Context and Background

The Cold War has been called “a 45-yearlong Gray Zone struggle,” making an examination of how the U.S. government (USG) organized itself for competition during that era a critical case study. Five of the seven contemporary gray zone activities identified in this study were major action areas during the Cold War: political coercion, economic coercion, information operations, military and paramilitary activities, and proxy support. Congress and the presidency shared responsibility for organizing and reorganizing gray zone-like approaches, although they did so as part of the overall Cold War effort, making gray zone-like activities a kind of campaign-within-a-campaign.

From 1947 to 1989, the United States used four distinct structural approaches to the Cold War, into which gray zone-like missions and organizations were integrated.

1. The “genesis” phase (1947–1953) witnessed the post-World War II reorganization of the entire national security enterprise. Driven by the Congress and corresponding to the demands of the emergent “Containment” doctrine, four major legislative events shaped the organizational structure for U.S. gray zone operations during the Cold War: the National Security Act of 1947, the Foreign Assistance Act of 1948, the Smith-Mundt Act of 1948, and the CIA Act of 1949. The major aims of these statutes were “centralized information gathering and analysis, and more unified military decision making.” Together they established institutions for U.S. economic influence overseas, information operations and white propaganda, covert action, counterintelligence, and political warfare.

2. In the “consolidation” phase (1953–1969) the Eisenhower and Kennedy administrations reorganized national security institutions to execute their competing foreign policy visions of “New Look” and “Flexible Response,” respectively. Underneath both approaches, the USG prioritized reformatting its covert and clandestine instruments as frontline tools to support anticomunist proxies and conduct paramilitary activities against the Soviet Bloc. Dependence on covert action particularly enhanced the Central Intelligence Agency’s (CIA) powers. Overt political and economic coercion were also retooled. Building on the European Recovery Program (ERP), also known as the Marshall Plan, the United States tested lead-agency and collaborative interagency organizational forms to deliver military, economic, and technical assistance to allies, partners, and proxies. These efforts, and the organizational centralization needed to conduct them, peaked during the Vietnam war.

3. The “constraint” period (1969–1979) paralleled popular resentment toward the Vietnam War. Congress and the executive restrained gray zone offensive activities, particularly of the covert/clandestine variety, reducing resources and demanding unprecedented transparency. Institutionally, the Nixon administration centralized its foreign policy and national security decisionmaking within the person of the Assistant to the President for National Security Affairs (APNSA), with the consequence that the Department of State’s (DoS) policy formulation role was reduced. By the middle of the decade the Congress and President Ford were also cutting resources for the Department of Defense (DoD). Yet the transition away from conventional responses to Soviet aggression did not mean a commensurate augmentation of gray zone activities to compensate. By the late-1970s, it was apparent to non-détente-minded political officials that the gray zone-like USG infrastructure needed revitalizing.

4. The “resurgence” period (1979–1989) was an era of redoubling efforts against the Soviet Bloc, driving renewed investment in the full range of conventional and gray zone competitive mechanisms. Not only did DoD budgets grow again, but President Reagan repositioned the secretary of state as his “principal foreign policy advisor” and attempted to reconstruct the National Security Council (NSC) to coordinate whole-of-government strategy. However, navigating the statutory restrictions that had been imposed in the 1970s required greater collaboration with Congress on broader institutional reforms—some of which, like the Goldwater-Nichols Department of Defense Reorganization Act, were resisted by the administration. Especially where gray zone-like activities were concerned, the Rea-
gan White House gravitated toward ad hoc arrangements. What we would today call the gray zone was itself the subject of some controversy during this period, with powerful entities in DoD, DoS, and Congress making strident arguments about the growing importance of so-called low-intensity conflict, while others focused on nuclear arms control and conventional buildup. Such debates were still unresolved when the Soviet Union finally began to collapse in 1989.

Findings:
Patterns of Organizational Experimentation
The four phases present a pattern of experimentation in terms of both direct organizational choices and policies with organizational implications. These choices were primarily driven by the range of strategic approaches presidential administrations took over time. Generally, the United States progressed through approaches in the following order:

1. Prioritizing Western political cohesion and military capacity;
2. Supporting broader intervention and counter-intervention in pro-Western and pro-Soviet states, respectively, coupled with economic and military assistance to the former;
3. Pursuing détente and fewer U.S. entanglements in peripheral states;
4. Using comprehensive pressure on Moscow.

Despite this strategic variation, persistent roles in strategy formulation and implementation emerged early in the Cold War and persisted until its conclusion. These included: alliance and proxy relations; assistance; trade and development; intelligence; propaganda and psychological operations; and pro- and counterinsurgent support. Although these roles were surprisingly stable, role assignments migrated across and within agencies, and redundancy was a key feature of USG organization. Just because a gray zone-like role fell under the statutory responsibilities of an agency did not necessarily result in that role staying exclusively in that agency. In fact, in terms of gray zone-like efforts, authorities and resources for covert/clandestine activities grew more flexible over time; this flexibility then made covert and clandestine activities increasingly appealing to presidential administrations. Conversely, the more overt or transparent an effort, the more scrutiny its activities and budgets received. Consequently, oversight tended to be greater for overt lines of effort until the constraint period, when Congress moved to extend more control over covert and clandestine programs.

Coordination and reporting relationships were also highly variable over time. The degree of centralization preferred by the president and the ways the president used the NSC drove the level of interagency cooperation and communication. As more Cold War presidents centralized decisionmaking and policy direction or turned to just a few agencies and advisers, less coordination occurred between agencies and bureaucracies competed harder for influence. This effect was frequently mitigated by the administrative styles of the presidents. This process was just one indicator that leadership, particularly the president’s, had an enormous influence over organizations and their uses. Assertive agency leaders, such as the CIA’s Director for the Office of Policy Coordination Frank Wisner and the Federal Bureau of Investigation Director J. Edgar Hoover, succeeded in accruing authority for their respective organizations while minimizing oversight. However, as the national security bureaucracies grew in size and complexity, coordination also became more complicated, and presidents were increasingly constrained by institutional interests and resulting inertia.

Lessons Learned and Best Practices
The range of organizational approaches to gray zone-like competition during the Cold War generated a rich array of lessons for modern use. Overall, seven major organizational lessons for gray zone competition emerged from the Cold War:

- Cold War gray zone-like government organization was shaped by a mix of statutory and executive action. In the 1940s, Congress created and modified the principal organs of national security policymaking and execution. Thereafter, energy for organization and reorganization was generally driven by the executive branch, with some important but sporadic exceptions as noted above. In the late 1940s, national security institutional designers had creative license. The drastic reductions in national security institutions at the end of World War II were comparatively free of extensive institutional infrastructure and legal impediments much beyond the U.S. Constitution. The conditions were not a completely clean slate—the military departments, State Department, and the precursor to the CIA were all well-established and capable of weigh-
ing in on reform debates. But novel organizational design and redesign was possible.

• On the foundations of the National Security Act, Cold War organization for gray zone-like activities was remarkably elastic and responsive to presidential administrative styles. Repeated executive reorganization allowed the USG to adapt to both external threats and internal demands. However, institutional destruction proved much harder than institutional reorganization and creation, making the entire governing apparatus more complex over time.  

• Nevertheless, the pre-Cold War foreign policy organizations were forced to adapt or be threatened continually with irrelevance. Although granted direction over aspects of economic, information, and covert operations during the genesis phase, the DoS struggled to execute gray zone-like competition on the scale and with the flexibility expected by most presidents. From “genesis” to “constraint” it shed gray zone-like responsibilities to a litany of novel, specialized organizations such as the U.S. Agency for International Development, the U.S. Information Agency, or the CIA. DoD, meanwhile, was continually subjected to reconfiguration pressures, but their unique military expertise prevented significant “spin-off” effects as occurred with the State Department. The only significant replication of DoD responsibilities was the creation of the CIA’s Special Operations Group.

• The Cold War witnessed a pronounced migration of gray zone-like responsibilities toward covert and clandestine activities, with implications for role assignments, centralization, authorities, and budgets. Empowering agencies or divisions of agencies with covert or clandestine missions was appealing for two interdependent reasons: sustainability and insulation from oversight. Keeping institutional activities covert or clandestine reduced internal debate and dissent as well as public scrutiny, making policies less likely to be interrupted by dint of bureaucratic competition or external oversight. Restrictions of access to information associated with covert and clandestine activities could offer presidents a menu of instruments with legal flexibility and were shielded from targeted appropriations cuts thanks to black budgets. These powerful incentives created a feedback loop of growing responsibilities and resources and permitted organizational autonomy unprecedented in the U.S. system. But compartmentalization could also breed a pernicious form of myopia and inertia and increase the difficulties of halting or redirecting such programs. Only serious Congressional and public political mobilization could blunt the aggregation of covert powers. Such restraint was also quickly attenuated by the geostrategic demands of the Cold War, leading to a 45-year-long ebb and flow in the degree to which gray zone competition meant covert action.

• The desire for unity of effort tended to drive presidents toward centralized organization. By positioning the NSC and the White House at the center of national security decisionmaking, especially on sensitive gray zone-like activities, presidents could surmount the impediments of departmental independence and interagency complexity. Centralization also limited debate to expedite decisions and conferred greater responsiveness to presidential direction. In contrast, the desire for informational synthesis and expertise—and sometimes deniability—drove presidents to delegate authority. The more specialized the expertise, the harder it was for the president or any other agency to replicate it. This also helps explain why the State Department suffered from more competitive organizations than the DoD.

• Before the intensification of the Vietnam War, the preponderance of Congressional oversight focused on foreign assistance. In the 1970s, Congress took greater interest in reviewing and restricting the activities, authorities, and budgets of agencies involved in covert and clandestine actions. This marked a level of congressional influence and interference unseen since the genesis period. Congress itself organized committee structures to reflect the major departments and agencies established by statute, an impediment to reorganization in general and to oversight when interagency task forces and other ad-hoc arrangements were the primary mechanisms of policy execution.

From these lessons, we derive four best practices for organizing for gray zone competition:

• Organizational reforms should remove layers, encourage organizational initiative, and eliminate anachronisms: A sclerotic decisionmaking and execution system is a major vulnerability in gray zone competition.
petitions. The more complex the interagency system becomes, the greater the costs of interagency coordination and the more difficult unity of effort becomes, driving presidents toward centralization and secrecy that only exacerbates other problems, including unhealthy interdepartmental competition and policy inertia. Moreover, institutions can outlive their usefulness, absorbing resources and political energy. Although it takes political capital to close institutions and realign organizations, doing so frees up human and financial resources. Identifying and seizing opportunities to remove unnecessary layers and organizations is crucial to overcoming institutional inertia, fighting excessive restrictions on information and decisionmaking, and speeding response times to gray zone activities.

- **Gray zone competition takes a coalition:** Gray zone competition takes place in multiple domains across the globe and cannot be conducted without allies and partners with influence over those domains. Soviet political and economic containment, military and paramilitary activities, and all-source intelligence gathering were contingent on cooperation between U.S. institutions and their counterparts across the West and beyond. This was true not only between governments but also between government and the private sector, whose collaboration on information operations, for example, was a major element of Western solidarity.

- **Treat oversight like an enabler, not an impediment:** Persistent oversight allows for incremental organizational adjustments and prevents strategic myopia and disruptive episodes of public backlash as occurred in the 1970s regarding covert activities. Rather than impeding executive flexibility, it actually sustains organizational autonomy by insuring the republic against the overreach that can accompany institutional power. Balancing between exigency and values-based legal constraints, particularly in the realm of covert and clandestine operations, is crucial to contemporary gray zone competition. Robust oversight mechanisms operating from both Congress and the executive branch, in mutual communication on both sides of the veil of state secrecy, are imperative to ensuring operational efficacy and constitutional controls.

- **Recognize that threats manifest in very different ways that may require very different organizational approaches:** During the Cold War, the United States restructured its national security state to compete with a single enemy but made myriad institutional adjustments over time as the threat from that adversary evolved. The contemporary United States is competing and countering multiple adversaries, and so must be even more organizationally nimble. The task force model, drawing on the resources of existing institutions but with direct lines of control from senior leaders and with a narrow focus or objective, frequently succeeded during the Cold War. Task forces may evolve into a new institution or may outlive their usefulness after a short period of time, but they are an example of the kind of rebalancing of human capital and lines of authority necessary to conduct a long-term, ever-changing campaign.
Endnotes


2 Kennan’s memorandum addressed the full spectrum of gray zone warfare activities which the United States must be prepared to utilize and defend itself from. The memorandum reads: “Political warfare is the logical application of Clausewitz’s doctrine in time of peace. In broadest definition, political warfare is the employment of all the means at a nation’s command, short of war, to achieve its national objectives. Such operations are both overt and covert. They range from such overt actions as political alliances, economic measures (as ERP), and ‘white’ propaganda to such covert operations as clandestine support of ‘friendly’ foreign elements, ‘black’ psychological warfare and even encouragement of underground resistance in hostile states.” History and Public Policy Program Digital Archive, “George F. Kennan on Organizing Political Warfare,” April 30, 1948, Obtained and contributed to CWIHP by A. Ross Johnson. Cited in his book Radio Free Europe and Radio Liberty, Ch1 n4 – NARA release courtesy of Douglas Selvage. Redacted final draft of a memorandum dated May 4, 1948 and published with additional redactions as document 269, FRUS, Emergence of the Intelligence Establishment.


4 For more on “New Look,” see NSC 162/2, the culmination of the Project Solarium exercise in devising a revised Containment posture for the United States. For more on “Flexible Response,” see Maxwell Taylor’s Uncertain Trumpet; also see M.F. Millikan and W.W. Rostow, “Foreign Aid: Next Phase,” Foreign Affairs 36, no. 3 (April 1958): 418–436.

5 For more on “New Look,” see NSC 162/2, the culmination of the Project Solarium exercise in devising a revised Containment posture for the United States.

6 Under the Eisenhower administration, the USG attempted to centralize its economic, military, and technical assistance programs under the Foreign Operations Administration (FOA). Unlike the CIA, however, the traditional authorities—DoD and State—were able to reestablish control by the late-1950s. See Eisenhower’s Reorganization Plan 7, 1953.


11 As Richard Betts explains, “designers [of governing institutions] can only aim for structures and processes that will enable a proper process or decision; they cannot select the individuals who accede to power over time and inhabit the structures.” Richard K. Betts, “The Durable National Security Act,” in Demarest and Borghard, U.S. National Security Reform. 2019

12 The OPC was the product of USG recognition that it required an organization to conduct covert operations. However, its initial oversight authorities were ambiguous, with State, DoD, and the CIA exerting differing, and ultimately insufficient, levels of control over its actions. Stephen J.K. Long, “Strategic Disorder, the Office of Policy Coordination and the Inauguration of U.S. Political Warfare against the Soviet Bloc, 1948–1950,” Intelligence and National Security 27, no. 4 (2012), 465.


14 The “SOG” was initially named the “Special Activities Division.”


16 Highlighting the importance of multilateral cooperation is the U.S. participation in the Coordinating Committee on Export Controls to impose export restrictions with the Soviet Union. See Tor Egil Førland, “The History of Economic Warfare: International Law, Effectiveness, Strategies,” Journal of Peace Research 30, no. 2 (May 1993): 155.