association with and support of dictatorial and repressive governments in South Korea, Vietnam, Taiwan, Greece, Portugal, South Africa, Brazil, Chile, and numerous Latin American juntas;

—evidence of opposition to and at least indirect assistance in the overthrow of a popularly elected government, followed by support of its right wing and repressive successors.

(The new U.S. President would publicly defend covert U.S. assistance to those who opposed the elected government.)

Whether the U.S. has lost its way, or is the victim of a temporary aberration, or acts in the best tradition of American democracy is the subject of the current debate on American foreign policy. Unfortunately, it is a debate which is frequently marred by reassuring platitudes such as the Canadian recording, statements against being the world's policeman, or warnings that people who live in glass houses should not throw stones. No one pretends that the U.S. is without redeeming features, or that the U.S. has the obligation or ability to correct the world's injustices, or that either the U.S., or any country, is not or ever will be without flaws. Rather, there is a recognition that foreign policy decision-making is complex and frequently requires a choice between conflicting interests.

It is suggested that the following examples demonstrate a failure to fully incorporate ethical considerations into the U.S. foreign policy decision-making process and that a substantial portion of an

*This paper represents the views of the authors only, and should in no way be interpreted as containing the views of the Carnegie Endowment for International Peace.

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informed public would find in U.S. actions a reason for serious concern.

A. BRAZIL

On March 31, 1964, a military coup overthrew the government of Joao Goulart in Brazil. Since that time, the Brazilian government, under a succession of military leaders, has been consistently criticized for violations of human rights. Measures were introduced which abrogated the constitution and usurped the powers of Congress and the Supreme Court. Prominent politicians, including senators, Supreme Court justices, and past presidents, were stripped of their political rights. Censorship of the press was imposed to the point of prohibiting "discussion of democracy in Brazil." Law enforcement agencies used imprisonment, torture, mutilation, and assassination. Amnesty International has accused the Brazilian government of "serious violations of Articles 5, 9, 18, and 19 of the Universal Declaration of Human Rights" and the Inter-American Commission on Human Rights passed a resolution in May 1972 which stated that "the evidence collected in this case leads to the persuasive assumption that in Brazil serious cases of torture, abuse and maltreatment have occurred to persons of both sexes while they were deprived of their liberty".

In response, the United States followed a general "hands off" policy on the assumption that violations of human rights are strictly the internal affairs of the Brazilian government. That policy was stated by the United States Ambassador to Brazil, William Roundtree, in May 1971 before the Senate Foreign Relations Committee: "The promotion of our interests in Brazil requires policies which are friendly and cooperative and which at the same time avoid involvement in Brazilian internal affairs." Occasionally, U.S. officials privately expressed their concern. In an unpublished letter to Senator Lawton Chiles, Assistant Secretary of State for Congressional Relations Marshal Wright stated,

> The United States Government has expressed its concern over these reports both publicly and privately at the Cabinet level. The general subject has been continuously discussed and there is no doubt that the Brazilian government is aware of our views and our continuing preoccupation.

It is difficult to discover how often and with what force the U.S. privately made its position known to the Brazilian government. However, the public record does not support a "continuing preoccupation." As late as October 1973, State Department officials were able to cite only two occasions where the U.S. publicly spoke out on the issue: once in response to press queries and once in response to a Congressional Committee. On both occasions the officials expressed concern over repeated reports of torture in Brazil but spoke of Brazilian government "assurances" to the contrary. Officials flatly denied that longstanding U.S.-assisted police training programs in Brazil included procedures on torture.

At the same time, the United States continued a more than "business as usual" approach toward Brazil. Brazil was seen as an ideal model of development. High U.S. officials visited Brazil and diagnosed U.S.-Brazilian bilateral relations as excellent. United States Export-Import Bank loans to Brazil increased to just under 300 million dollars in 1972 although direct aid and credits decreased due primarily to the continued rise in Brazil's GNP growth rate. The AID Public Safety Program in Brazil, which since 1959 had trained and equipped the Brazilian police force, continued to function until its normal expiration date in 1972. In short, United States policy continued in a "business as usual" fashion even in those areas where human rights violations were evident.

B. GREECE

The military junta which seized power in Greece on April 21, 1967, suspended the constitution, and arrested over 6,000 political prisoners. Allegations of maltreatment and torture of prisoners were strongly denied by the junta, although a report issued in April 1969 by the European Commission on Human Rights charged that Greek leaders had "officially" tolerated torture and ill-treatment. Political activity was prohibited, freedom of the press was severely restricted, and basic civil liberties were held in abeyance. The junta survived until July 1974 when it collapsed from the repercussion of a foreign adventure designed in part to gain a semblance of domestic support.

The initial United States response to the coup came in the form of a selective embargo on heavy military equipment. In early 1968 the U.S. began considering resumption of deliveries and on October 21, 1968 the U.S. announced a partial resumption of military aid to Greece, maintaining that the embargo was weakening Greece's defense posture within NATO. In early 1970, U.S. policy took a dramatic and pronounced turn toward renewing friendly relations with Greece. In January, Henry J. Tasca was appointed U.S. Ambassador to Greece, replacing a chargé d'affaires who had run the Embassy for quite some time. Over the next two years a series of high administration figures visited Greece including the Secretary of Defense, the Secretary of Commerce, the Secretary of State, the Chairman of the Joint Chiefs of Staff, and the Vice President.

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On September 22, 1970, the embargo was lifted completely for "security reasons alone." An American official stated that the resumption of aid would allow the U.S. to "influence" the Greek government by keeping open the "channels of communication." In testimony before the House Foreign Affairs subcommittee on Europe in 1971, Assistant Secretary for Near Eastern and South Asian Affairs Rodger Davies stated the Administration's policy:

> "Our basic policy toward Greece has been to protect our important security interests there and in the broader area of the Mediterranean and Near East while preserving a working relationship with the regime through which we can exert our influence to encourage a return to representative government."

Congress, however, was not convinced. Citing violations of human rights, allegations of torture, and the political and moral implications of U.S. military assistance to Greece, Congress in 1972 adopted an amendment to the foreign aid authorization bill prohibiting aid to Greece unless the President reported that overriding requirements of U.S. national security required such aid.

On January 25, 1972, the U.S. announced its decision to homeport elements of the Sixth Fleet in Athens and on February 9, we began to negotiate on a multi-million dollar sale of Phantom Jets. On February 17, 1972, President Nixon waived the ban on military aid, citing the Soviet Naval buildup in the Mediterranean as justification for using the loophole provided in the Congressional ban. In short, the United States undertook a series of moves designed to renew good relations with Greece, defending them in their own words on "strategic justifications alone." Administration officials considered secondary if at all, the long term political liabilities of such moves, the possible instability which might result in the region from an unstable and domestically unpopular military dictatorship in NATO, and the eventual consequences for US-Greek relations when the junta fell. On the one hand we spoke of our concern for the lack of democratic institutions in Greece but on the other we undertook a series of contacts at the highest level which provided moral, political, and economic support for the junta.

C. SOUTH VIETNAM

There are two aspects of human rights considerations in South Vietnam: first, violations of human rights by the South Vietnamese and second, the ethical aspects of U.S. participation in the Vietnam War (treated separately in the paper by Francis X. Winters, S.J., Appendix W).

Violations of human rights by the South Vietnamese government are well documented and have been widely criticized by the international press, a variety of governments, the U.S. Congress, and by both Presidents Johnson and Kennedy. Thousands of people have been arrested and held without trial, beaten, tortured, and convicted because of political opposition to the Thieu regime. Estimates of the number of civilian detainees have ranged as high as 200,000. The government has on occasion suspended almost every human and civil right, including freedom of association, speech, and the press, freedom from arbitrary arrest and imprisonment, supression of South Vietnamese political opposition, and even the most basic human right—the right to life.

During the period of American involvement in the war, U.S. aid to South Vietnam was intimately related to their domestic programs and policies. The Vietnamization program was an American program: it was planned, equipped, and financed by the United States. AID provided money, supervision, and direction for the Vietnamese prison system. Furthermore, a great many of the human rights violations were the direct result of the Phoenix project, in which the U.S. participated. Thus, the U.S. was directly involved in planning, financing, and implementing domestic programs which in many cases were linked to violations of human rights.

The Nixon Administration placed little emphasis on the domestic policies of the Thieu regime. In his 1972 foreign policy report, President Nixon stated the Administration's general foreign policy: "We deal with individual nations on the basis of their foreign, and not their domestic policy." While President Nixon did express mildly his disappointment over South Vietnam's slow progress towards democracy, any mention of concern was dropped altogether in his 1973 report. For the most part, American officials remained silent on allegations of human rights violations throughout the period of U.S. involvement and whatever private influence the U.S. may have exerted was not sufficient to force the South Vietnamese to drastically alter policies. The U.S. never became so outraged as to cease assisting the South Vietnamese government.

D. BURUNDI

Beginning in May 1972, in the small African country of Burundi, the ruling Tutsi minority began to systematically slaughter their ethnic rivals, the Hutu. Through what State Department officials labeled "selective genocide" the Tutsis attempted to eliminate the entire elite of the Hutu tribe. Men, women, and children were massacred at the rate of 1,000 a day. When the army ran out of bullets it reportedly imported sledgehammers from Italy and Greece to drive nails through the skulls of their

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victims. By the time the carnage subsided in August, up to 250,000 Hutu and 50,000 Tutsis were dead and an additional 75,000 Hutu were refugees.

The U.S. response to this crisis was a policy of "quiet diplomacy," which came in the form of low keyed attempts to involve the United Nations, the Organization for African Unity (OAU), and various African heads of state. The U.S. refused to speak out publicly on the matter, maintaining that "if we'd involved ourselves in this, we'd be creamed by every country in Africa for butting into an African state's internal affairs. We don't have an interest in Burundi that justified taking that kind of flak." In September 1972, the U.S. government temporarily recalled the American ambassador, Robert Yost, but still refused to utter any public protest.

During the four-month period, the State Department ignored its own legal opinion, applicable to Burundi, that in cases of gross violations of human rights, U.S. inaction "would violate the U.S. government's international legal obligations" to promote respect for human rights. The U.S. refused to examine, or quickly rejected, an alternative policy recommended within the Department to boycott Burundian coffee in order to influence the government. The latter course was recommended because coffee was Burundi's largest export and the U.S. was the largest importer.

After Ambassador Yost was again recalled, the United States government informed Burundi that normal relations would not be renewed until they had undertaken a policy of "genuine national reconciliation." Yet, on January 29, 1974, President Nixon authorized a "normalization" of relations with Burundi predicated on "continued evidence that Burundi is following a national policy of respect for human rights." The new U.S. policy was to be initiated with an outlay of $152,500 in aid and a renewal of cultural exchange programs. According to a January 11 policy paper, the resumption of aid was designed partly to "increase U.S. influence over the final disposition" of $14 billion in recently discovered nickel deposits and to give "increased credibility" to pro-Western moderates in Burundi, despite continued evidence of genocide in Burundi.

E. SOUTHERN AFRICA

Apartheid in South Africa, self-determination in Southern Rhodesia, and to a lesser extent, self-determination in Portuguese Africa have been among the few human rights areas that the U.S. has been willing to speak out on consistently and to adjust bilateral relations accordingly. An embargo on arms and military equipment, restrictions on credit, and affirmative demonstrations of U.S. commitments to equal treatment characterized U.S. policy toward South Africa through most of the sixties. Strict sanctions were imposed and enforced against Southern Rhodesia. The policy toward Portugal was less clear but an effort was made to avoid assistance directly connected with Portuguese war efforts. For example, the U.S. refused to sell for use in Africa militarily useful items such as civilian planes to transport Portuguese troops to Africa, consistently rejected the Portuguese requests for political assistance on the grounds that the war was NATO related, and chose uncertain tenure in the Azores bases rather than change its advocacy of self-determination for Portuguese territories. On the whole, U.S. policy in Southern Africa reflected those who opposed actions which appeared to compromise the U.S. position favoring equality and self-determination.

U.S. policy took a decided and conscious change in the late sixties and early seventies though policymakers continued to speak of humanitarian concerns. A policy of "communication" masked closer relations and actions in direct and indirect support of white regimes. Clear violations of military equipment embargoes were made and decisions on so-called grey area questions such as the sale of arms and military equipment which might be used in the colonial wars (light aircraft and helicopters good for spotting) were made in favor of the sale. Planes were provided for transport of troops to Portuguese Africa (with the U.S. Secretary of State himself suggesting a public relations ruse) and violations of UN sanctions against Southern Rhodesia were tacitly and explicitly approved. The new policy of "communications" included pointed examples of warm relations; U.S. officials sought to or participated in segregated functions, (in one such case, a hunting trip to Robbins Island, South Africa's Alcatraz for black political prisoners, the U.S. Ambassador used political prisoners to retrieve the kill); high ranking South African and Portuguese political and military officials were received at the highest levels of the U.S. Government (sometimes without the knowledge of the State Department which might have objected) and were encouraged to ignore past U.S. opposition and the press; and on symbolic actions such as U.N. votes, the U.S. changed from abstention to opposition, even to the point of casting the first U.S. veto in the Security Council.

F. OTHER RECENT EXAMPLES

There is a limit to how many instances may be examined in demonstrating deficient ethical consideration in U.S. foreign policy decision-making. The examples discussed above were selected to demonstrate a range of activities. Certainly there is no shortage of instances currently being cited. Other instances include:

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—the "tilt" toward Pakistan in the face of the massacre in East Pakistan;
—relative silence on the situation in Ireland, Haiti, and the Latin American junta states;
—the Biafra seccessionist movement in Nigeria;
—failure to ratify human rights covenants;
—treatment of dissidents and Jews in the Soviet Union;
—human rights and the protection of civilians in armed conflicts.

II.

Undoubtedly, there were occasions in the above and other recent instances where ethical dimensions of policy questions went unrecognized, as perhaps in the initial use of chemical defoliants in Vietnam. However, it seems more likely that ethical considerations were a) never formally considered, b) subordinated to questionable objectives, or c) given short shrift. We are here concerned with trying to discover why.

There are two types of policy questions: a) humanitarian assistance through such programs as disaster relief, food assistance, economic aid, assistance to refugees, asylum, etc; and b) the ethical dimension of U.S. policy toward suppression of human rights in other countries and the effect on people as the result of U.S. activities.

As the Canadian recording documents, there are numerous examples of unselfish and apolitical American assistance for earthquakes, floods, and famine (even in the Sahel where no U.S. interests other than humanitarian are present). However, even in these programs, bureaucratic in-fighting, inadequate or non-existent contingency planning, or relatively small financial resources raise questions about the level of U.S. concern for the people involved.

More important are examples where humanitarian assistance has been made an instrument of questionable political objectives or subordinated to political undertakings. The former is seen in the disproportionate allocation of aid and Public Law 480 to undemocratic countries and the use of humanitarian assistance to further U.S. security interests. The latter is seen in the largely unnoted instance where scarce domestic transport facilities were used to carry grain for the Soviet Union and were relatively unavailable for transport of grain destined for famine relief in the Sahel. Finally, a strong case can be made that some humanitarian needs for which the U.S. provides assistance arise, at least in part, as a result of U.S. policies (*e.g.*, refugees in Vietnam, Laos, Cambodia, and Cyprus).

Most of the examples discussed above involve U.S. attitudes and actions on human rights, not humanitarian assistance. In fact some of the examples illustrate admirable policies on humanitarian assistance and seeming insensitivity on human rights. For example, the U.S. provided assistance for Burundi and Bengali refugees while refusing to take a publicly unequivocal stand on the situation which caused the refugee problems. The failure to give proper weight to ethical considerations can be traced to the following:

A. American government officials are assumed to be "good men" with democratic values and to make decisions in the context of their own and American values, both of which are presumed to be of the highest. But Watergate has disproved this assumption with regard to our most sacred domestic institutions and policies. There is no reason to believe that foreign policy is sacrosanct. (Critics cite the Pentagon Papers as proof that it isn't.)

B. As Lincoln Bloomfield suggests in an article in Foreign Policy 9, many of the assumptions which are thought to be the foundation of American foreign policy have been watered down and need to be re-examined. For example,

—we support democracy but frequently choose stability;
—we oppose violence by others but find violence acceptable for ourselves if vital American interests are at stake (See Kissinger's recent Business Week statement on force and oil);
—racial equality and self-determination in Southern Africa are fundamental rights but neither should be attained at the price of instability or economic loss;
—we ought to assist others for humanitarian reasons but the recipients of our aid should be grateful and pro-U.S., and specific U.S. interests (not humanitarian or ethical) should be served.

C. We assume that foreign policy decisions are based on the "national security" and the "national interest," but both terms are catch-all phrases which are difficult to define. "National Security" was used to justify illegal taps, break-ins, a private police force, and the Watergate cover-up. U.S. "national security" was the rationale for sending 500,000 American soldiers to prevent a communist take-over of Vietnam, and, if you play dominoes, South East Asia. "National security" and "saving American lives" justified the Cambodian invasion, carpet bombing, My Lai, chemical defoliation, free fire zones, and destroying a village in order to "save" it.

D. The "national interest" is defined to include a weighing of political, economic, and strategic factors. These are the "hard-nosed" considerations which fit rather neatly in an "options" paper. Ethical considerations are either a) unstated, but as-

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sumed present, b) tacked on but distinctly secondary and "emotional," or c) not considered at all. The question "is it humane?" is seldom if ever asked. Nor is the advocate of human rights considerations successful in eliciting a re-examination of accepted political and strategic doctrine. (The strategic importance of the Azores never received an unbiased examination in formal papers. On the other hand Secretary McNamara dismissed their strategic importance in terming them "useful" but not "essential.")

E. With the possible exception of apartheid, the United States draws a sharp distinction between a country's foreign and domestic policy. As Henry Kissinger stated in response to a question by Senator Kennedy at the Kissinger confirmation hearings:

> The United States stands emphatically for such basic principles as human liberty, individual rights, freedom of movement, and freedom of the person. On the other hand, the protection of basic human rights is a very sensitive aspect of the domestic jurisdiction of the governments with whom the United States has to conduct foreign policy.
>
> On the international level we will cooperate and advocate enforcement of human rights. In our bilateral dealings we will follow a pragmatic policy of degree. If the infringement on human rights is not so offensive that we cannot live with it, we will seek to work out what we can with the country involved in order to increase our influence. If the infringement is so offensive that we cannot live with it, we will avoid dealing with the offending country.
>
> If we are to be true to our principles we can never imply that we are acquiescing in the suppression of human liberties. But, at the same time, I believe it is dangerous for us to make the domestic policy of countries around the world a direct objective of American foreign policy for the reasons I have stated in my testimony.

If one applies the Kissinger formula to the examples of gross violations discussed above, two factors stand out: First, only in the case of the neurotic and anti-Nixon actions of Idi Amin did the Nixon Administration find infringements so offensive as to avoid dealing with the offending country. The question is not necessarily the avoidance of relations with the offending country, however, but the willingness to apply subjective standards, many of which the U.S. has never ratified. On the other hand, the U.S. found reason to distinctly cool relations with Sweden when that country spoke out against U.S. actions in Vietnam which it and a large percentage of the American population considered unethical. The possibility of increasing U.S. influence over the final disposition of 14 billion dollars of Burundian nickel made genocide, a gross violation of human rights which we could easily live with. Second, there is very little evidence that U.S. methods of "quiet diplomacy" succeeded in attaining enough influence to materially affect instances of gross violations of human rights. However, there is strong evidence that the foreign-domestic policy distinction resulted in direct and indirect support for such undesirable programs as torture, political assassination, suppression of self-determination movements in Portuguese Africa, and destruction of life and property. Mr. Kissinger's *realpolitik* carries with it strong overtones of support, not simple acquiescence, of suppressive governments. In any event, the U.S. was seldom willing to cease providing those tangible indications of approval (economic and military aid, public safety programs, etc.) or to state that continuation of abhorrent practices would result in a reconsideration of bilateral relations. (Mr. Kissinger is reported to have reprimanded the human rights oriented Ambassador to Chile, David Popper, for implying a link between U.S. military assistance and continued repressive acts. Linkage, it seems is limited to interstate relations.)

F. Recent foreign policy (as well as recent domestic policy) has not been made by men of political independence with established reputations of ethical stature. The Stevensons and Goldbergs are few and even when they were present they were frequently not consulted or ignored. (The case of Secretary of State Rogers, everyone's man of conscience, is noteworthy.) Policy positions have increasingly been held by unknowns or careerists without political clout. Their protest resignations would not significantly affect policy. Moreover, the career employee may be tempted to temper his views lest his career end prematurely.

G. The effort to draw a sharp distinction between a nation's foreign and domestic policy makes foreign policy particularly vulnerable to "cliency," the tendency of desk officers, ambassadors, or representatives of various interests to advocate what is best for good relations with their clients, not necessarily what is humane or ethical or even what best serves the U.S. national interest. Outspoken public criticism of the client is strongly resisted; direct bilateral criticism is muted if it survives the clearance process, and, in the hands of a skillful Ambassador, is almost unrecognizable at the point of implementation. Nor is the situation much better in international forums where Kissinger pledged to "cooperate and advocate enforcement of human rights." U.S. representatives on the U.N. Human Rights Commission frequently complain of their inability to discuss specific violations because of qualms about "domestic jurisdiction" or an adverse effect on bilateral relations. (See, for example, Rita

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Hauser's statement before the Fraser Committee.)

H. The exception to the effectiveness of "cliency" is the instance where U.S. interests are minimal and the country is weak (e.g., Uganda); where U.S. political objectives are consistent with forthright statements and actions (Eastern Europe, the USSR); and where there is a strong home grown or created lobby (Soviet Jews and dissidents, Biafra, Katanga, etc.).

I. Political, economic, and military interests are specifically represented in the decision-making process but human rights and ethical considerations have been a) unrepresented, b) represented by offices with little power (The Legal Advisor and IO) or out of line positions.

J. Public input has been ineffective. Foreign policy decisions generally affect people far away. Moreover, there is a tendency to hold the military, diplomatic, and the intelligence communities in awe. This unquestioned faith provides justification and a cover for a range of actions. Even where serious questions are widely raised, as in the case of last year's world-wide alert, the public meets with a wall of secrecy.

K. Those issues which are "humanitarian" are seldom believed to be of sufficient importance to receive sustained or early high level attention. Even when they do, the level of knowledge is sometimes appalling. (*e.g.*, for most of the NSC discussion on South Africa, Vice President Agnew is reported to have thought the discussion was on Southern Rhodesia (which, he said, declared its independence for the same reasons as had the U.S.) and the Secretary of State was unaware that the aircraft sales under discussion were explicitly to transport Portuguese troops to and from combat in Africa.)

III.

It can be argued that the stresses, strains, and institutional shortcomings which led to the policy decisions discussed above no longer exist. Congress is reasserting its prerogatives in domestic and foreign policy; an aroused public is more vigilant; budgetary limits have had a clearly restraining influence; and organizational changes are under way in the State Department. But such an argument strains credulity. Only some of the examples discussed above have changed (*e.g.*, Portuguese Africa and Greece). These changes occurred or are occurring in spite of U.S. policy. Others continue unchanged. Almost all of the organizational shortcomings and most of the philosophical outlooks which led to a deemphasis of ethical considerations still exist. Moreover, the Jackson amendment fiasco may have reinforced the Kissinger philosophy of a sharp distinction between foreign relations and our attitude toward domestic policies (when in reality the Jackson approach was so heavy handed as to practically guarantee its failure.)

The failure to recognize and fully consider ethical aspects of foreign policy decisions will not be cured solely by tinkering with organizational changes. But organizational changes can be brought about quickly and tend to meet with less resistance than do efforts to tackle the abstract but fundamental philosophical problems which are the root of widespread concern. This is probably the best explanation for emphasis on structural change in testimony before the Fraser Committee, which contained such suggestions as:

—centralization at the Deputy Secretary level of "those policies and programs (refugees, disaster relief, population, food, etc.) in which the humanitarian component seems to be widely recognized to be a central concern." (The Inspector General of the Foreign Service)

—assignment of a human rights officer to each State Department bureau in much the same way that officers are currently assigned to handle labor, the U.N., and political-military affairs;

—establishment of a Bureau of Humanitarian Affairs in the Department of State;

—requirement of a "humanitarian impact statement";

—establishment of an independent commission such as the Civil Rights Commission or expansion of the function of the latter.

These structural changes have merit insofar as they might insure *pro forma* consideration of human rights questions, centralize responsibility for raising human rights questions, provide for more coordinated and effective implementation of policy decisions, and perhaps make it respectable to raise ethical questions in the decision-making process. However, to the extent that such changes focus on the Department of State, they overlook the fact that (even in the reign of Kissinger) the country's foreign policy consists of inputs from myriad domestic agencies. In fact, some of the overemphasis on economic, military, and domestic political considerations may be directly traceable to the downgrading of the Department of State when Kissinger was in the White House.

Structural changes do not themselves insure that human rights and ethical considerations will be given attention and certainly provide no assurance that they will receive the same weight as political, economic, and military factors. On the contrary, the attempt to consider separately ethical considerations might reinforce the view that there are *real* considerations and ethical considerations, that somehow decisions can be made outside of an eth-

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ical context. (See, for example, the statement by Assistant Secretary of State Popper that "Considerations of ethics, law, politics, *and the national interest* are all intermixed in such "human rights" cases.)

The key to a more ethical foreign policy involves a rediscovery of the essence of government. Bloomfield put it succinctly: "Neither states nor ideology nor things but people represent the highest value for American foreign policy."

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Appendix X:
Three Introductory Research Guidelines

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Introduction

The Commission adopted a Studies Program prior to undertaking the projects reflected in the other appendices. Appendix X contains this program and two introductory papers designed to provide Commission staff members and consultants with common background material.

While the research undertaken for the Commission did not precisely follow the program outlined in the Studies Program, its main themes and approaches did dominate the work. One of the introductory papers, "Alternative Organizational Models for the Conduct of Foreign Policy," discusses several possible structural arrangements for the conduct of foreign policy in both the Executive Branch and the Congress. The other, "Problems in the Conduct of United States Foreign Policy," briefly summarizes a large number of criticisms of the foreign policy process, and of the organization of the government for conducting foreign policy, commonly made in recent years. A third paper in this introductory series, "The Future World Environment," is included in Volume I, Appendix A.

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The Commission's Studies Program

Peter L. Szanton
March 1974

PREFACE

This document describes the Study Program authorized by the Commission on March 25, 1974.

That Program should evolve as the Commission's deliberations and the research itself suggest new issues or revised priorities. Pending such revisions, however, the studies to be undertaken by the Commission are those outlined here.

INTRODUCTION

The purpose of the Commission on the Organization of the Government for the Conduct of Foreign Policy, as set forth in its authorizing legislation, is "to submit findings and recommendations to provide a more effective system for the formulation and implementation of the nation's foreign policy." The statute makes plain that those recommendations should apply not only to the full range of Executive Branch agencies concerned with foreign affairs, but to means of improving the ability of the Congress to carry out its own responsibilities in foreign affairs.

The Commission is responding to its mandate in several ways. It is taking testimony from current and former executives of agencies concerned with foreign policy and from critics and observers of those agencies. It has undertaken a systematic canvassing of the attitudes and desires of members of Congress and will pursue these in future hearings. Finally, it is authorizing a number of special studies. This paper outlines the scope, content, and timing of those studies.

Several introductory comments may be useful.

First, the purpose of the Commission's activities is to clarify how foreign policymaking might be improved through changes in organization; it is not to examine the substance of policy. Accordingly, the purpose of the research program is to provide the Commission with a factual basis for determining where current organizational performance—especially within the Executive Branch—is most in need of improvement; what kinds of organizational change seem likely to prove most beneficial; and how such changes might effectively be introduced.

Second, in this document as in the Commission's work generally, the words "organization," "foreign," and "policy" are used broadly. "Organization" refers to the procedures, personnel, and resources applied to the determination and management of policy, as well as to relative responsibilities of the various governmental entities involved. "Foreign" policy is understood to involve the whole range of issues which may substantially affect the relation of the U.S. to other countries, whether they also have major domestic implications or not. "Policy" is taken to mean that range of functions which includes analysis of the external world and of U.S. interests with respect to it, as well as consideration of alternative courses of action, determination of actions to be taken, carrying out of those actions, and assessment of the consequences.

Third, the Commission has no interest in original research for its own sake. On many of the subjects discussed below, substantial work has already been done. The Commission staff intends to utilize such work and to perform original research only as may be necessary to address its specific concerns.

THE STUDIES

PHASE I: PREPARATORY PAPERS

The studies will proceed in three partially overlapping phases. The first, a short preparatory stage which began in December 1973, involves the preparation of a set of brief papers intended to give the subsequent studies a common base and focus. None of these papers will be taken as a final statement; those which deal with problems to be ad-

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dressed in the Commission's final report will be revised in the light of the conclusions of later studies. Most of the papers of Phase I will be prepared by the Commission's own staff and completed by April 1974. Phase I studies include:

A. The Utility and Limits of an Organizational Approach

It is sometimes asserted that what matters in policymaking is the people involved, not the organizational framework. The more plausible form of this assertion is that, while the organizational setting does affect the information received by decisionmakers, the alternatives presented to them, the values they take as paramount, and the constituencies to which they respond, organizations, nonetheless, should be designed to fit the operating styles of their key individuals, and not vice versa.

Similarly, the argument is made that organizations cannot be designed without reference to the dominant concerns of policy. The management of U.S. interactions with great-power antagonists, for example, is probably best entrusted to organizational arrangements quite different from those best adapted to matching the economies of the noncommunist states, or from those appropriate to addressing problems of world population, food, and natural resources.

How, then, can this Commission realistically fulfill its charter? What kinds and degrees of organizational change can it realistically propose in the absence of knowledge about either future U.S. political leadership or of the dominant policy concerns in the period following the Commission's report? This study will address that issue. It will attempt to distinguish types of organizational problems for which a single recommendation may be appropriate from those types where alternative proposals may be more useful, and those types for which it may be appropriate only to specify the criteria which any organizational arrangement should meet. It will also explore the extent to which various components of a foreign policymaking system might be designed asymmetrically, with differing organizations or levels of organization oriented toward different major concerns.

B. The Problems Commonly Cited

The organizations and personnel engaged in the conduct of U.S. foreign policy have been often analyzed and many asserted adequacies identified. To provide a rough checklist of issues to be considered in later studies, this paper will briefly review the major criticisms now most commonly made of performance in particular *substantive areas* (*e.g.*, economic, cultural); *functions* (planning, implementation, etc.); *resources* (budgets, personnel); and the like.

C. The Future Environment

To supplement the analysis of criticisms now made of foreign affairs organization, this paper will identify and discuss plausible current predictions about the environment in which U.S. foreign policy will operate over the next decade. It will not seek to predict a particular future, but rather to suggest the major alternative future environments which important current developments may foreshadow, the kinds of policy problems which may prove paramount in such environments, and the particular functions, resources, and organizational arrangements which might be most severely taxed in such circumstances.

D. Lessons of Prior Studies

This paper will summarize the issues addressed and the recommendations made in each of the major studies on foreign affairs organization conducted since 1945. It will also analyze the comparative impact of those studies and seek to identify the various factors—intellectual, political, bureaucratic—which determined their degrees of success. Its purpose is twofold: to supplement study I.B, above, by identifying prior kinds of dissatisfaction with the organization of the government for the conduct of foreign policy, and to prepare for study II.A, below, by identifying major previous changes in organization for the conduct of foreign policy.

E. Characteristics of an Effective Foreign Policy System

The mandate of the Commission, to recommend "a more effective system" for the conduct of the nation's foreign policy, does not specify the characteristics which such a system should possess. This paper will provide a first attempt to identify those characteristics.* Its purpose is to establish a set of criteria against which the performance of current organizational forms and of alternatives to them can be measured.

F. Alternative Models of Organization

To help focus the conclusions of later studies, this paper will detail several alternative models of organization of the Executive Branch for the conduct of foreign policy,** together with several models of Congressional organization. Later studies will consider how each of these alternative structures might perform in dealing with the particular policy issues they address, and will explore the pos-

*Examples: That such a system provide a coherent conception of U.S. objectives; that it present decisionmakers with realistic alternatives; that it ensure that "policy" actually controls operations, etc.

**Examples: a "strong-state" system; a "White House-centered" system; a "decentralized system."

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sible relation of Executive and Congressional models. They will also be free, however, to specify such other models or elements of models as they deem useful.

G. Comparable Patterns of Other Governments

This study will briefly examine aspects of the organization for the conduct of foreign policy of a limited number of foreign governments. Attention will be directed only to apparently successful arrangements which seem applicable to U.S. conditions. Examples are the British personnel and commercial functions reformed as a result of the Plowden and Duncan reports, the recently reorganized Foreign Office of the Federal Republic of Germany, and the French administration of overseas cultural and economic assistance programs.

PHASE II: SUBSTANTIVE STUDIES

Phase II, embodying the major portion of the research program, will begin in April 1974 and be substantially completed by December 1974. Some Phase II studies will be performed by the Commission's staff, others by consulting scholars. The studies are outlined tentatively here; full specification of their coverage, approach, and level of detail awaits completion of discussions with their prospective authors.

A. The Effectiveness of Organizational Change

There exists no formula which accurately predicts the full effects of changes in complex organizations. One reason why the proposals made in many prior studies had little impact is that reasonable persons could reasonably disagree as to what their actual consequences would be. In order to improve the ability of this Commission to make recommendations whose real impact can be more confidently predicted, several studies of the costs and benefits of actual recent changes in organization for foreign policy will be undertaken. Examples of such changes are the evolution of the NSC from 1960–1974; the transformations of the foreign aid program, 1949–1962; changes in the State Department associated with Under Secretary Crockett; and creation of the CIEP. In regard to each of these cases, three main questions would be posed:

- What benefits were anticipated from these changes?
- What benefits—and what costs—were actually experienced?
- What general lessons for organizational change can be derived?

B. The Adequacy of Current Organization

The Commission must attempt to assess the adequacy of current organizational arrangements for the conduct of foreign policy. It cannot conduct research on all such organizational arrangements, however. To supplement other evidence concerning the manner and effectiveness with which the government manages the wide variety of foreign policy problems, the research program expects to examine in detail the adequacy of current organizational arrangements with respect to four or five foreign policy problems of the highest priority. The purpose of each such study is to determine whether current organizational forms, jurisdictional lines, staffing patterns, and operating procedures are fully effective, and to suggest whether specific alternative arrangements (drawing especially on the models outlined in paper I.F) might improve matters.

The studies will proceed by examining, as nearly as possible, all major decisions made by the U.S. government of a particular kind over roughly the past five years. This procedure will present for review a history of policymaking which will include cases of crises as well as routine decision-making, issues resolved at departmental as well as Presidential levels, and successes as well as failures. The decisions which, in retrospect, had unfortunate or unexpected results will be compared with those whose consequences were more favorable or more clearly foreseen. These comparisons will seek to illuminate the causes of inadequate performance and to identify both the organizations and the functions (collection of information, development of alternative courses, etc.) which appeared most in need of strengthening.

The particular foreign policy problems tentatively chosen for such intensive reviews are:

1. *The Interaction of U.S. and Foreign Economies.* In addition to such issues as the U.S. textile dispute with Japan, 1969–74, preparation of the 1973 trade bill, and U.S. actions respecting the problems of the international monetary system, attention will be given to decisions previously thought of as being domestic but which have a major potential or actual impact on foreign relations (*e.g.*, U.S. crop acreage allotment decisions and their relation to world grain prices).

2. *National Security Issues.* This study will seek to assess the adequacy of current arrangements for balancing the full range of relevant considerations—foreign policy implications, economic and budgetary impact as well as national security requirements—in decision-making with respect to defense budgets, weapons acquisition, base requirements, troop deployment, strategic doctrine, and the preparation of positions concerning international arms limitations.

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3. *Coordination in Complex Settings.* This study will examine the capacity of the U.S. to maintain coordination between a large number of policies impinging on a single foreign state or region. It will both survey the totality of U.S. foreign policy activity with respect to a single region or small set of countries (*e.g.*, the Federal Republic of Germany, or India and Pakistan) over roughly a five-year period, and examine in detail a case in which the combined effect of U.S. policies had important, unintended consequences (*e.g.*, pressure on the Erhard regime just before its fall).

4. *Multilateral and Global Issues.* This study will review recent U.S. actions with respect to the diverse and increasingly important issues which are inherently multilateral or global in scope. Often, these issues present both domestic and foreign policy implications, cross traditional jurisdictional lines, and involve important technical components. They include the oversight of multinational corporations; determination of seabed policy; and actions respecting world environment, population, and food production.

C. Minimizing Irrationality

Recent work in several disciplines provides new insight into the tendencies of personal and bureaucratic factors (and in the case of crises, physiological and additional psychic factors) to distort the judgment of decisionmakers. Drawing on recent work in the political, behavioral, and psychological sciences, this study would address two questions: (1) to what extent are current organizational, procedural, and staff arrangements unnecessarily vulnerable to such pressures; (2) what alternative arrangements might either shield decision-makers from such pressures or open their deliberations to other arrangements less likely to be affected by them? Answers would be sought as to arrangements both for response to crises, and for more routine decision-making.

D. The Conduct of Routine Relations

The adequacy of current organizational arrangements to manage major decisions concerning priority issues requires the closest attention; accordingly, that problem forms the focus of much of this study program, especially in the various studies grouped under II.B. Most of the time, however, the majority of the resources devoted by the United States to foreign affairs are engaged in far more routine activities which quite substantially shape U.S. foreign relations, especially with nations and regions of secondary strategic or economic importance. This study is intended to assess the relevance and utility of these more routine activities. It will also examine the degree to which U.S. policy with respect to a lower-priority region actually governs the day-by-day handling of commodity agreements, expropriation problems, fishing disputes, tariff and trade questions, and the like, and the role of private U.S. citizens and organizations in our relations with the countries selected. The study will address those questions through a close examination of U.S. relations with several Latin American nations over the past six or eight years.

E. Resources for Foreign Affairs

Beginning in the summer of 1974, this analysis will seek to draw from findings of other Phase II Studies indications of ways in which the personnel systems upon which U.S. foreign relations are founded and the budgets which support the conduct of those relations might be adapted more effectively to their purposes. The study will be divided into two parts, approximately as follows:

1. *Personnel.* This substudy will review the functions overseas representatives and their home agencies actually perform, and those which prior studies suggest as most important and least adequately performed. Conclusions will be derived concerning the skills, perspectives, and incentives a foreign affairs personnel system should provide, and changes in recruitment, training, career-paths, or organizational structure which might most effectively produce them.

2. *Budgets and Resource Management.* This study will investigate how policymaking and resource utilization might be better meshed. Supplementary questions include how levels of support for given functional activities might be better developed in an overall context and whether some form of more coordinated budgetary process in the Executive Branch and/or the Congress might be helpful.

PHASE III: INTEGRATION AND PREPARATION OF CONCLUSIONS

The contents of this phase, to begin in September 1974 and continue until the completion of the Commission's final report in June 1975, cannot now be fully specified, but three main tasks will be performed:

1. The lessons learned from the studies, the Congressional interviews, the conferences, hearings, and other Commission activities will be drawn together and recast into categories appropriate for general conclusions.

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2. Supplementary studies, additional conferences, hearings, and other activities will be undertaken to prepare recommendations responsive to those conclusions.

3. Impediments to the implementation of those recommendations will be assessed, means of addressing them explored, and modifications in the recommendations considered.

Alternative Organizational Models for the Conduct of Foreign Policy

William I. Bacchus and R. Roger Majak
July 1974

PREFACE

The task of this Commission is prescriptive: to recommend organizational measures likely to improve the effectiveness of U.S. foreign policy. But the aim of the research program is necessarily descriptive; to provide empirical evidence of the adequacy of current organizational arrangements to formulate that policy wisely and to carry it out efficiently. The longest intellectual leap the Commission must take will be that from its understanding of the strengths and weaknesses of the current system to its assertions about arrangements which should prove superior.

The function of this paper is to help shorten that leap. The researchers engaged in the major studies are being asked, following their description and analysis of particular instances of U.S. foreign policy decision-making, to state whether they believe U.S. performance would have been significantly better or worse had the government been organized differently, and why. Those comments should provide a basis for the Commission's own deliberations on the same question. This paper is designed to give those comments a common frame of reference by specifying several alternative organizational frameworks, or models, whose probable performance seems worth assessing.

These models are intended to focus discussion, not to limit it. Researchers are free to specify any variant of the models, or any other organizational framework which they believe would have dealt substantially more effectively with their particular cases. They are also free to conclude that no organizational change at the relative high level of decision-making with which the models deal would have been likely, in their own cases, to make much difference. So this paper represents a first attempt to articulate alternatives of interest, not a final one. Nonetheless it should prove a useful starting point for the research, and perhaps for a portion of the Commission's own deliberations as well.

INTRODUCTION

This paper posits a number of "models" which might be applied to organization of both the Legislative and Executive Branches of the government. It is intended to help clarify major alternative patterns in which the government might be organized for the conduct of foreign policy, as a means to focus subsequent research. At another level, these models can serve as a starting point for exploration of the common assertion that the nature of the foreign policy making process, and of the organizational structure by which decisions are made and carried out, have themselves a qualitative impact on the nature of the policy. This exercise also may help clarify the major alternative ways in which the government might conceivably be organized for the conduct of foreign policy, as a preliminary step in furthering the Commission's ability to develop overall findings and recommendations.

SOURCES OF THE MODELS

At the level of generality which seems appropriate for suggestive models such as those outlined here, a relatively small number of variables is adequate to differentiate several alternative patterns of both Executive Branch and Congressional organization.

These variables can be grouped into three basic categories: STRUCTURE, RESOURCES, and FUNCTIONS/PROCEDURES. Structural variables are those which define the fundamental "cen-

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ter of gravity" of a given system: *the distribution of authority;* and the *division,* among various subunits, of Jurisdiction and Task Responsibility. Resource variables provide the basic supports which underlie the policy process: *interests* (or Salience) (including demands for action, incentives, and motivations which lead individual and organizational actors to participate actively in issues under consideration); *staff capabilities;* and *information.* Function and procedure variables govern the patterns by which that process operates: *formal and informal* rules generally followed; methods and devices for *coordination* of activity; and *consensus-building* techniques. The range of variation and differences between Executive and Legislative branches with respect to these variables appear in Annex I.

It should be obvious that these variables are by no means independent or mutually exclusive: they overlap, and in many instances, interrelate. Nevertheless, they do appear to tap identifiably discrete dimensions, and, in the current context, specificity may be more desirable than parsimony.

EXECUTIVE BRANCH MODELS

Although both the number of organizational units which could share power and jurisdiction, as well as the gradations in influence among them, is so great as to make the number of possible models nearly infinite, those which fundamentally differ from each other are fewer. In Table I, which defines the major characteristics and associated features of each, along with possible implications and effects, only four are presented: Strong White House, Strong State Department, Decentralized, and "Two-Tiered." The term "strong" is used to connote the locus of policy control and coordinative authority, rather than either a qualitative evaluation of performance, or, in the case of the Department of State, whether or not currently independent foreign affairs organizations (*e.g.* USIA; AID) are physically integrated into it.

One assumption which applies to each of these models is that the nature of the near future will be such as to require *some* central control machinery capable of providing early warning on major issues, and of forcing an ordered process of review, decision, and implementation. For this reason, conceivable models not containing such control machinery, for example an extreme decentralized model, are not presented.

Although none of these models represents precisely a real-world counterpart, three of the four resemble actual systems, or systems which were proposed but not fully brought into existence. The Decentralized model shares many of the features of the later (post 1939) Roosevelt system; the Strong White House model was most nearly approximated during the first Nixon Administration; and NSAM 341, had it had the effect intended, would have produced one form of a Strong State Department system. Most actual foreign policy structures have shared characteristics of two or more of the models listed here. The "Two-Tiered" model is less intimately related to any past practices.

LEGISLATIVE BRANCH MODELS

Each of the two possible revisions of current Congressional organization sketched in Table II is based on a package of incremental reforms. The total effect of each package might well be quite substantial, but the models do not require a total change from existing practices and procedures. They do nonetheless differ both from each other and from the current situation with respect to the key variables of distribution of power and information. The "Coordinated Decision" model emphasizes improved decision-making capability, to be achieved primarily through more powerful, centralized leadership, but retains considerable participation and deliberation. Conversely, the "Participatory Deliberation" model, which rests on improving deliberative capability through greater involvement of rank and file members, still permits collaboration and consensus-building.

PATTERNS OF LEGISLATIVE-EXECUTIVE RELATIONS

The two sets of models presented above relate primarily to the *internal* organization of the two branches. But the effective conduct of foreign policy also requires constructive forms of Executive-Legislative interaction.

It may be most useful to pose four basic patterns of Executive-Congressional Relations: (I) Executive-dominance/Congressional-concurrence, which yields to the Executive branch a relatively free hand for policy as well as implementation, with Congress overturning only gross abuses of executive discretion; (II) Congressional-initiating/Executive-implementing, which follows a distinction between policy-making or "politics" and execution or "administration", and assigns the former predominantly to Congress; (III) Congressional-Executive bargaining over both policy and implementation, and featuring policy initiatives from both branches; (IV) Executive-initiative/Congressional-consultative, which grants leadership under normal circumstances to the Executive Branch, but

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TABLE I—ALTERNATIVE MODELS OF THE FOREIGN POLICY PROCESS—EXECUTIVE BRANCH

Model	*Defining Characteristics*	*Associated Features*	*Implications and Possible Effects*
Strong White House	1. Tight policy control and supervision of all foreign policy activities exercised by powerful White House staff(s). Assistant to President for National Security Affairs and possibly Assistant for International Economic Affairs would be the key individual(s) below the President. Secretaries of State, Defense, Treasury likely to be more prominent than others, but still less important than the Presidential Assistant(s).	1. NSC Staff to have strong operations, program, planning elements; large in size (150–200). 2. White House could be totally centralized, with foreign economic policy managed by same staff, or bifurcated, with economic policy handled separately. 3. State, Treasury and Defense Departments would serve as one of group of agencies contributing specialized skills; State would be principally a White House implementing agency, especially overseas. 4. Formal, White House controlled coordinating mechanism, would manage decision making on virtually all major issues.	1. President likely to feel the system is more responsive to his needs than any of less centralized ones. 2. System likely to perform better on top level diplomatic initiatives and negotiations than in developing and conducting programs or conducting normal activities. 3. Bureaucracy and its expertise likely to be underemployed or sacrificed to maintain policy control. 4. Implementation, as opposed to decision-making, likely to be spotty and difficult to control or even monitor. 5. System likely to be relatively closed to outside information from Congress or public, and accountability hard to achieve satisfactorily. 6. Executive/Legislative relations likely to present continuing difficulties due to executive privilege and restricted contact.
Strong State Department	1. State Department, at behest of President, provides strong leadership and oversight over full range of foreign affairs, including policy development, coordination, implementation. Secretary of State the primary advisor to the President, and the key individual below the President. A capable and assertive Secretary of State is a necessary, but not sufficient requirement of this model.	1. NSC staff limits itself essentially to providing personal staffing requirements of the President. 2. All core foreign affairs agencies under direct policy control of Department of State, though not necessarily structurally integrated with State. 3. Coordination devices might be formal or ad hoc, but likely to be heirarchical ("executive chairman") and controlled by State. Virtually all issues likely to be included in coordination procedures. 4. Strong State input and review of budgets for all foreign affairs agencies would be required; unified foreign affairs budget desirable. 5. Foreign Service would have to be converted from an arm of the State Department to instrument of the President. 6. State would develop stronger planning capacity, and link it to operations, not only of State Department but of rest of government.	1. Roles of Treasury and Defense Department would necessarily remain semi-autonomous, leading to need to resolve some issues at NSC/Presidential level. 2. Executive/Legislative relations likely to be better, on balance, than under Strong White House model. 3. Implementation, Coordination of programs and "non-political" activities and issues likely to suffer unless State Department able to reorient itself to take across-the-board interest and responsibility. 4. System unlikely to be able to respond as quickly on most issues as Strong White House model. 5. System will function least well on issues deeply involving strong domestic interests and departments—Agriculture, Commerce, Labor.

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Decentralized	1. Multiple and essentially co-equal, often competitive power centers—Cabinet Officers and "special project" presidential appointees—operate quite independently under broad presidential guidance. No single preeminent individual below the President.	1. NSC staff and/or State Department provide only general oversight. 2. Extensive delegation of authority and responsibility to departments and operating agencies. 3. Interdepartmental coordination of lesser volume and range than other models; managed bilaterally between involved agencies when possible; mode of operation consensual rather than hierarchical; less reliance on formal mechanisms than other models. 4. Pattern of operation of overseas missions could also evolve in decentralized direction, e.g., under umbrella of ambassadorial authority, separate "foreign services" carry out requirements of home agencies and departments; but current system could be retained.	1. Division of responsibility between units, unclear in many instances, would produce either logrolling or high levels of conflict, requiring presidential intervention. 2. Consistency of policy in different areas, and overall policy planning likely to be difficult to achieve. 3. Multiple power centers would result in proliferation of access points; Congress and interest groups likely to have stronger role than under centralized system. 4. President has available multiple channels for action, development of policy options.
"Two-Tiered"	1. Central foreign policy figure below the President combines the roles of National Security Staff Head and Chief Foreign Policy Advisor to the President. He bears the title "Secretary of State", commands a substantial (200) staff and is accessible to the Congress, but is physically located in White House or EOB, and is staffed not solely by State but by foreign affairs personnel drawn from throughout government. This staff integrates many of the responsibilities of current senior State Department officials, down to Office Director level, with those formerly performed by Kissinger style NSC. Members of this staff would be clearly identified as the key focal points in Washington for their geographic or functional areas of responsibility. 2. State Department, headed perhaps by a Cabinet-level Secretary of Foreign Relations, restricts itself to functions it performs well: reporting, representation, negotiation, and some working level geographic (and perhaps functional) coordination—rather than attempting planning, overall policy development, or control of operating programs of other agencies.	1. Policy developed in interplay between "Secretary of State" and departments, but "Secretary of State" as the clear "senior partner" would integrate all foreign affairs activities—economic, military, scientific, as well as "political, on behalf of President",—and would sit on domestic-oriented coordinating units covering activities with foreign affairs ramifications (e.g. CIEP, Domestic Council and successor units) 2. Secretary of Foreign Affairs, would be a member of NSC or successor senior coordinating body. 3. Ambassadors would have more Presidential than State Department orientation, looking to "Secretary of State" for support and major direction.	1. Effectiveness of the system would depend on firm delegation by President to particularly able Secretary of State. 2. This model would make explicit the recent *de facto* subordination of the State Department. Longer range effects might be more positive, since State might gain stable and realistic role. 3. Separation of policy-making from operations might lead to failure of implementation and feedback (since action would be dependent upon those who did not have primary policy responsibilities), especially if "Secretary of State" staffed directly. 4. A Secretary of State in clear leadership position in Executive Branch and confirmed by Senate could provide for more effective legislative-executive branch relations.

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TABLE II.—ALTERNATIVE MODELS OF THE FOREIGN POLICY PROCESS—LEGISLATIVE BRANCH

Model	*Defining Characteristics*	*Associated Features*	*Possible Implications/Effects*
"Coordinated Decision"	1. Greater power to leadership in both Senate and House. 2. Better mechanisms for consultation and coordination by party leaders of House and Senate, possibly through a joint leadership policy Committee.	1. Speaker in the House and Majority Leader in the Senate would have greater powers to influence the substance, flow, and action on legislation. Speaker would have power to assure cooperation and coordination of Committee activities (e.g. Control of Rules, Government Operations) in House. In Senate, individual members would have less control over scheduling and substance, while party leaders would have more. 2. Committee jurisdictions (fewer Committees with broader jurisdictions in both houses) would be consolidated, and parallel jurisdictions and assignments of proposals by party leaders of House and Senate to assure similar jurisdictions would be established. 3. Staff support is concentrated under interested Members and Committees, rather than individual Members. Leadership would have strong staff support to initiate and coordinate foreign policy activities. 4. Improving the flow of information between and among Committees and leaders, and downward from Committees and leaders to rank and file, would receive strong emphasis, seek greater input of information to leaders, as would developing information and retrieval systems. 5. Coordination in House and Senate would be accomplished by increased leadership powers and support, and between houses, by joint leadership consultation, initiation of proposals, and implementation in respective houses.	1. In the House, Consensus-building would be accomplished primarily through party leaders and Committees, and the internal communication system would continue to be limited. In Senate, current patterns of negotiation and adjustment would remain the model arrangement. 2. Tighter control by party leadership would improve Congressional response time, and, together with improved staff and information capabilities, enable Congress to contend with and consider more effectively Executive Branch proposals and actions. Congress also likely to be in a better position to take foreign policy initiatives in some areas. 3. Except when a definable Congressional consensus has emerged, at least within the majority party, leadership would be likely to face a "revolt" if it attempts to impose a position or solution within a given situation. 4. Interest and involvement in foreign policy issues, especially in the House, is likely to be heavily concentrated in a relatively few members and leaders. Congress would, however, presumably take an active part in shaping public opinion and interest.

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"Participatory Deliberation"	1. Greater involvement in decision-making of rank and file members, particularly in the House, accompanied by wider distribution of power through greater Subcommittee autonomy and broader distribution of Chairmanships, especially in the House.	1. Coordination within houses would be by party caucus, rather than either strong Committee chairmen or strong leadership. Between House and Senate, joint caucuses used to set priorities and programs, and use of a widely representative joint policy committee headed, but not controlled, by party leaders. 2. Greater committee staff support would be available for individual members, along with possible staffing for informal groups. Independent Congressional Research Institute would be created to provide analysis for members, and improve information handling and retrieval to serve individual members. Intent would be to allow useful ideas and proposals to "bubble up" rather than "trickle down." 3. Jurisdiction on foreign policy matters would continue to be dispersed, although they might be revised more frequently for greater continuity on problems. Presumably the House would have a greater role in foreign policy, perhaps over executive agreements. Committee jurisdictions would be parallel between House and Senate. 4. Bill conferees from each house would be appointed so that all engaged legislative factions and viewpoints would be represented.	1. There would be a general loosening up of procedures and opportunities for individual members to have foreign policy inputs; but, in doing so, Congressional ability to respond quickly to Executive Branch actions and initiatives, except in unusual cases, would be retarded. 2. Consensus—and coalition—building would be more possible for individual Members and ideological groups than currently, since there would be a much-reduced need for leadership or Committee chairman support. In general, there would be greater protection of minorities in the House, and greater scope for direct action by informal groupings of members. 3. Interest and involvement in foreign policy issues would likely be more widespread in both Houses than currently, assuming such activity comes to be seen as having useful "pay-offs" through a revised system of incentives which rewards such behavior. 4. Fragmentation of parties on policy issues would likely be the norm.

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envisions wide and extensive consultation with and input from the Congress on matters of both policy and implementation.

The two "limiting case" patterns (I and II) share "zero sum" characteristics in large measure in that they assume that, if one branch "wins," the other must necessarily "lose," and tend to be the product of radically varying conceptualizations of what the weights of structural variables (distribution of power; division of jurisdiction and task responsibility) should be, giving little attention to either Resource or Function/Procedure variables (see Annex I).

The bargaining pattern (III), with a number of possible forms, assumes dominance by neither branch, but rather a continuing process of bargaining and trading for initiative, influence, and impact. Variations of the bargaining model depend upon a) the mechanisms which should govern Executive-Legislative bargaining; b) the appropriate division of bargaining "tools" in the form of formal and informal powers and capabilities; c) the appropriate amounts and kinds of resources available to each branch; d) the roles specific interests should take in the determination of policy; and e) how bargaining can facilitate or impede the development of a consensus in support of policy, once decisions are made. Thus the bargaining pattern is more dependent upon Resource and Function/Procedure variables than are patterns I and II, and for that reason may be more likely to be collaborative in relationship and results.

The consultative pattern (IV) assumes a general leadership role for the Executive Branch, thus differing from models II and III, while at the same time allowing for substantial and potentially definitive inputs from the Congress, thus distinguishing it from model I. Since it may depend less on structures for coordination, consultation, and information-sharing than on the existence of wide substantive and procedural consensus throughout both branches, the consultative model may be unstable. If such a consensus falls victim to issue controversies which are widespread and continuing, an attempt by the Legislative Branch to move either to shared bargaining or Congressional initiative (pattern III or II), and a simultaneous Executive Branch assertion of executive dominance (pattern I), seems likely.

One factor which the preceding discussion does not really take into account is the effect of having the Executive Branch and the Congress controlled by the same party, or alternatively by different parties. Broadly speaking, same-party control could be expected to reduce Congressional influence, all other things being equal, although, paradoxically, it may increase the amount and range of consultations.

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ANNEX: DEFINING VARIABLES FOR ALTERNATIVE MODELS OF ORGANIZATION

Variable	*Definition*	*Range of Variation*	*Comment: Legislative Branch*	*Comments: Executive Branch*
STRUCTURE VARIABLES				
Distribution of Power	Number of primary power centers with policy control.	Highly centralized to highly decentralized. Elastic to Inelastic.	Major foci of power: Party leaders, Committee Leaders (Chairmen and Ranking Majority Members), Rank-and-File. Shifting coalitions of these form on given issues—sometimes along party lines, more often across party lines.	Major foci of power: White House Staffs, State Department, Defense Department, CIA, Treasury, Agriculture, Labor, Commerce Departments. Models reflect varying numbers of major power centers and relationships among power centers.
Division of Jurisdiction and Task Responsibility	The degree to which problems of all types are the responsibility of the same individuals, units, (process?).	Highly fragmented through highly consolidated or concentrated; may vary from one sector of activity to another.	Particularly important in determining what questions are asked and how.	Defense (National Security), Foreign Policy (Political), Economic Policy Matters each could be handled by essentially separate procedures below the President, or one central point for all (e.g. an "External Affairs Council") seem possible. Similar variation possible within areas.
RESOURCE VARIABLES				
Interests (Salience)	The mixture of internal and external demands for action, motivations, and incentives which relate to both the ongoing policy process and specific issues under consideration.	From intense and focused pressure for specific action through diffused indifference.	See Executive Branch.	Organizational, constituent group, philosophical, and personal factors all help determine the "interest" of individual and organizational executive branch actors. The more "open" the system, the larger the number of access points for focused group interests.
Staff Capability	The degree to which various individual and organizational actors have staff resources which can be effectively engaged in carrying out their responsibilities.	Highly "professional" to totally unprofessional. Efficiently employed to disfunctionally deployed. (Esp. Congress: Extensive to Non-Existent).	Particularly important in processing information, evaluation of alternatives, structuring choice and action.	Location of superior analytic staffs likely to influence power relationships, breadth of task responsibility. Size of staff a lesser problem, usually, than for Congress, but efficacy still varies widely in providing adequate support for principals.

ANNEX: DEFINING VARIABLES FOR ALTERNATIVE MODELS OF ORGANIZATION, CONT.

Variable	*Definition*	*Range of Variation*	*Comment: Legislative Branch*	*Comments: Executive Branch*
RESOURCE VARIABLES				
Information	The degree to which necessary, relevant information upon which decisions are based is available to actors involved.	High to low quality; All necessary information available to little or none; Efficiently to inefficiently managed; widely distributed to closely held; Multiple sources to single ones; Information overload to information absence.	Control of information a potential source of power, so distribution is especially significant; Congress often held to be at a particular disadvantage, either overloaded or excluded from necessary information.	Managing and evaluating information a major difficulty, in sense of providing what is available where and when needed. Openness to outside information can vary considerably, depending on centralization of policymaking.
FUNCTION AND PROCEDURE VARIABLES				
Formal and Informal Rules	The explicitly defined procedures and more informal norms which limit the range of accepted/ tolerated behavior.	Highly flexible to extremely rigid. Facilitate decision, or deter it. Formal to informal. Protective of minorities to enhancement of majorities. Coordinative to fragmentive. (Executive Branch esp.: Hierarchical to Consensual, varying from area to area and time to time).	Particularly important in the House where they are more formal and extensive. Partly a matter of choice, partly of tradition and necessity. They influence what considerations are brought to bear on problems, and what decisions are made by determining how they are made.	Problem of access to those making decisions by those with necessary expertise can be severe. Formal channels sometimes circumvented to insure desired outcomes.
Coordination	While related to Rules, Coordination refers more explicitly to methods of reconciling diverse opinions and clearing decisions with separate individual and organizational actors.	Formal hierarchical through informal ad hoc procedures possible; wide ranging for devices through narrow range possible; consensual through decisions by fiat after consultation; speed difficulty in reaching agreement can vary widely.	Coordination essential, given dispersal and fragmentation of power, authority, and jurisdiction, though occasional lack of coordination may be both tolerable and helpful (competition among Committees may improve analysis of problems and increase range of alternative solutions considered, e.g.).	Widely varying arrangements as to a) Extensiveness of formal devices; b) Which unit (NSC Staff, State Dept.) has lead responsibility—which may vary from one issue to another; c) Power of committee chairmen to impose solutions. d) Level at which resolution is obtainable. e) Centralization.
Consensus-Building	Degree to which essential actors can be induced to approve and support suggested courses of action/ policy courses/legislation.	Strong to Weak	Consensus must be achieved and coalitions built to permit organized deliberation and decision, given considerable dispersal of power and authority.	Although imposed agreement may be possible without support of some involved actors (organizational and individual), implementaion, follow-through may be frustrated in absence of consensus supporting decisions.

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Problems in the Conduct of United States Foreign Policy: a Compilation of Recent Critiques

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PREFACE

Organizing the government for the conduct of foreign policy is a problem which in the last thirty years has attracted considerable attention. Some eighty reports on various aspects of the problem have been produced in that period by governmental agencies alone. Another document prepared for the staff of this Commission provides an analytic index to those reports. This paper casts a wider net and has a different purpose. It presents in briefest summary an outline of the major criticisms of the U.S. government's organization for foreign policymaking made either in the major official studies or in the writings of individuals.

The paper does not seek to argue the correctness or incorrectness of the criticisms or to distinguish between them on grounds of perceptiveness or importance. It attempts only to present, briefly and straightforwardly, a catalog of the criticisms commonly made. As a result, the paper is miscellaneous in character: issues the reader may regard as crucial appear with others which may appear trivial; plausible criticisms mix with improbable ones; some diagnoses are accompanied by purported cures, others are not.

What it foregoes in judgment, however, the paper attempts to make up in comprehensiveness. It presents a relatively complete compendium of the criticisms voiced over the last several decades about the bureaucratic system through which American foreign policy is made and implemented. It should, therefore, serve its principal purpose to provide the investigators involved in the Commission staff's empirical studies with a checklist against which they can measure and compare their own findings.

INTRODUCTION

The conviction that better ways must be found to deal with the increasing complexity of world affairs and with the difficulties of managing the expanding number of U.S. agencies involved in foreign affairs has led to numerous criticisms of the foreign policy process and to frequent attempts to reform it.

This paper presents an informal catalogue of recent official and unofficial criticisms of current organizational practices and procedures. These critiques, which are not evaluated, are briefly described in an outline format and are followed by a selective bibliography. Not all individuals who have made a particular argument are cited; an attempt has been made to provide only representative citations, which appear in parentheses after each summary critique. These brief parenthetical aids to data retrieval may be expanded by consulting the bibliography.

I. CORE PROBLEMS OF A BUREAUCRATICALLY ADMINISTERED FOREIGN POLICY

Many of the most frequent criticisms of the policymaking machinery of the United States government focus on the Executive Branch as an entity, rather than on separate departments or agencies or on individual functional areas of policy and programmatic activity. This section describes these assertedly pervasive or overarching problems. It also serves as a general summary, and a number of the critiques mentioned here are considered in somewhat greater detail in subsequent sections.

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A. Both *pluralism* (or fragmentation) and *centralization* are frequently cited as problems and solutions.

(1) Administrative fragmentation is probably the aspect of the present foreign policy system most frequently commented on. The proliferation of agencies involved in foreign policy, combined with the growth in size of the agencies is alleged to produce diffusion of responsibility and accountability, redundancy and duplication of tasks, and excessive specialization and division of labor. These factors require the system to devote disproportionate resources to, and to fail at, coordination, causing slowness in the policy process, a generalized inflexibility and immobilization, an absorption in routine, and a proliferation of interagency committees arriving at watered-down, lowest-common-denominator results. Proliferated agencies each pursuing their own interests do not necessarily produce a coherent expression of the national interest. These defects characterize the system as a whole, as well as the internal functioning of some agencies, such as the Departments of State and Defense (Hoffman '68, Campbell, McCamy, Yost '72, Holbrooke).

Fragmentation of responsibility is valued by others as a means of preserving presidential options, instilling openness in the system, and promoting diversity of viewpoint.This view is most frequently held by academic advocates of pluralism and skeptics of presidential power, particularly in light of Vietnam, who see pluralism as an antidote (Huntington '61, Hoffmann '73, Rothstein).

(2) Centralization of policymaking in the National Security Council (NSC) and monopolization of it in the presidency have been cited as dangerously isolating decision-makers from governmental expertise, stifling dissent, reducing the scope of issues seriously dealt with to those amenable to personal diplomacy, and reinforcing tendencies toward crisis diplomacy (Rothstein, Destler '71–'72).

Greater presidential authority over agency operations is widely advocated as a solution to fragmentation, although the NSC "super staff" is rarely regarded as fully adequate for that purpose (Jackson '65, Leacacos).

B. There is skepticism of the *capacity of large bureaucratic organizations* to *conduct foreign policy* at all.

(1) Diplomacy requires flexibility and imagination, while the essence of bureaucracy is routine standardization and predictability; even bureaucracies that do not suffer from excessive fragmentation or centralization are inappropriate for making and implementing important foreign policy decisions (Kissinger '64, '66).

(2) Some critics argue that the dynamics and politics of bureaucratic "pulling and hauling," rather than objective analysis, determine a great deal of policy, and that bureaucracy is a "blunt instrument" inappropriate to the subtle contemporary foreign policy problems (See generally the work of Neustadt, Allison, and Halperin). Others assert that bureaucracy is decisive in routine matters where decisions are incremental, but that during crises and on matters of high policy bureaucracies play only a secondary role (Rourke). Still others contend that the bureaucracy is merely a means by which others direct power in America or is simply one apparatus of authority used by the "national security managers" (Kolko, Barnet, Domhoff).

C. The *growth* in the size of foreign policy agencies, both in Washington and abroad, *has reinforced* the *defects of fragmentation.*

Coordination and accountability problems are particularly exacerbated by the "elephantiasis" and "layering" of unnecessary personnel (Hoffman, Campbell, McCamy, Briggs, Rusk, Tuthill). Excessive size, in turn, contributes to independent and uncoordinated initiatives as individuals and organizations attempt to find an area or program they "can call their own" (Hoffman '68, Downs).

D. Rapid *turnover of personnel at top levels* creates discontinuity and loss of institutional memory.

(1) The short tenure of in-and-outers in policy positions results in amateurism and superficiality or "diplomatus interruptus" (Davies).

(2) Conversely, others argue that the transient in-and-outers are unusually able, more broadly experienced, more responsive to political leadership, and that the turnover refreshes the bureaucracy (Neustadt '70, Waltz).

(3) Still others assert that the circulation of elites is a decisive means by which economic power influences the government (Kolko, Williams) or by which the military and industry collaborate (Proxmire).

E. *Piecemeal reform* of agencies individually is inadequate.

The Fitzhugh Report has argued that reform within all individual agencies needs to be folded into a more comprehensive scheme involving all foreign policy agencies. Similar critiques have been made of other reform efforts, such as the State Department's. Diplomacy for the 70's Program (Bacchus).

F. The problem of *confidence in government* has been exacerbated by a bureaucratic style of secrecy and by the manipulation of Congress, public opinion and presidential action (Katzenbach, Serfaty, Lake, Chancellor, Karnow).

G. Because the dominant issues of the foreseeable future are multilateral and therefore transcend nationally oriented bureaucracies, we will need domestic institutional mechanisms with a vested interest in international solutions and organizations (Hoffmann '72, '73, Bergsten).

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II. DEFICIENCIES OF INPUT CO-ORDINATION

One useful way of grouping more specific types of critiques is to employ the "input-output" distinction, even though the two categories are not totally separable. Problems addressed in the "input coordination" category involve asserted weaknesses in the procedures and practices for obtaining the wherewithal essential for adequate policymaking.

A. The *collection* and *dissemination* of *information* is *uneven* and is a function of and a stake in bureaucratic politics.

(1) There are prominent suggestions that the policy community has weak intelligence advice and that the Board of National Estimates (or some successor institution) should be made intelligence advisors for the entire foreign and national security policy community. Estimating responsibility should be removed from CIA and located in the NSC structure to help policymakers more efficiently and directly and to avoid the bias of any particular service (Cooper '72). As it is, CIA and NSC studies are badly coordinated (Leacacos).

(2) The State Department needs to receive "richer" intelligence information. In particular, the country officers and Assistant Secretaries should be more fully briefed by CIA and aware of all information affecting their area. This may imply closer State Department coordination of intelligence gathering from the "user" viewpoint (Holbrooke). Information processing and dissemination within the State Department is inadequate and renders much data unusable (Diebold).

(3) Interdependence of nations in the new international environment means that the role of the field must increase and that policy must be made with more detailed local knowledge and a better flow of information between Washington and the field (Rothstein). [Cf. Section III.A.1., below]

B. The *identification of major problems* and their appearance on the foreign policy agenda is held to be largely a presidential matter, although affected by the structural arrangements.

(1) Perceptions of which issues are important and of their order of importance are defined by the bureaucratic mode of reporting events, of creating situations, and of framing options: in short, by standard operating procedures. Missions abroad work to increase the importance which Washington attaches to the countries in which the particular mission is located. (May).

(2) Present structures of coordination are inadequate to deal with the interrelationships of resource, monetary, defense, environmental, economic, and diplomatic matters. Therefore, an expanded NSC assertedly must deal with non-military as well as military threats, and to plan all priorities, whether domestic, foreign, or military (Taylor).

(3) The Nixon NSC staff, not the agencies, has (prior to Dr. Kissinger's move to State) performed the principal problem identification function. It assembled information, assessed events, and analyzed options for action. But in doing so, the NSC staff developed interests and internal conflicts of its own (May).

C. The process by which *consensus-building* takes place often *predetermines* policy *outcomes.*

(1) The options which the agencies put forward are based on calculations of how they will affect future agency missions and roles; options which change these missions and roles are argued to be infeasible (Halperin '71). Internally negotiated positions, therefore, are brittle and inflexible, and thus reduce international bargaining efficacy of our diplomacy (Kissinger '66, Hoffmann '68).

(2) The Nixon *NSC system bypasses* the *bureaucracies,* with no real commitment to reforming them. National Security Study Memoranda (NSSMS) are seen, not as part of policy research and formulation, but as a stratagem to bypass agencies. Excessive demands for information and memoranda deprive agencies of manpower for day-to-day operations. The regional Interdepartmental Groups (IG's) have been formal coordinators of NSC-assigned studies, rather than vehicles for presidential leadership. The "options mystique" in the internal dialogue has led to an adversary system in which agencies attempt to score bureaucratic points rather than define the national interest (Holbrooke, Leacacos, Destler '71–72).

(3) The prominence of the NSC system complicates and delays an already tedious process, and undermines the Secretary of State's position and that of the Foreign Service in day-to-day relations (Yost '71).

(4) The Military is asserted to be too influential on interagency committees. The exclusion of options inconsistent with the established assumptions and interests of participants results partly from the preoccupation of high-cost and high-capability agencies with budgetary considerations, and the preoccupation of low-cost and low-capability agencies with consequences for their missions (Holbrooke).

(5) The Secretary of State is often held to be better placed to be responsive both to the President and to the institutions in leading consensus-building than either the heads of other departments or the Assistant to the President for National Security Affairs. A foreign affairs budget controlled by State would inject it into early stages of other agencies' activities. An annual posture statement by the Secretary of State comparable to that of the Secretary

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of Defense is needed (Bingham, Destler '71–72, Yost '71).

(6) State should apply its synthetic ability and political analysis to integrate foreign policy, rather than attempting to "manage" decentralized functional agencies. It then could better present the President with alternatives than the NSC staff has. (Hoffmann '73, Yost '71, McCamy).

(7) Interagency committees conceal differences as a "formula for stalemate", while in-and-outers increase agency parochialism by articulating agency interests more sharply (Hughes, Holbrooke).

(8) Main foreign economic issues are settled by the President at the end of a long interagency adversary process in which State is weak (Campbell).

D. There has been general criticism of the quality of *foreign affairs personnel* (Jackson '61), and especially of the Foreign Service (See State Department section below.)

III. WEAKNESSES IN OUTPUT CO-ORDINATION

In contrast to "input coordination" problems, which relate to how policy and decisions are made, the output coordination" problems outlined in this section describe difficulties incurred in carrying out activities and programs which are consequences of prior decisions and policies.

A. *Fragmentation of the control of resources* among a multiplicity of agencies is frequently cited.

(1) Independent agency budgets and personnel policies dilute the authority of the State Department and ambassadors. The most common recommendation is for a foreign affairs budget controlled by State and the oversight by State of personnel assignments abroad by other agencies. Fewer personnel should be sent abroad and more jobs should be done from Washington (but see Section I.A.3 above for a somewhat inconsistent point). In particular, control of the CIA should be removed from the NSC and given to State, and State should be funded directly for non-diplomatic personnel rather than being reimbursed by other agencies. Placing State in control of the decisive foreign affairs resources is commonly advocated by ex-FSOs (Campbell, McCamy, Yost '71, Walker).

(2) The failure of the country team as a coordinating mechanism could be overcome by programming and planning on a country rather than on an agency basis, with personnel being seconded to State rather than remaining independent. A problem with such a foreign affairs budget is that under present Congressional practice appropriations would continue to be cast in agency terms (Schelling).

(3) Some question the managerial capability of State, even if reformed, and advocate functional decentralization to independent agencies, with State integrating, analyzing, and linking the system to the President (Hoffmann '73).

B. The intended *implementation* of policy decisions is *often compromised.*

(1) Policy made in the national interest by the President is "parochialized" in execution by the agencies. Agency heads too frequently see themselves as adjudicators of internal conflicts or representatives of special interests, rather than as the implementors of the President's program. The high rate of referral of co-ordination differences by the Under Secretary's Committee of the NSC to the President or to his national security advisor for resolution is asserted as a case in point (Destler '72).

(2) Agencies attempt to establish irrefutably their "right" to perform missions sought by others without reference to ultimate purposes of their activity (Hoopes, Downs, Halperin '74).

(3) These problems are especially severe in economic policy, particularly development, foreign loan, and export policy (Montgomery, Peterson Report).

(4) Commercial, Labor, and other attaché programs create suspicions of interventionism and give privileged status to domestic interests. The typical recommendation is to incorporate such attachés into embassy economic sections or to return them to Washington (Campbell).

(5) Organizational operating procedures have a tendency to limit the ability of policy level officials to know about or to control routine activities conducted at lower levels (Allison, Hoffmann '68, McCamy, Lowenthal). The autonomy of the agencies reinforces perpetuation of routine and needless activities, as do secrecy and rapid turnover at the top (Galbraith).

(6) Too high a percentage of staff, especially in State, is devoted to staff management and to coordination necessitated simply by bureaucratic growth. For example, State's Bureau of Politico-Military Affairs (PM) and Defense's Office of the Assistant Secretary for International Security Affairs (ISA) are accused of existing merely to liaison with each other. It is claimed that assignment of people from one agency to serve at another would provide more effective liaison than separate liaison units (Campbell).

(7) Authority and accountability are diluted by overlapping, duplication, and unclear responsibility (McCamy).

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IV. AGENCIES

A fourth general category of problems includes those associated with particular organizational units of the government rather than the entire policy apparatus.

A. NATIONAL SECURITY COUNCIL (NSC)

(1) The central criticisms of the NSC involve the isolation of the President from the operational agencies, the addition of another layer to the process, the monopolization of foreign policy by excessive centralization in the White House, and the location of major decisions where there is least likely to be dissent (Rothstein, Destler '71–72, Hoffmann '73). These elements violate the recommendation of the 1st Hoover Commission against presidential over-involvement in foreign affairs without proper Executive Branch consultation.

(2) Undue military influence on the NSC is a major concern, fulfilling Truman's fears and violating what he saw as a permanent, non-partisan and inconspicuous institution that should not dominate foreign policy. This was based on a belief in the desirability of distinction between foreign and national security policy (Yost '71). Undue intelligence influence is also cited (Yarmolinsky). One possible solution is to replace the NSC with ad hoc cabinet committees, as recommended by the 1st Hoover Commission.

(3) The Eisenhower NSC system has been criticized as a paper mill which became remote from day-to-day operations and from the budgetary process. The Planning Board of this system became a major battleground for agencies, producing over-negotiated compromises as recommendations. Instead of a forum for discussion, the NSC became an elaborate ill suited mechanism for coordinating follow-through on policy decisions (Jackson '65, '60).

(4) The Bundy and Rostow NSC systems were too "loose," and lacked sufficient checks and balances to prevent factual errors or premature judgments from being presented to the President. The informal meetings that supplanted NSC meetings lacked sufficient follow-up and resulted in confusion about decisions reached (Leacacos, Cooper '72b, Hoopes).

(5) The Nixon NSC of 1969–73 has been criticized for usurping departmental functions in order to assure a limited number of wise presidential decisions, and for isolating the president from day-to-day operations.

(a) It has failed to build centers of strength in the agencies; *e.g.*, the regional Inter-departmental Groups (IG's) cut out the Secretary and Deputy Secretary of State and neither the IG's nor the Under-Secretaries' Committee functioned as intended.

(b) Over-centralization of policymaking in the national security advisor was compounded by the inability of the NSC staff to act in his name, resulting in their lack of leverage over the bureaucracy. Increasingly, tasks were performed within the NSC, widening the gap between the President and the bureaucracy (Destler, '71–72).

(c) NSC memoranda have been used to tie up the agencies and have created a serious bureaucratic log-jam (Destler, '71–72).

(d) The national security advisor fills the incompatible roles of personal staff advisor to the President and comprehensive manager and coordinator of a broad range of issues as head of the NSC system (Hoffmann '73).

(e) The Nixon system works best in relations with adversaries, solving functionally or geographically isolated problems or establishing minimal links with other nations. Allied relations requiring steadiness, depth of expertise, and broad consultation cannot be adequately handled (Hoffmann '73; Destler '74).

(f) The Nixon NSC lacks checks and balances, is anti-democratic and secretive in a period of increasing suspicion (Katzenbach).

(g) Economic policy and foreign intelligence are major weaknesses of the Nixon system. NSC cannot and should not coordinate foreign economic policy, and security issues are dealt with at the expense of monetary and economic ones (Leacacos).

B. DEPARTMENT OF STATE

The explanations for the failure of State to control policy fall into two broad groups. First, State has failed to make itself heard to the President and his advisors, due in part to internal weaknesses, but mainly to the invasion of diplomacy by other agencies and the NSC staff. The proposed solution is to bring the other agencies under State's control. Second, career officials in State are unresponsive to the President, due mainly to the inadequacies of the Foreign Service. In particular, State has sacrificed power over policy for a dominant role in a limited sphere by means of a series of "tacit non-aggression treaties" with other agencies (Destler '72). This course has been chosen partly because of an unwillingness to go into unorthodox areas which would divert the department from traditional diplomacy (Hoffmann '68, Halperin '71). The suggested solution is to extend presidential lines of authority deeper into State to reduce the independence of career officials and to equip State to interact with other agencies across the whole range of presidential foreign policy interests.

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(1) The Foreign Service

(a) The ineffectiveness of the Foreign Service is frequently traced to its extensive size, which results in overstaffing, delay, and diffusion of authority and responsibility. The indicated solution is a smaller elite service with better internal communication, clearer lines of devolution (1st Hoover Commission, Campbell, Kennan, Schlesinger, Yost, '71). However, others argue that the Foreign Service is already small enough to have an advantage in competing with other agencies (Stearns).

(b) The Foreign Service does not have the skills and training to take charge of the "new diplomacy." The inadequacies are attributed to McCarthyism, Wristonization, Vietnam, slow promotion, cautious and conservative criteria for promotion, too frequent rotation, preference for amateur generalists over specialists, inadequate selection-out of underachievers, a bulge of mid-career, middle-aged FSOs, and a belief in the professionalism of diplomacy. As a result, intellectual quality is asserted to be low, policy is allegedly regarded with a "curator mentality," risks are perceived to outweigh opportunities, and the service is politically and institutionally conservative and defensive (Thomson, Harr, Scott, Schlesinger, Hoffmann '68).

One solution is to broaden the conception of diplomacy, train more functional specialists in intelligence, counterinsurgency, development, etc. (*Diplomacy for the 70's;* Herter report—in somewhat different ways). A recommendation for a unified Foreign Service, bringing in AID and USIA, follows this line (Walker).

Others assert that the Foreign Service should specialize in traditional diplomacy, capitalizing on its experience, its sense of proportion, its knowledge of history, and its intuition and patience, (Campbell, Davies, Yost '71).

Still others suggest that the Foreign Service should function as observer and analyst, engaged in "the planned acquisition of organized knowledge and experience." This alternative assumes that general foreign policy management is not possible for the Foreign Service and that the ceremonial function is too trivial (Rothstein, Turpin).

(c) Personnel decisions are made in too many places; partly as a result, promotions and assignments are an absorbing concern, particularly at lower levels (Campbell).

(d) Too many people are in administrative management (Campbell, Briggs).

(e) Too few FSOs are appointed to important ambassadorships; there are too many political ambassadors; and some ambassadorships are sold (this last is a complaint of the Senate Foreign Relations Committee, Berger, Briggs '63).

(2) The information needs of State are not met and technology has been inadequately applied. Both the Secretary and the Ambassadors are deprived of the department's best information. The Foreign Affairs Planning System has failed in this respect (Diebold).

(3) The internal organization of State shares many of the coordination problems of the system as a whole. There is an imbalance in the Secretary's responsibilities and capabilities: he has too little influence over missions and operations and too few people who reflect his interests. Suggested solutions include a Secretary's office comparable to the Office of the Secretary of Defense (OSD), a Permanent Under Secretary, a foreign affairs budget, and control over other agencies' activities and personnel. (Walker, Campbell, Herter report). These solutions presuppose a foreign affairs management function for the Secretary. Finally, issues are not dealt with at the proper level, preservation of options is a way of life, and too much energy is consumed in horizontal clearance. Functional bureaus are held to be too often overruled in favor of regional bureaus. One indicated solution is a consolidation of bureaus, and possibly establishment of an economic functional staff placed above other bureaus (Hughes, Halperin '72, McCamy, Campbell).

(4) State spends too much time umpiring or avoiding disputes with and between other agencies (Hughes). There is some consensus for a solution which would provide more men on whom the President can rely (probably political appointees), fewer FSOs on short Washington tours and more permanently Washington-based officials who understand their region and bureaucratic politics, more authority for country officers, and fewer layers between the country officer and the Secretary (especially, Holbrooke).

(5) The problem of planning arises most frequently in connection with State.

(a) Planning, particularly as experienced in State's Policy Planning Council or Staff, is regarded with widespread skepticism. It is argued that planning seeks a predictability and objectivity which is impossible, that it reduces flexibility, and that it tends to project the present into the future. Because planning conditions reflect attainable consensus, not substantive conviction, planning is a way to buy time and escape decision (Kissinger '66). Policy is made either incrementally or in crisis (Rothstein). Furthermore, real decisions are made in the budget process and plans must conform to it, not vice-versa (Lindsay).

(b) A major objection to State's planning structure has been that planning and operations have been separated. Even when a "planning and coordination" staff was in existence (1969–73), operations were separated, isolating planners from power and the flow of decisions. This made planners' work

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more abstract and less useful. As a staff function planning was not built around an "action-forcing process" (Neustadt '63, Hoffmann '68, Kennan, Acheson). Resistance to planning by FSO's and the regional and functional units is cited. Under the Nixon Administration, the role of the NSC staff has made effective, long-range planning more difficult (Hoffmann '73).

C. DEPARTMENT OF DEFENSE

(1) The most persistent criticism is the militarization of foreign policy. One cited reason for militarization is that the President has no source of military advice other than the Pentagon, which is reinforced by the influence and credibility of the Joint Chiefs of Staff (JCS) *vis à vis* the congress and the public. This influence, in part, results from Defense's extensive domestic clientele. The McNamara reforms made military solutions more available and unbalanced presidential options, especially during crises. Finally, the civilian defense managers are seen as more activist and militarized than the uniformed military (Yarmolinsky, Halperin '72, Halberstam).

(2) The defense budget is regarded as too large and weapons procurement policy as unmanageable. The budget is substantially independent of policy, doctrine, and specific weapons rationales (Halperin '72). Inter-service rivalry, the weakness of OMB in military matters, and a congressional-military-defense civilian alliance against the President are cited as causes of excessive spending (Bingham). Budgetary successes have made the military more persuasive with the President, and the weakening of OSD and the Systems Analysis Office under Laird undermined White House efforts to control budgeting through the Defense Programs Review Committee of the NSC (Destler '71–72). One suggested solution is a presidentially created consensus resting on a "nice balance of contending institutional forces" to support a ceiling on spending (Halperin '72, Legere). In addition, the President should avoid broad statements of policy which give broad license for increased activity. Furthermore, the services should be given autonomy within a ceiling under the presumption that they value autonomy more than increased budgets (Legere). Weapons procurement policy has been criticized for bad management and cost overruns (Packard, Art), for technology's determining strategy (H. Brown), and for regarding production lines as national resources to be subsidized (Kurth).

(3) The JCS, a "two-hatted" body as a collective entity with individual service chiefs, has more often reflected negotiated service interests than a corporate military judgment. The President is confronted with a fractured military position based on divergent service interests. A possible solution is to remove the JCS from the chain of command over military operations and make it a planning body (Gilpatric, Halperin '72). The JCS too frequently bypasses the Secretary of Defense to advise the President directly (Fitzhugh report).

(4) The size of the military bureaucracy causes it to obtain a vested interest in the programs of its foreign clients, generating pressure for military aid and intervention (Fitzhugh report, Campbell).

(5) The proliferation of foreign policy staffs in Defense (ISA, JCS, Defense Intelligence Agency (DIA), service staffs, and service intelligence staffs) dilutes State's authority. ISA and JCS staff often independently clear material with State out of mutual distrust. The JCS and ISA foreign policy staffs should be downgraded (Fitzhugh report).

(6) The lack of apparent function for the service secretaries has been taken as grounds for abolishing these positions (H. Brown).

(7) Defense's role as a major government contractor for policy research is unjustified in that this role is unrelated to its primary function (Campbell).

D. THE INTELLIGENCE COMMUNITY

(1) Fragmentation and excessive size are again perceived to be critical problems. Established to coordinate the work of the numerous agencies involved in foreign intelligence, the CIA has concentrated on producing its own intelligence information and running its own operations. Though nominally chief of the whole intelligence community, the Director of Central Intelligence has never played the coordinating role with real authority, largely because he lacks control over the great bulk of the intelligence budget spent by the Defense Department. (Ransom, Hilsman, Campbell, Holbrooke, Marchetti/Marks).

(2) Within the CIA, the combination of analysis and operations in a single agency has tended to submerge and bias analysis. The indicated solution is to divide responsibilities between two agencies, though there are objections to this on grounds of operational complication and loss of cover (Truman, Barnds, Schlesinger, Campbell, AFSA).

(3) The ivory tower approach of intelligence analysts is of little help to policymakers. The analysts' work is too abstract and general and too divorced from realistic policy alternatives. National Intelligence Estimates are wishy-washy, covering all bets (Barnds, Leacacos, Cooper '72a).

(4) Intelligence operations have ceased to correspond to reasonable perceptions of external threats, and secrecy transcends the purpose served and becomes an end in itself. The CIA is still run

by operatives imbued with the clandestine mentality (Barnds, Campbell, Marchetti/Marks).

(5) The CIA undermines ambassadors' authority with independent resources and communications channels, and by the sheer number of operatives abroad. State Department input into decisions about covert action is insufficient. The CIA defines its intelligence collection mission too broadly and overestimates its ability to manipulate the internal affairs of foreign nations (Ransom, Hilsman, Schlesinger, Marchetti/Marks).

(6) Too little evaluation and oversight of the CIA is performed outside the agency. The CIA makes it difficult for OMB to do a proper examination of its budget. Congressional oversight committees tend to abdicate their responsibilities (Ransom, Marchetti/Marks).

(7) The use of private firms, foundations, and cultural and educational programs as covers for intelligence purposes creates suspicion abroad for all American institutions (Church). The use of official government agencies for cover purposes is also criticized (Campbell, AFSA).

(8) The intelligence arms of the military services tend to greatly exaggerate the capabilities and intentions of the corresponding services of potential adversaries. "Worst case" estimates contrive unreal dangers and cost taxpayers enormous sums of money (MCPL).

E. AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)

(1) Conflicting functions have deprived AID of a sense of purpose and a coherent domestic clientele and rationale. A possible solution is to disaggregate AID into several agencies for technical aid, development loans, etc. (Huntington '71, Peterson report, Holbrooke).

(2) Excessive AID personnel abroad have overshadowed State and the Foreign Service in recipient countries. AID missions lobby recipient governments and Washington for development projects and escape effective control of the Ambassador while appearing interventionist. MAAGs (Military Advisory Assistance Groups) have similar drawbacks. One solution is the abolition of AID missions and MAAGs, and the administration of reduced bilateral aid through the economic sections of embassies (Peterson report, Campbell).

(3) Bilateral aid has attempted too much and should be multilateralized and administered by private institutions to diminish the direct participation of official Americans in the political and social processes of the lesser developed countries. Above all, there is a need to avoid the annual authorization and appropriations process (Kaplan, Mason).

(4) Bilateral aid sets up an institutional vested interest in United States involvement in recipient countries and a commitment to existing regimes and the *status quo* (Fulbright).

(5) The Peace Corps should be kept small and made into a semi-public, independent corporation, perhaps along with some USIA cultural and educational functions (Campbell).

F. UNITED STATES INFORMATION AGENCY (USIA)*

The major criticism of USIA is that it is an unnecessary remnant of the cold war and should be abolished. There is held to be little demonstrable impact abroad, while the agency serves as a lightning rod for anti-American sentiments. The United States is made to appear defensive, uncertain, and immature; cultural and educational programs are infected with chauvinism and their official sponsorship makes them vulnerable to congressional attack. USIA duplicates the dissemination of information by the private media. The activities of 25 other governmental agencies overlap with USIA. Finally, the propriety of a free society propagandizing itself abroad is questionable.

The suggested solutions are to create a semi-public cultural corporation on the model of the Alliance Francaise or the British Council, to consolidate the Voice of America with the Armed Forces Radio and Television Network into an independent entity similar to the BBC or the CBC, and to withdraw all overseas personnel (Oudes, Campbell, Katzenbach Committee).

V. ISSUE AREAS

Transnational problems such as resources, food, the oceans, multinational corporations, development, the environment, terrorism, monetary relations, and technology transcend the horizons of national bureaucracies which are inherently inadequate to cope with them. At the same time, coordination within the government is a prerequisite to international coordination.

A. INTERNATIONAL ECONOMIC POLICY

(1) The Eisenhower Council on Foreign Economic Policy was an *ad hoc* staff with no line authority, attempting to coordinate foreign-domestic and foreign-foreign economic decisions. In fact, Treasury and NSC had final responsibility for some areas.

(2) The Kennedy-Johnson Administration put

*Editor's Note: This compilation was prepared prior to publication of the Stanton report (*International Information Education and Cultural Relations: Recommendations for the Future*, Washington: Center for Strategic and International Studies, Georgetown University, 1975) and therefore does not consider its content.

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coordinating responsibility in the NSC under Kaysen in a more informal arrangement, affording staffers the advantage of their own responsibility and direct access to the President. This arrangement had become less viable by 1967–68. Interagency committees, such as the Cabinet Balance of Payments Committee were used to good effect.

(3) The Nixon Council on International Economic Policy (CIEP), inasmuch as it is modelled on the NSC, has some of NSC's shortcomings. The memorandum system has had the effect of removing competent people from management. As a policy planning body it had little power to coordinate and enforce, and was bypassed in the August, 1971, economic policy decisions. As a result, Treasury has dominated monetary policy, and development and aid policy has languished. No one is managing congressional relations. A possible solution would be to put interagency committees under CIEP, give it an independent staff not borrowed from agencies, and have the director advise the president on foreign effects of domestic policy changes. Coordination with the Domestic Council has been inadequate. In addition, the CIEP staff should be small and force work out to the departments, who should manage and negotiate with other countries. State opposed creation of CIEP on the grounds that foreign and economic policy are inseparable and subsequently has had little influence on the latter, even though the president affirmed State's primary responsibility in the area (Malmgren, Hoffmann '73, Rothstein, Leacacos, President's Commission on International Trade & Investment Policy).

(4) There is no agency in a position to regulate multinational corporations or to co-ordinate federal loan and foreign aid policy with the corporations (Haskins).

(5) Commodity shortage policy is uncoordinated among 20 agencies and tends to be crisis-oriented. Export controls are uncoordinated with State (*e.g.*, June, 1973 soybean embargo). Agencies involved have different domestic clienteles, and domestic economic considerations dominate foreign economic policy,—even determining which issues come before the President (Malmgren).

(6) There are three main groups of indicated solutions: (a) creation of a cabinet-level Department of Foreign Trade, advocated by businessmen who feel State is unfriendly, but which might make other agencies more parochial by removing their international activities; (b) transfer of all foreign economic programs into State; (c) assigning control of all economic activities abroad to State, without elevating it above other agencies in Washington.

B. FOOD

State and Agriculture are seen as unresponsive to world food needs, and the U.S. is seen as having been callous in the past (L. Brown). P.L. 480 shipments have been regarded by State as a dole, and commercial exports have been the central concern of Agriculture. The influence of domestic farm interests represented by Agriculture have sustained United States opposition to commodity agreements (Kolko, Rosenfeld).

C. SCIENCE AND TECHNOLOGY

(1) Foreign policy agencies of the government, especially State, are poorly equipped to deal with science and technology. The Office of the Special Assistant for Science and Technology, set up in 1962, was too insulated from public and congressional scrutiny, was moved to the Executive Office where it became preoccupied with domestic policy, and was a "scientific fire brigade." There is a demonstrated need for greater scientific advice within the agencies (Skolnikoff).

(2) The International Science Committee, set up under the Federal Council for Science and Technology and chaired by State, failed to develop or articulate uniform policies. State is a prisoner of the views and desires of the technical agencies, not a source of independent policy. The International Scientific and Technological Affairs Office in State failed to involve itself in foreign aid, disarmament and military matters, and did little more with respect to policy affecting NASA and the AEC (Skolnikoff).

(3) U.S. scientific and technological policy toward Western Europe is *ad hoc,* partly because there is no place in the government where concerted science and technology policy is formulated. United States R&D should be done in review with Western Europe and other developed countries (Haskins, Basiuk).

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