

The Big Influence of Big Allies – Transgovernmental Relations as a Tool of Statecraft

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I. The challenge of Keohane's argument about transgovernmentalism and transnationalism

Robert Keohane's (1971) treatment of the role of transgovernmental relations in interactions between the United States and its allies was one of the earliest explicit challenges within the American study of international politics to the post-1945 dominance of the unitary model of the state. In this article he made a case for "the big influence of small allies" – these countries had far more influence on U.S. policy than one might expect on the basis of an examination of their relative capabilities and resources. Some of the reasons for the success of small allies are factors that are easily accommodated within a unitary conception of the state – the asymmetries of motivation and attention favoring the small country, the occasional American lack of appropriate instruments of influence, and the high value that the U.S. government placed on keeping friendly governments in power in these countries. What made his argument remarkable was the next step in his analysis – the observation that small powers use alliances to extract policy concessions from the large powers that lead them. They do this, Keohane argued, in three ways. First, they use formal diplomacy to extract the maximum concessions given the conditions noted above – they drive a hard bargain when accepting alliance, often obtaining concessions from the U.S. that they probably could not obtain in any other way (the example he gives is ANZUS, which gave the Australian government the right to consult with the U.S. government at a higher level than they probably could have obtained in any other setting). Second, they enlist the support of sub-units of the U.S. government and mobilize them to help them obtain concessions from the top leadership of the government by exploiting their connections to these sub-units and the sub-units' dependence on resources and outcomes that can

only be supplied by the small state. Third, they create or exploit transnational links to U.S. interest groups and public to enlist them as supporters of policies desired by the small state.

In some respects the argument that the internal structure of states must be modeled when treating international interactions has become accepted practice. Public choice models of executive-congressional relations imported into the study of international relations and the burgeoning interest in the 1990s in the possibility of a “democratic peace” have rendered the unitary, rational actor model of the state obsolescent if not obsolete. However, the internal structure of the state that they depict is generally limited to an executive and a legislature facing a foreign government interaction partner. Such a simplified structure is necessary if one wishes to stay within the confines of formal models with closed form solutions, but that limitation means that the kind of approach pioneered by Keohane cannot be pursued with much fidelity to a richer empirical reality.

Relations between governments in the post-war period have been marked by a proliferation of the transgovernmental contacts noted by Keohane and Nye (1972). For decades U.S. embassy staffs in important countries have numbered in the hundreds (for example, Montgomery (1962: 8) noted that as early as 1958 the U.S. Embassy in Saigon was staffed by 180 American employees (he does not say how many Vietnamese were also employed there). U.S. embassy staffs in the post-1945 era have often included officials concerned with agriculture, labor, the environment, illegal drugs, atomic energy, public administration and public finance, and other programmatic areas which were the province of various aid programs. The executive branch of the U.S. government makes contact with other governments through many channels, regardless of the role of the Congress. For this reason formal modeling at this juncture seems

premature; more sensible is a more complete and more accurate empirical account of what goes on in transgovernmental and transnational relations.

II. The Puzzle Raised by Keohane's Approach

Keohane saw transgovernmental relations as channels whereby small client states could have significant influence on the policies of leading powers such as the United States. Some subsequent publications on transgovernmental relations have adopted a similar perspective. Moon (1988) analyzed the various transgovernmental and transnational channels whereby the Republic of Korea government was able to influence the U.S. government. Kivimaki (1993) did likewise for the Indonesian government, arguing that the "strength of weakness" gave the Indonesians a surprising amount of influence on U.S. government policies.

From the standpoint of realism or more orthodox public choice theories of the state, Keohane's account appears to be problematic in at least one respect: If a political scientist can figure out that small states are doing this, why can't a U.S. government official? If transgovernmental and transnational relations are an inevitable by-product of modern alliance relationships, does it seem likely that U.S. government officials would either be ignorant of their effects or simply tolerate unwelcome outcomes produced by these ties? Clearly, it is implausible to expect that they would be permanently ignorant or passive in the face of such goings-on.

Subsequent empirical work on transgovernmentalism and transnationalism has begun to take up this challenge.

III. Post-Keohanian examinations of transgovernmentalism and transnationalism in alliances

A. Wendt and Friedheim on Soviet transgovernmentalism in East Germany

In their discussion of Soviet informal control of East Germany Wendt and Friedheim (1996) argue that part of such a relationship is explicable in terms of conventional choice-theoretic understandings. In such a situation “a necessary condition for informal empire is a distribution of military power so unequal that a more powerful state actor has the material capacity to provide security to a weaker one.” Where the more capable patron intervenes in the less capable client to shape policy,

[the] patron provides security assistance in exchange for influence over client national security behavior. . . . As such, informal empire in part *is* an exchange relationship between juridically equal parties in which institutionalized norms and expectations structure behavior. A rationalist, principal-agent model, which concerns the behavior of exogenously given actors whose identities and interests are not affected by interaction, adequately captures this aspect of informal empire. (Wendt and Friedheim 1996: 249).

Their discussion expands upon Keohane’s original framework when they suggest that influence processes are two-way rather than one-way: “Clients may become actively involved as a form of lobbyist influencing the domestic politics of patrons” (Wendt and Friedheim, 1996: 250). This could still be understood in terms of a choice-theoretic approach (albeit one that

drops the unitary actor assumption on both sides). They claim that what is left out by such models is the effect of interaction “on the identities and interests of the parties,” though this seems to be nothing more than a matter of outside forces altering the membership of the winning coalition, and subsidizing unresponsiveness on the part of that coalition to its own society:

Assistance enables constellations of societal interests to control power in subordinate states that otherwise would not or would at least be forced to make significant concessions to competitors. . . . Domestic weakness, however, is not a naturally given thing. It is perpetuated and even created by the external base of support provided by the patron, which enables clients to avoid implementing policies, let alone to reconfigure the constellation of societal interests controlling state power, that might solve legitimacy problems. To that extent, [decision-makers in the dominant state] play a hegemonic role in defining what constitutes the security of subordinate states, which creates clients who have an ‘investment in subordination’ (Wendt and Friedheim, 1996: 250).

By virtue of involvement with a patron, constituencies within the client may acquire internal influence that they would not otherwise have had. Patrons may also become concerned about the credibility of their commitments, leading them to redefine their security interests in the client. Such concerns were one reason, for example, why intervention in South Vietnam was deemed in the US national interest. Finally,

dominant state actors may develop narratives that justify their role to others and themselves... and that affect national conceptions of self. Informal empire is a codependency, even though it is hierarchical. ... The result is a hierarchical, transnational authority structure in which one state performs state-like functions in another; it constitutes a nonanarchic, non-Westphalian states system. ... The resulting “surrender of private judgment” [in the target state] directly contravenes the kind of autonomous decision-making characteristic of sovereignty. ... It is by virtue of this transnationalization of authority that an informal empire is an international “state,” and it is by virtue of its hegemonic character that this state is an “empire” (Wendt and Friedheim, 1996: 251).

Wendt and Friedheim argue that the kind of penetration of one state by another that is observed in the Soviet-East German case is incompatible with a view of international relations as consisting of arms-length relations between autonomous national governments. It is, however, largely compatible with a choice-theoretic approach to modeling international politics, because most of the phenomena of penetration that they mention are explicable in terms of exchange relationships involving agents who have well-formed preferences. Where Wendt and Friedheim’s argument becomes more adventurous is in its claim that those choice-theoretic models are inadequate because of their inability to comprehend the construction of narratives of justification and their acceptance by the client’s citizens. At that point, the theoretical focus must shift to the pre-decisional phenomena, and issues of language and culture must be confronted.

B. Crosby on the U.S., Canada and NORAD

Crosby (1998) argues that the North American Aerospace Defense Command (NORAD) exists in its current form because the U.S. government exploited the institutional peculiarities of Canadian civil-military relations to enlist the Canadian military in the cause of implementing a conception of NORAD that ran against the grain of Canadian government policies. Canadian and U.S. air forces cooperated in the construction of NORAD, deliberately bypassing the Canada-US Permanent Joint Board on Defense in order to avoid the involvement of the civilian side of the Canadian government in questions that both air forces knew to be contentious among Canadian officials. The Military Study Group Report that emerged from this process in 1956 supported a single operational command under a single commander. NORAD thus operates with a US commander of Canadian forces in Canada, even in peacetime. It involves a bilateral relationship in tension with NATO, and the possibility of Canada being entrapped in US conflicts. It requires a declared non nuclear weapons state to accept nuclear weapons for defense purposes. All of these features constitute a significant limitation of Canadian sovereignty, and all of them were in tension with declared Canadian government policy at the time that NORAD was created.

The NORAD proposal was presented to the Canadian government in the spring of 1957 only after having been approved by the U.S. Joint Chiefs of Staff, the Canadian Chiefs of Staff, and the U.S. government. While one might well remark that at that stage the Canadian government could still have rejected the plan, the political costs of forcing the deliberations to begin again would probably have been substantial. The U.S. government, by virtue of its capacity to manipulate transgovernmental relations with the Canadian armed forces, was able to

control the framing of alternatives and keep Canadian civilian government proposals off the agenda.

The way in which NORAD has functioned reveals an additional infringement on Canadian sovereignty, and a counterpart infringement on U.S. sovereignty. The general NORAD Agreement contained within it a specific military agreement which was not originally communicated to the Canadian government – provision that both militaries will respond as one to any attack on the North American continent. As a consequence of this, during Cuban missile crises Canadian forces within NORAD were put on alert by the U.S. commander of NORAD without prior consultation with the Canadian government. Canadian personnel in NORAD headquarters were also automatically placed in increased alert status in October 1973 and November 1979. As informal compensation to the Canadians, the U.S. informally provided Canadian personnel at NORAD headquarters access to “NOFORN” (i.e. not to be distributed to any foreigners) material on a daily basis.

Apparently the Canadian military entered into agreements with the U.S. military about such matters without informing senior civilian officials that it was doing so. It also misrepresented NORAD to its own civilian leadership as a NATO command when it was not (1998: 44), because defining NORAD in this way provided a basis for treating its implementation as merely an extension of an existing alliance commitment, rather than the taking on of a new commitment. General Charles Foulkes, the Canadian Chief of Staff at the time of the establishment of NORAD, was candid in telling his American counterparts that he was forced to misrepresent the nature of the relationship between NORAD and NATO to prevent any political interference by the civilian side of the Canadian government. Foulkes further assured the Canadian government that the Canadian Air Defence Commander would retain

“complete command and administration over Canadian troops and equipment” when this was manifestly not so. The Canadian Embassy in Washington informed the U.S. government that its understanding of NORAD was that Canadian forces would only be actively assigned to it in the event of an emergency. “Meanwhile, CINCNORAD, the Canadian Joint Staff in Washington the US Joint Chiefs of Staff and General Foulkes agreed in secret in August 1957 to delegate operational control of the Canadian Air Defence Command to the US Continental Air Defence Headquarters” (Crosby, 1998: 43-44). In an exchange of ‘confidential’ letters in 1957, the U.S. commander of NORAD, his Canadian deputy commander, General Foulkes and the U.S. Joint Chiefs of Staff further agreed that “Both countries will react automatically and in unison against any attack on the North American continent.” Foulkes said that he was “very doubtful” that the Canadian government would agree to this arrangement but that it should be implemented nonetheless.

In its subsequent NORAD operations the pattern established at the outset has been maintained. Within NORAD the formulation and refinement of defense program planning generally takes place in the USA within relatively informal, often ad hoc, Canadian-US groups of military personnel. For the most part, these forums are inaccessible to direct input from, or monitoring by, Canadian government decision-makers. “It has been the preference of the US political establishment to allow military communications through NORAD headquarters to substitute for bilateral political consultations.” Communication between the Deputy Commander of NORAD, a Canadian by tradition, and the Canadian Chief of Staff has been on a discretionary basis, rather than being subject to any internal standard operating procedures.

How was it possible for the U.S. government to exploit this transgovernmental tie with such apparent success? Crosby suggests a number of factors conspired to create this outcome.

- Canada's military is controlled primarily through budgetary mechanisms and the bureaucratic politics of procurement. There are relatively weak mechanisms for civilian review of specific military decisions. The military has little input into high politics but also is little affected by it.
- The Canadian military's definition of national interest is shaped by professional standards, and it receives those standards from the US military. These definitions, when they prevail, sometimes result in an "unanticipated militarism" (Janowitz 1971) that overrides civilian conceptions of the national interest. It is susceptible to those standards because the Canadian military through its involvement with the U.S. military gains access to sophisticated military technology and a "seriousness of purpose" unavailable to it in Canada. Canada's non-involvement in several US programs and its limited defense budget were a source of "embarrassment and frustration" to Canadian military working with the US.
- "In order to protect this access, and because cooperative defence programme planning for mutual security includes planning on the basis of collective, but largely US, monetary, industrial and technological resources, the security agenda of the Canadian military tends to reflect the security agenda of its alliance partner."

On the U.S. side of the relationship, the declassified record of the formation of NORAD presented in *Foreign Relations of the United States* provides no evidence to support the above analysis, but neither does it provide any evidence to contradict it. The record presented there contains a number of redactions. If the account presented by Crosby is generally accurate, it suggests that U.S. government actions subverted Canadian sovereignty by instituting informal transgovernmental management of NORAD rather than formal, government-to-government management. It would not be surprising if censors redacted any material that substantiated such a choice by the U.S. government, as exposure of it would likely have substantial repercussions in Canadian domestic politics that could affect the US-Canadian relationship.

V. The Theoretical Lessons from Extant Research

From the above cases, we can sketch the outlines of a theory of transgovernmental relations that develops the ideas present in embryonic form in Keohane's original essay.

1. Transgovernmental relations can be exploited by any government that cares to do so and has the capabilities and opportunity for success. Such tactics are not solely the tool of the small and the weak. Indeed, large, wealthy states with elaborate and effective command-and-control mechanisms governing the various agencies of their national governments are probably far better positioned to take advantage of transgovernmental interactions than governments that have limited capacities and command-and-control relationships that depend heavily on personal relations and are not highly institutionalized.

2. An ingredient in instances of successful exploitation of transgovernmental contacts is the control of reinforcement contingencies for a sub-unit of the foreign government by sub-units of one's own government. In all three studies noted above, the government attempting to exercise control could effectively punish or reward specific foreign government sub-units. Moreover, the rewards being offered were ones that the top levels of the foreign government could not offer to their own sub-units nearly as easily or inexpensively as sub-units of the influencing government could provide them. Thus, resource dependency (where "resource" is defined broadly so as to include political outcomes and not just the transmission of material goods) is an important component of the theory of transgovernmental relations. This is perfectly consistent with the "resource contingency" analysis of power in organizations (Pfeffer and Salancik, 1974). Paul (1992) notes how the resource dependency of U.S military aid recipients magnifies the effect of transnational or transgovernmental contacts. In the U.S. case, that suggests that an analysis of aid flows or (in the case of foreign militaries) military sales or training agreements is a logical starting point, especially when compared to the military budgets of the recipient governments.

3. The nature of the organizational structure of the influencing and the target governments is another critical theoretical ingredient—a point anticipated by Nye and Keohane's (1972: 380) suggestion that the degree of central control by the relevant governments or nongovernmental bodies ought to be a central concern in a theory that incorporates transgovernmental and transnational relations. Particularly in the Canadian case, the relatively weak formal mechanisms for monitoring and supervision of military sub-units meant that top level civilian officials were in some degree ignorant of the conduct of their own military and lacked the institutional control mechanisms that would have enabled them to intervene effectively if or when they became aware of these sub-unit activities. Correspondingly, the influencing government needs to have sufficient command and control of its own sub-units so that they can be used as effective instruments for exploiting transgovernmental ties and do not become beset by the same desire to please foreign government counterparts that one wishes to exploit in the target sub-unit.

4. In all three cases the interests of each set of central decision-makers and the interests of their respective governmental sub-units need to be aligned in such a way that success is more likely and more desirable. If, for example, Canadian civilian officials had views on Canadian national security that were identical to the views of the Canadian uniformed military, a transgovernmental strategy on Washington's part would have been superfluous. If Canadian military officers did not admire and seek to emulate the U.S. military, or adhered to strategic doctrines about continental defense that clashed with the American's doctrines, then the U.S. transgovernmental strategy would have worked much less well. If U.S. military officers did not have views on continental defense that coincided with the views of top U.S. civilian leaders, overcoming their resistance to those officers' policy preferences probably would have consumed

the energy of the civilians and diverted them from the possibility of following a transgovernmental influence strategy. This “three level game” need not always end with successful transgovernmental manipulation.

4. Beyond the choice-theoretic conception of interests as something given and exogenous, one’s theory of transgovernmental relations might develop further Wendt and Friedheim’s ideas on the possibility for learning and socialization of foreign sub-unit personnel by one’s own sub-unit personnel. Political scientists have long been aware in a general way of the importance of learning (Tetlock and Belkin, 1996) and both the English School and the latter day constructivists have argued for the importance of socialization processes at work at the level of the international system. With regard to specific attempts to exploit transgovernmental and transnational contacts, this suggests that training programs, technical assistance, and aid for educational programs of all sorts ought to come under scrutiny as possible instruments for shaping or re-shaping the socialization of target audiences in foreign government sub-units or populations.

4. Researching transgovernmental or transnational strategies used by governments requires delving into territory that governments traditionally treat as extremely sensitive. Even where internal government documents have been subject to significant declassification, they probably will be subject to large redactions, as is the case for the U.S. material on NORAD. This makes research on such relations especially challenging.

Against this rather gloomy assessment, we can counterpose not only the achievements of the studies noted above, but offer below some examples of what can be learned about the ways in

which central decision-makers (in this case, U.S. government decision-makers) exploit transgovernmental and transnational ties in furtherance of their foreign policy agenda.

VI. U.S. Military Assistance and Training as a Transgovernmental Exploitation Tactic

Sen. Sparkman: At a time when Indonesia was kicking up pretty badly -- when we were getting a lot of criticism for continuing military aid -- at that time we could not say what that military aid was for. Is it secret any more?

Secretary McNamara: I think in retrospect, that the aid was well justified.

Sen. Sparkman: You think it paid dividends?

Secretary McNamara: I do, sir.

Sen. Sparkman: I believe that is all, Mr. Chairman.¹

Almost every national government has uniformed military forces that are highly differentiated from civilian sub-units of the national government. What was found in the NORAD case can be found in other situations where foreign governments are able to interact with local military forces with minimal supervision by the local central government. The U.S. government was willing to invest in many such militaries, including the Indonesian army. Although the declassified record of U.S. military assistance to Indonesia is still marked by many redactions, it is now possible to understand “what that military aid was for.”

U.S. aid objectives for Indonesia in the first half of the 1960s were relatively simple: maintain some balance with Bloc aid and strengthen the only significant organized opposition to the Communists -- the army and the internal security forces.² A 1964 memorandum from the Secretary of State to the President on this subject suggests a shift in emphasis from combating

¹ Wolpin, 1972: 8, citing US Congress, Senate, Committee on Foreign Relations, Foreign Assistance, 1966, US Senate, 89th Cong., 2nd sess., p. 693.

² Memo, Robert H Johnson and George Weber to W. Rostow, 2/22/61 re: Tentative FY62 Mutual Security Program, DDCS 1991: 3419.

the East Bloc to the problems occasioned by Sukarno's own foreign policy. However, it is more valuable for what it tells us about how the U.S. government used aid programs to develop and exploit transgovernmental ties:

Our Indonesia policy requirements are two-fold: (1) to halt Indonesia's 'confrontation' against Malaysia and restore equilibrium to the area and (2) to influence the course of Indonesia's long-range development in a direction consistent with our security needs.

Our aid programs have been an essential tool in this dual task. Over the years, they have helped us keep open the communications between our two Governments and build up a limited but real leverage with the Sukarno regime, which we are using to prevent a dangerous drift away from the West. Although 'confrontation' has not yet been abandoned, our influence has probably helped prevent greater deterioration and encouraged the Indonesian Government to join with Malaysia and the Philippines in seeking a peaceful settlement of their differences.

Those forms of assistance which could help Indonesia maintain 'confrontation' against Malaysia have been eliminated, and we do not intend to resume them so long as 'confrontation' continues.

The present AID program is limited to technical assistance, including civil leadership training and advisory services, malaria eradication assistance, and police training and equipment. (Arms and ammunition have been and are being withheld.) The present Military Assistance Program is limited to training in those

categories which do not contribute to Indonesia's immediate offensive capability. ...

Our training programs give us a unique opportunity to shape the thinking of Indonesia's future civilian police and military leaders. Continuation of the malaria eradication program, benefiting approximately 70,000,000 people of the central islands, is protecting an existing investment of some \$36 million and would demonstrate our continuing concern for the Indonesia people. ... The program of assisting the national police has given us valuable influence in this key organization (the country's first line of defense against internal subversion) and has greatly enhanced its effectiveness.

. . . Termination of the remaining programs would have little or no impact on Indonesia's capacity to continue 'confrontation.' The Indonesian Government would be likely to react to such termination by lashing out in anger, pushing 'confrontation' harder, turning for help to the Communist powers, and further widening the gap between Indonesia and the West. In the process, substantial American oil and other private investment in Indonesia might well be expropriated.³

These training programs were substantial in two senses. First, even in the most difficult period in US-Indonesian relations, the U.S. government was still reaching a very large number of influential Indonesians: nearly 600 Indonesian civilians were training in the US and third

³ "Statement of Reasons for Continuation of Limited Assistance to Indonesia," attachment to memorandum, Rusk to President, 6/22/64, NSAM 309, Box 5, NSAMs, National Security Files, LBJ Library.

countries for “civil leadership,” and 75 “carefully selected members of the Indonesian army” were training in the US for “civic action service in management, civil administration, and technical fields.”⁴ Second, the kind of training being given was intended to affect their subsequent political behavior, and it probably was successful.

The social psychological processes involved in such training and the reasons why it was likely to succeed were elucidated by Robert Price (1971). In critiquing theories of the role of the military in the politics of less developed countries, he criticized those models that tied the behavior of Third World militaries to certain generic features of militaries as formal organizations, and was also critical of Huntington’s (1957) attempt to explain the behavior of the military solely in terms of the political dynamics in the surrounding civil society. Although he did not completely reject either set of factors, Price emphasized how metropole militaries came to form reference groups for Third World officer corps, and how in the Ghanaian case many officers identified more closely with the British than with the Ghanaian government – even the colonial British government. Price discussed how the nature of the training – the removal of trainees from their normal social environment and their transport overseas to the metropole military academies, their isolation with other trainees, and strong pressures from peers and highly esteemed superiors, is all consistent with what the extant social psychological literature had concluded about the circumstances under which socialization (or re-socialization) is likely to be most effective.

Having invested in training the Indonesian officer corps and civilian internal security personnel, the U.S. government was prepared to provide aid to the Indonesian Army in the

⁴ Memo for the President, no author, 7/21/64, re US aid to Indonesia, White House Central Files Confidential Files, Box 46, FO 3-2 1963-64, LBJ Library.

critical period after the army crushed a coup attempt in 1965. When Indonesian Army officers approached the U.S to obtain help in obtaining a letter of credit to finance a rice shipment from Thailand, the U.S. was receptive, but was willing to extend such aid only on a conditional basis:

Problem confronting Indonesians is getting guarantee for letter of credit to be deposited with Chase Manhattan in Bangkok. Thais say they cannot provide guarantee.

[Deleted] and others present stressed fact that Indo general anxious to talk to US officials to sound out possibility of US emergency assistance for army. Vice President and other US officials indicated US not entirely negative on matter of helping Indo army, providing certain conditions were met. Cooper asked by Vice President to follow up. [7 lines deleted]

Cooper together with [deleted] had long, frank session with [deleted]. Cooper explained that in principle we were open-minded about assisting Indo generals, but before even considering any proposition, we needed assurance that he was acting on behalf of both Nasution and Suharto. [deleted].

[Deleted] gave personal assurances that rice would be shipped in army bottoms and distributed through army channels to army personnel and dependents. He did not want overt US assistance, but hoped by one means or another we could back the letter of credit (payment 'assured' in six months) or provide some other assistance which would get rice moving ASAP. He was unworried by possibility that Sukarno would discover US involvement. Need was 'urgent', with special stress on the first 50,000 tons.

Cooper [deleted] explained US general hands-off approach toward army recognizing the delicate problem the generals confronted. We were not unsympathetic however. We stressed that any impulsive act toward oil companies or US diplomatic position in Indonesia would tie the President's hands with respect to anything the US might do to help the army. Cooper promised nothing, but said we would think the matter over [deleted], as soon as there was anything worth telling him, one way or the other.

Query: Does Indo initiative fall into category Berger Committee had in mind when considering contingency plan for quick shipment 50,000 tons of rice? If so, advise on Cooper's next move. If not, what further steps should be taken in Bangkok or Djakarta to keep ball in play?⁵

Understanding that Sukarno and the Army were locked in a struggle for control of Indonesia, the U.S. government was prepared to circumvent the Indonesian central government still at least nominally controlled by Sukarno and assist the Army directly, provided certain conditions were met (the hands-off warning about the oil companies and the U.S. diplomatic position in Indonesia are the only two that are explicitly mentioned, but others might be hidden within the various redactions). As we shall see in the next section, diverting aid to destinations other than the central government to support transgovernmental coalition partners was not an unprecedented practice in 1966.

⁵ Cable, Bangkok (Martin) to SecState [also sent to White House], 2/14/66, DDRS 1993: 3209 (NLJ 91-488).

VII. Aid to Local Government Units as a Transgovernmental Relations Exploitation

Tactic

In the commentary on development originating with AID and the foreign policy bureaucracy in the 1950s and '60s, one occasionally finds references to the need to strengthen the capacities of Third World governments. This sometimes involved attention to local governmental units, particularly in areas like northeast Thailand, which were subject to communist-led insurgency during the Vietnam war:

The principal immediate need is to make the Central Government effective in the remote provincial areas. Administrative decentralization, assignment of more capable central government officials to the provinces and the upgrading of local officials are steps that the RTG must take. US assistance should continue to be given to local government training and should encourage, through its several program, the assignment of qualified Thai officials to the countryside. To encourage more administrative decentralization on the part of the RTG the US should be prepared to decentralize the operations of its own program.⁶

Such a program could of course be carried out with the blessing of the central government, but that was not always the case.

A well known instance where aid to local government units had a significant impact on the immediate political situation was U.S. aid to Brazil during the Goulart regime of 1961-64.

⁶ Department of State, Agency for International Development, Country Assistance Strategy Statements, 4/64, Far East, NLJ 93-91, Lyndon B., Johnson Library..

The U.S. concerns in this period led them to be particularly concerned with rural Brazil, especially the Northeast.

In northeast Brazil the Ligas Camponeses of Francisco Juliao are mobilizing the peasants and urging them to assert their "rights."⁷ . . . An integrated approach to rural poverty through extension services, cooperatives, land reform, self-help schools, roads, and so forth, can yield an enormous return not only in better living conditions but in the immeasurable elements of hope and self respect which are the strongest bulwarks against Castro-Communism. Yet for all of Northeast Brazil, probably the most poverty-stricken part of Latin America, the dollar needs are estimated at only \$76 million over the next five years.⁸

The U. S. government's political assessment of Brazil at this time was that it was balanced on a knife-edge between the forces of the left and right. It was prepared to channel U.S. aid directly to those groups who were most likely to be the strongest supporters of relatively orthodox economic development policies:

7 Memorandum From the President's Special Assistant (Arthur Schlesinger) to President Kennedy, March 10, 1961, Kennedy Library, Schlesinger Papers, White House Files, Latin America Report, March 10, 1961 or *FRUS* 1961-63, American Republics, Brazil, document #7.

8 Memorandum from the Under Secretary of State (Bowles) to Secretary of State Rusk, July 25, 1961, *FRUS* 1961-63, American republics, Brazil document #8, or Record Group 59 (Department of State), Central Files, 371.8/7-2561, National Archives.

Organized political forces in most Latin American countries are polarized on the status quo right and the far left. There is an uneasy balance between left and right which is unfavorable to prospects for orderly advancement. Success of the Alliance for Progress may therefore depend on the ability of the Alliance to build its own organized support of moderate groups by directing a substantial part of the available foreign funds to projects that specifically aim at strengthening major groups and institutions in the center at the same time that they contribute directly to socio-economic progress. Organized groups that may with particularly successful results be involved in the process of development are moderate labor unions and military organizations. The power of the revolutionary left among students may be reduced if AID can involve chosen educational institutions more fully in its program. The disbursing of aid through organizations somewhat independent of the government also minimizes US reliance on the current government as the only purveyor of evolutionary change.⁹

These concerns led President Kennedy to call for substantial aid to Northeast Brazil and other sensitive regions timed to arrive before the October 1962 elections in that country. In the Northeast alone, the U.S. agreed in February, 1962 to provide a \$33 million “immediate impact” loan-grant program, a \$62 million “long-range development” program; and “a very substantial

9 Research Memorandum From the Director of the Bureau of Intelligence and Research (Hughes) to the Assistant Secretary of State for Inter-American Affairs (Woodward), INR-35, January 19, 1962, Record Group 59, (Department of State), S/P Files, Lot 69 D 121, American Republics, or *FRUS* 1961-63, American Republics, Brazil, document #39.

program for emergency food.”¹⁰ When a formal agreement was signed in April, 1962 between representatives of the Brazilian central government and the U.S. government, the U.S. agreed that funds for the Northeast would be administered by SUDENE, a Brazilian organization especially created by the national government to foster the development of the Northeast.

By August of that year, relations between AID and SUDENE had broken down (Weis, 2001: 338). Although the wording of the agreement specified that “USAID may sign agreements for individual projects with SUDENE or other appropriate agencies or organizations in accord with applicable regulations,” SUDENE claimed the authority to approve all negotiations between agencies within its jurisdiction. The Brazilians pointed to other language in the agreement –

The government of the United States of Brazil is represented by SUDENE . . . in the co-ordination of programs in Northeast Brazil. . . . SUDENE is authorized to enter into project and other agreements, including loan agreements, to carry out specific projects. Activities under these projects may be administered by SUDENE or by such other agency or organization as may be mutually agreed.

-- that seemingly recognized SUDENE’s claim that it alone was the proper organ of the Brazilian state to cooperate with AID (Roett, 1972: 82-3).

As relations between the U.S. and Brazilian national governments continued to deteriorate, the U.S. began to use its aid money in the Northeast in more openly political ways,

10 Memorandum From the Administrator of the Agency for International Development (Hamilton) to President Kennedy, February 9, 1962, National Archives, Record Group 59, Department of State, Central Files, 811.0032/2-962, or *FRUS* 1961-63, American Republics, Brazil, document #220.

disbursing it in an attempt to defeat the leftist mayor of Recife's campaign to become governor (Black, 1977: 66-67). USIA expenditures in Brazil increased drastically, and CIA funding of candidates in the 1962 election campaign was so widespread that Weis (2001: 338) characterizes it as "a prominent political party."

The U.S. Ambassador, Lincoln Gordon, attempted to influence the promotion of general officers (Weis, 2001: 339). By December, the U.S. had suspended all aid to the central government, but continued Gordon's "islands of sanity" policy of aiding state governments who were anti-Goulart. From then until the April, 1964 coup, the U.S. committed itself to approximately \$100 million in spending via ten projects implemented in this fashion. About half of this money was earmarked for the Northeast, but not to SUDENE – it was given to friendly state governors in the region (Black, 1977: 65-66). Despite the language in the earlier US-Brazilian aid agreement for the Northeast, and despite the Brazilian constitution's prohibition of agreements between individual states and foreign governments, Goulart did not object for fear that the harmful domestic political consequences of blocking U.S. aid would be too substantial (Weis, 2001: 339-40).

The U.S. also developed a program aimed at the Brazilian labor movement. Labor unions and the military were the two top priorities for its aid programs, because of the politically central role these two institutions played in Brazilian politics.¹¹ Here again, what at first appears to be a transnational contact between the AFL-CIO and its Brazilian counterpart is in fact the product of a formal agreement between the U.S. and Brazilian governments, requested not by the U.S, but by the Brazilians. Martin (1994: 295) notes that in their April 1962 meeting Kennedy and Goulart agreed that there should be more exchanges between U.S. and Brazilian unions to

¹¹ Hughes to Woodward, 1/19/62.loc. cit.

counter Castro's influence in the labor movement there. In agreeing to the Brazilian request, Kennedy said that "everyone is dissatisfied with many of the AFL-CIO representatives in Latin America. Goulart agreed, suggesting that the main problem was that they tried to intervene to openly in Latin American union activities. This and other AFP activities by the US must be conducted so as not "to hurt national pride."

VIII. Faux transnationalism: The Ford Foundation and US Foreign Policy

Organizations that have an interest in appearing more detached from US government policy making than they really are will probably not disclose the extent of their contacts with the government or how cooperative those relationships have been. Thus, Ford Foundation official Peter Bell's discussion of the Ford Foundation as a transnational actor notes that US embassies are sometimes unhappy about Foundation aid to "anti-American" groups, that US government agencies like AID that contact the Foundation are interested in tapping its technical expertise in areas like education and population, and that Foundation field staff are somewhat wary of AID because of its lack of program continuity and its "use of aid for political purposes" (Bell, 1972: 125-126). All of this serves to paint a picture of the Foundation's relation to the government as one in which a certain amount of contact is inevitable by virtue of the nature of the Foundation's mission, but in which some distance, detachment and differences of opinion are all preserved. Nor is Bell's viewpoint idiosyncratic or explained simply by a desire to present the Foundation in as favorable a light as possible. An author who is far more critical of many of the Foundation's programs (Berman, 1983) is unable to find much evidence in the Foundation's archives of links between the Foundation and the U.S. government, though he does present evidence that specific

individuals were involved in both worlds and that sometimes the Foundation funded projects that were also funded and supported by the CIA (1983: 86, 94, 113, 131-132, 143).

Unfortunately, neither Bell nor Berman's research succeeded in uncovering a relationship that both parties, but especially the Ford Foundation, sought to conceal. Far from keeping its distance from U.S. government aid programs, the Foundation in the 1950s and '60s had a close on-going if informal working relationship with U.S. government officials. Although the Foundation clearly maintained its independence, the degree to which it coordinated its activities with the U.S. government was substantial.

Declassified U.S. government materials provide evidence of routine informal cooperation between the Foundation and the government in the 1950s and '60s. CIA officials repeatedly suggested Foundation funding for some Agency projects, and asked for access to Foundation officials or fellows abroad for intelligence gathering purposes (the Foundation granted access only to a list of those whose grants had expired) (Bird, 1992: 426-429; see also Berman 1983: 61). During the Kennedy administration one Foundation trustee (John McCloy) periodically visited the National Security Council to learn if there were any overseas projects the NSC would like the Foundation to fund (Bird, 1992: 519). His visits spawned at least one "Dear Jack" letter from McGeorge Bundy that listed three project ideas for possible Ford Foundation funding.¹²

Declassified documents suggest that the Foundation's collaborative relationships with the national security bureaucracies were known at middle and upper levels of these agencies, and they matter-of-factly took into account Foundation programs when designing U.S. government

¹² McGeorge Bundy to John McCloy, 4/4/62, John F. Kennedy Library, National Security Files, Box 297, Ford Fdn 4/4/62 - 5/7/62. Other requests from the NSC or White House for Ford Foundation consideration of projects can be found in note to Amembassy Warsaw from Kaysen, n.d., Ford Fdn 4/4/62 - 5/7/63 and in Marcus Raskin to Mac Bundy, 3/5/62, Ford Fdn 3/27/61 - 4/3/62.

programs such as technical assistance.¹³ Moreover, the involvement of and funding by the Foundation was the perfect vehicle for activities that were best conducted outside the government, but with government direction. The following discussion within the NSC staff of the need for a new group to consider African policy illustrates this aspect of Ford's activities:

I want to arrange a small group under private auspices but with government participants' access to classified data to consider this problem [of increasing Soviet and Chinese involvement and competition in Africa] over the next few months. I think I can get a little Ford money for the private scholars and can get some non-Africanists to work on it such as Bill Griffiths of MIT and Brzezurski [sic], both Soviet experts with African experience. (Africa needs some non-Africanist thinking.) To do

¹³ In 1968 an inter-agency committee on youth spoke approvingly of a Ford Foundation grant to the OECD to study university reform, and suggested similar grants could be "stimulated" by the government. Inter-Agency Youth Committee, 7/1/68, Declassified Document Reference System [hereafter DDRS] 1991: 2705. A 1962 blind memorandum in the White House National Security Files suggested that the Ford Foundation be recruited to provide assistance to various public authorities in Latin America to create the Latin equivalent of the TVA or the Port Authority of New York. Blind memo, 3/1/62, John F. Kennedy Library, National Security Files, Box 297, Ford Fdn 3/27/61 - 4/3/62. A 1962 discussion of technical assistance suggested that embassies should regularly take into account the programs of Ford and other foundations when programming US government technical assistance. Summary Minutes of Meeting of the Interdepartmental Committee of Under Secretaries on Foreign Economic Policy, 1/24/62, National Archives, Record Group 59, E Files: Lot 65 D 68, Interdepartmental Committee of Under Secretaries on Foreign Economic Policy. That same year an NSC staff member suggested involving the Foundation in a program for Pacific island Trust Territories controlled by the United States. Marcus Raskin to Mac Bundy, 3/5/62, Ford Fdn 3/27/61 - 4/3/62, Box 297, National Security Files, John F. Kennedy Library. In 1951 staff from the Psychological Strategy Board discussed with the Foundation the possibility of creating a new public organization that would "help mold domestic public opinion on foreign policy." Memorandum for the Record by John Sherman, Psychological Strategy Board, 12/6/51 re: Mr. Powell's Proposal for an Organization to Help Mold Domestic Public Opinion on Foreign Policy, DDRS 1986: 2384.

this successfully with a mixed Government, non-Government group I would need to do it (very unofficially of course) as a project with your blessing and sanction and as a White House rather than departmental project on the Government side, though of course with departmental participation.¹⁴

Sometimes the Foundation's higher officials saw the Foundation as an extension of AID. For instance, in discussing the impact of budget cuts on the AID program in 1968, former AID chief and later Ford Foundation official David Bell argued the case for picking up the most valuable AID programs that were axed by the budget reductions and maintaining them with Foundation support:

[I]t would seem sensible for us to be alert especially through the remainder of this year to salvage where we can valuable projects that may be dropped by AID for lack of funds, and to help identify and place usefully able people whom AID may be forced to let go. The carnage may be severe before the year is over, and even small efforts by us may have high marginal value.¹⁵

¹⁴ Memo for Mr. [McG] Bundy from Bill Bruebeck, 5/16/64, Bruebeck memos, Box 1, Name File, National Security Files, Lyndon B. Johnson Library.

¹⁵ Kenya Meeting of Representatives, Agenda Paper, Session VII, Emerging Issues, "The Plight of Foreign Aid," no date but from context about 6/68, 3-ring binder, Box 37, David E Bell papers, John F. Kennedy Library. One former and one contemporary Ford Foundation official were involved in transition planning for the Kennedy inauguration. On Joseph Slater, see Ernest LeFever to Hubert Humphrey, 11/10/60, HHH Legis, Box 150.B.15.8 (F), "Foreign policy, 1959-61," Hubert Humphrey Papers, Minnesota Historical Society, St. Paul, MN. On George Gant, see Frank Coffin (interviewee), recorded interview by Elizabeth Donahue, March 2-3, 1964, John F. Kennedy Library Oral History Program.

In the 1950s and '60s the relation between the Ford Foundation and the US government national security decision-makers was close: government officials were accustomed to asking Ford to support projects, and doing so was common enough that it could be discussed matter-of-factly within the government, within Ford, and between the two. The Foundation officials, many of whom were veterans of the same public offices that they now contacted in their private capacity, seemed to view their own efforts as complementary to government programs. Indeed, if we take as measures of social proximity and degree of integration into the state the frequency of contact and the degree of cooperation, then the Ford Foundation in the 1950s and '60s seems to have been remarkably well integrated into US foreign policy decision-making. Arguably it was better integrated than most members of Congress.

Although it would be erroneous to claim that the Foundation was controlled by the executive branch as if it were part of a hierarchy, the impression that one gains of foundation-government relations from the declassified record is quite different than the one based on publicly available evidence. The more general problem that this case highlights is that the reliance on public and unrestricted information about the behavior of important individuals and organizations – a common-place in political science case studies of international relations and foreign policy-making – can lead to erroneous conclusions when political decision-makers have an interest in concealing important aspects of their relationships from public view. Even when one attempts to probe more deeply, the interpretation of the declassified record is heavily influenced by what parts of that record are made available, and the rules governing the creation and dissemination of documents at the time that they were created.

Aside from an apparent lack of documentation of this ongoing relationship in the Ford Foundation archives made available to Berman and Bird, earlier researchers were also

handicapped by the very nature of the Foundation's method for dealing with its contacts with the government: Only three members of the Foundation's board of trustees were fully aware that some Foundation projects were being promoted by the government. When these projects came before the Board for approval, their connections to government policies and objectives were not revealed to the others (Bird, 1992: 428). Documentation of Foundation-government contacts is easier to find in the files of the government. The government documents that mention the Ford Foundation leave the impression that a working relationship with the Foundation was taken for granted and not particularly sensitive. (The fact that the contents of these documents were not even partially redacted lends credence to this conclusion).

Conclusions

The "complex interdependence" current of theorizing about international relations in the 1970s was rooted in many of the same historical events that led to the "sovereignty at bay" claims (Vernon, 1971) – the vast expansion of international transactions of all kinds, the concomitant increase in the complexity of the governmental task of overseeing those transactions, and the apparent lack of government control over these transactions. In the case of transgovernmentalism and transnationalism, the apparent importance of these phenomena as challenges to the traditional state-centric conception of international relations was strengthened by the way in which the state concealed the way in which it took advantage of these interactions when it served its purposes to do so.

Risse-Kappen's (1995: 5) reassessment of transnationalism and transgovernmentalism perceptively noted that it is more useful to inquire how the world of governments interacts with the world of non-governmental actors than to try to adjudicate whether a "society-dominated" or

“state-centered” view of world politics is better. His edited volume was an attempt to identify “under what domestic and international circumstances do transnational coalitions and actors who attempt to change policy outcomes . . . succeed?” While it is helpful to have better answers to that question, the answers do not necessarily shed any light on how and how well central governments are able to monitor and control transnational and transgovernmental contacts to suit their interests.

It is impossible to assess the consequences of transnationalism and transgovernmentalism for the capacity of national governments to maintain effective control over international interactions without knowledge of the internal processes of the governments. Particularly when control relationships are informal, as in the Ford Foundation case, or when state action involves actions that are either of dubious or non-existent legality, as in the case of the “islands of sanity” aid policy, it is not easy to assess the extent to which either the donor or the recipient governments are aware of, consent to, or actively encourage the interactions in question. When governments choose to conceal their role in shaping these interactions behind the barrier of security restrictions, the odds that scholars can arrive at an accurate understanding of the role of these governments in shaping these interactions are poor.

Governments are reticent to reveal their role because both powerful and weak find it useful to uphold the legal doctrine of the formal equality of states – the former because it softens their apparent dominance, the latter because it similarly takes the edge off of their apparent weakness. The “private” entities involved in such transactions may be even more reluctant to reveal that they do not have an arms’-length relationship to a government, especially when that government is unpopular, is suspected of attempting to manipulate or undermine another national

government, or has falsely claimed that it has no control over “private” transactions of various types.

The observation that governments are involved in shaping transgovernmental and transnational interactions in ways that have not been publicly revealed also raises the possibility that the boundaries between public and private, or state vs. non-state, are becoming fuzzy. Were Ford Foundation programs mentioned above “private” or “public”? Was US aid in Brazil after December, 1962 consistent with Brazilian law, or wasn’t it? Was it an example of an unregulated transgovernmental transaction, or was it merely a rather loosely worded formal agreement between two sovereign national governments? These questions no longer have neat, simple answers upon which all can agree.

Because many diplomatic historians often work from an implicitly realist perspective, and because official compendia of declassified material such as *Foreign Relations of the United States* are also seemingly compiled with a realist worldview driving the selection of the documents, it requires a return to the primary sources to determine whether and how governmental control of transnational and transgovernmental relations is an important aspect of diplomacy. Given the political sensitivity of many of the relationships that might exist, we cannot expect an easy path of discovery, but even our limited accomplishments thus far are enough to suggest that a reconsideration of how transgovernmental and transnational phenomena affect and are affected by the actions of national government is in order.

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