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POLITICAL ASPECTS OF STRATEGIC DECISION MAKING IN BRITISH DEFENCE POLICY

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Political aspects of strategic decision making in British defence policy

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ABSTRACT

There are two objectives to this thesis. The central objective is to test the appropriateness of the framework devised by Allison (1968, 1971, 1972) to British defence policy. The second, a by-product of the empirical research, is to consider the continued validity of Allison’s approach for decision making in international relations.

The Allison framework is applied to a study of the strategic decision making surrounding the British withdrawal from East-of-Suez in the context of the process leading to the 1966 Defence Review. This study uses primary sources to examine decision making from the 1964 general election through to its completion two years later.

Following consideration of developments in the techniques underlying Allison’s method the author proposes an alternative framework – the intra-governmental decision model. This model seeks to incorporate theories on trust and reputation effects using repeated game theory (Grief), concepts surrounding policy implementation (Wildavsky) and alternative conceptions of rationality (Etzioni).

The model is then tested using secondary source material on the British Options for Change process between 1990 and 1994. To establish the improved explanatory power of the intra-governmental decision model the author tests Allison’s three lenses against the same data. The new technique is then applied to a case study using primary sources.

In conclusion the thesis considers issues raised and suggests further research.
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CHAPTER ONE: INTRODUCTION

In international relations one of the seminal contributions is regarded as that of Allison (1971). His framework of three distinct conceptual lenses sought to illuminate the nature of state decision-making. He applied this framework to the Cuban Missile Crisis of 1962. He yielded insights which have withstood subsequent efforts at refutation.

His first lens sees decisions as the result of the exercise of rational choice by the state acting as a unitary decision-maker. Allison regarded this model as a formal espousal of the technique underwriting much of diplomatic history.

His second lens perceives decisions as the resultant of semi-feudal alliances between competing organisations. To expand upon the metaphor, the political executive represents the king, and government departments feudal lands, controlled by loyal knights (political appointees), and served by their loyal soldiers (i.e. civil service, military staff). This model seeks to understand the environment and mechanisms (or standard operating procedures) which affect the generation of options and their subsequent implementation.

The final lens views decisions as occurring through the bargaining process between key actors in government positions.

Allison’s models and the term ‘bureaucratic politics’ are now used widely throughout the social sciences to describe the problems associated with policy making in public institutions and corporate environments. Some analysis has been undertaken to apply Allison to peacetime defence management in the United States.  

The analysis and explanation of British defence policy has tended to be of a post facto historical analytical nature. Due to government restrictions, limited access to documentation has led to a thirty-year lag time between events and availability of documentation through the Public Record Office. A general challenge for research in this field is to overcome this lag and assess the validity of decision-making models in the British defence policy case. The major benefit of the proposed approach is that it may enable the generation of hypotheses about the nature of the dynamics underlying recent decisions where contemporary information is restricted.

This thesis has two objectives. Firstly it aims to assess the validity of Allison’s three lens framework in the light of subsequent intellectual developments. Secondly it aims to develop a means to illuminate strategic decision making in British defence policy.

This thesis makes two distinct novel contributions. The first is empirical in nature applying Allison’s framework to new primary resources in the Public Record Office. These pertain to the Healey period along with interviews with figures from that time.

The second contribution is theoretical, derived from inductive contemplation of the change which has occurred during past decades to the ideas underpinning Allison’s

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framework. This leads to the proposal of a new decision model for understanding organisational decision-making.

The structure of the thesis chosen is one which closely represents the manner in which the research project evolved. The thesis first evaluated the Allison framework identifying the models composition and heritage before testing it against original UK research material. Following this the methodology is then reconsidered in the light of subsequent philosophical developments and the experience of applying it in practice. From this effort comes an alternative decision-making framework.

This framework is then tested against new data to avoid contamination by the above experience of applying the original Allison model to a new data set. The objective of this was to establish the validity of the alternative model and its explanatory power as compared to Allison’s. Finally the new model is tested against the original data from the Healey review, to see what difference the new perspective offers. In the conclusions lessons learnt are considered and future avenues of research are suggested. This is expanded in the overview below;

**Chapter Two** describes Allison’s methodology as set out in *Essence of Decision*. The three lenses he uses for considering decisions are considered in depth. Subsequent critiques and application of the models are also considered. The objective is to facilitate a more thorough understanding of the rational actor, organisational process and governmental (bureaucratic) politics models and the reactions of the social sciences discipline to their introduction.
**Chapter Three** applies Allison’s framework to a primary source case-study to assess its utility in providing insight into British defence policy. The case used is the Defence Review conducted by the Wilson administration starting in 1964 and ending with the publication of the 1966 Defence White Paper.

This review was fundamental to shifting the central effort of British defence policy away from commitments East-of-Suez towards the defence of Western Europe. Recent declassification of government documents in the context of the Public Records Act means that this case-study represents a new insight into United Kingdom defence decision-making. This analysis is supported by secondary materials and interviews with some of the key people involved.

Having applied Allison’s framework to a primary source study **Chapter Four** seeks to consider the appropriateness of the lenses in the light of developments in practice and the ideas underpinning his work. Chapter Four proposes an alternative single unifying framework which is called the intra-governmental decision model. This model seeks to consider decisions through time in dynamic environments with sensitivity to cultural issues, and the evolutionary nature of policy making by institutions.

Following the definition of an alternative framework to that utilised by Allison **Chapter Five** seeks to apply it to a second case study. This second study is based upon secondary sources and tests the explanatory power of the intra-governmental decision model. The case is that of the Options for Change defence review carried out by the

Having applied the proposed framework against these secondary sources, the thesis then considers Allison’s framework against the same material to highlight its short-comings. By this method the author has specifically structured the thesis to avoid contaminating the analysis of the first case study (The Healey review) before testing the new model.

**Chapter Six** then seeks to apply the new framework to the material used in the Allison analysis of the 1964 - 1966 Defence Review process. This provides additional insight and validate the application of the new framework.

The final **Chapter Seven** presents the study’s conclusions in both methodological and empirical terms before suggesting avenues for further research.

The two case studies examined confine their examination of British defence policy to the field of conventional arms. The secrecy and reluctance of officials to discuss nuclear decision-making matters in public is understandable. Furthermore considerable effort has already been made to chart the broad development of Britain’s nuclear programme.⁴

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To ensure clarity regarding the presentation of the thesis the figure below depicts its organisation;

**FIGURE 1.1: STRUCTURE OF DISSERTATION.**
CHAPTER TWO: CONSIDERATION OF THE ALLISON METHODOLOGY

The objective of this second chapter is to outline Allison’s methodology which will be used in subsequent chapters to analyse British defence policy-making. After considering Allison’s technique in his study *Essence of Decision: Explaining the Cuban Missile Crisis* we will consider its appropriateness for examining British defence policy. The chapter will conclude by focusing upon an examination of the theoretical underpinning of Allison’s lenses and their subsequent evolution.¹

Allison’s work was distinct from earlier analyses of the October 1962 crisis. It utilised techniques quite different from the historical method of its predecessors. In what could be perceived today as an example of intellectual transparency, Allison from the outset sought to describe the objectives of the study.

This description at the start included both an examination of the assumptions underlying much of the past foreign policy analysis, and the Cuban missile crisis itself. The author then described five people for whom the book was intended, an academic colleague, a student, a layman who regularly reads media reports on foreign policy, a journalist, and finally the author’s spouse.²

Allison’s objective of defining his audience was to assist his writing by preventing him, ‘stumbling around thinking about a general unknown reader’.³ This multiple transparency in describing the goals of the text and his description of the works intended

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² *ibid.* p. viii.
³ *ibid.* p. vii.
audience present one of his works novel facets. As noted by Smith of the approach, ‘such an attribute is not only crucial, but is very rare in foreign policy analysis’.  

Secondly, Allison used three different analytical approaches to building understanding of the crisis in his work. Each uses a distinct analytical prism. His model I - the rational actor or classical model, model II - organisational process, and model III - governmental (bureaucratic) politics.

Underlying each successive model was a constant attempt to ‘triangulate’ the sources used. Firstly, the author uses the results of interviews both with 'high-level participants' and people connected to them, as well as others involved in the lower-level operations of government. Third, Allison used public domain material, the media, participants biographies, and government documents - primarily committee reports following investigations into the crisis.

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5 The three models were first proposed in Allison, G T. ‘Conceptual models and the Cuban missile crisis’ in The American political science review 63 (3) (Sept. 1969). pp. 689 - 718.

6 The concept of triangulation is discussed in Huberman, A M and Miles, M B. ‘Data management and analysis methods’ in Denzin, N K and Lincoln, Y S. Handbook of qualitative research (California: SAGE Publications 1994). Ch. 27. pp. 428 - 444. Triangulation is describes as, ‘Less a tactic than a mode of enquiry. By self-consciously setting out to collect and double-check findings, using multiple sources and modes of evidence, the researcher will build the triangulation process into ongoing data collection’. p. 436. The authors credit the concept to Campbell, D T and Fiske, D W. ‘Convergent and discriminant validation by the multitrait - multimethod matrix’ in Psychological bulletin 56 (2) (Mar. 1959). pp. 81 - 105.

7 ibid.
This enabled the author to compare the information gleaned from multiple sources. The benefit of this was to enable him, subject to his unique mental schema, to filter out apparent inconsistencies.

In terms of true triangulation of sources – using primary and secondary source documents along with interview with participants, Allison was handicapped by the recent nature of the crisis. In this study of British Defence Policy we are able to triangulate material by these three sources to filter out inconsistencies as far as possible.

THE THREE LENSES OF ESSENCE OF DECISION

Central to his approach is the use of three models to analyse the crisis and we intend to examine each in turn. Allison deployed hypotheses in the analysis of the crisis using the Rational Actor Model to assist in asking focused questions. These hypotheses were not consistently pursued through-out the text and his three lenses.

In his work Allison offers no explanation for this particular methodological choice. Therefore one issue relating to an application of his framework is to mirror his application of hypotheses in a limited manner or across the three lenses. It could be suggested that a lack of information relating to Allison’s ‘contemporary’ Cuba study for models II and III was the principal driver. However Allison offers no guidance on this issue in his work.

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8 op. cit. Allison (1971). Ch. 2. Hypothesis One: bargaining barter (p. 43), Hypothesis Two: diverting trap (p. 45), Hypothesis Three: Cuban defence (p. 47), Hypothesis Four: Cold war politics (p. 50).
A consequence of a limited use of hypotheses in the work is that it is difficult to directly compare the explanatory value of an individual lens vis-à-vis the others. It could be suggested that in applying the framework to a case it would be appropriate in terms of logical rigour to test the same hypotheses with each lens in order to compare and contrast the effectiveness of the distinct outputs of the models.

The first case study using the Allison framework shall apply the four hypotheses across the three models in order to attempt to yield insights into the models. In evaluating the second contemporary study it may or may not be possible to apply the hypotheses uniformly. This exercise will assist in establishing our understanding of the limited utility of hypotheses for examining contemporary decision-making situations within the confines of the three lenses.

**MODEL I: THE RATIONAL ACTOR**

The first lens, the rational actor model is used intentionally to set up a straw man. The rational actor or classical model is an attempt to encapsulate the interpretative method used by researchers engaged in diplomatic history.

The lens focuses on the rationality of the state under examination, seen as a monolithic entity i.e. speaking with one voice. Allison summed up the models logic as, ‘the attempt to explain international events by recounting the aims and calculations of nations or governments’.  

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For example in considering the Cuban missile crisis, it was the Soviet Union's introduction of nuclear weapons ninety miles from Miami which caused the United States to instigate a new policy. This led to a decision by which naval forces would mount a blockade of the island. The United States initial response was seen as being based upon rational consideration of the possible courses of action relative to their costs and benefits.

Given that the United States sought to avoid nuclear war, it saw the blockade as a means of signalling that it was the beginning of a series of possible escalatory steps prior to a nuclear exchange. The aim was to give the Soviet Union time to consider carefully its next move in an escalating crisis. The rational actor model is concerned directly with causation from the point of view of the state as a monolithic decision maker.

Allison defines rationality in the classical model as, ‘consistent, value maximising choice within specified constraints’ [author's italics]. The approach had its roots in the work of the Strategic Studies community in the 1960s particularly Kahn's theorising on nuclear escalation, and Schelling's consideration of game theory. Both assumed actors whom whilst competing against one another, shared tacit assumption about what constituted reasonable and unreasonable behaviour.

Schelling, to produce his work *The Strategy of Conflict* saw that, ‘the assumption of rational behaviour is a productive one in the generation of systematic theory’. Actual United States policy making was influenced by the RAND school. This school used a

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10 ibid. p. 30.
particular amalgam of operational research and economic rationality which was applied to problems of choice and resource allocation in the public sector.  

MODEL II: ORGANISATIONAL PROCESS

Allison’s second model is the first of two alternative approaches to considering governmental operations as complex, intra-state activity. The Organisational Process Model tackles a different level of analysis, that of action as the resultant of intra-organisational activity determined by tradition and experience. The lens sees government not as a monolithic actor but rather a number of competing organisations. Each possesses its own methods and culture. Allison suggested that;

‘government behaviour can therefore be understood according to a second conceptual model, less as deliberate choices and more as outputs of large organisations functioning according to standard patterns of behaviour [author’s italics]’.  

This second model focuses upon organisational responsibilities. In turn this leads to institutional views on the issue about which the government requires information to make decisions. For example in considering the allocation of the defence budget, the army, navy and air force are all likely to present distinct views regarding the allocation of resources based on their own institutional requirements.

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However these organisations are themselves fragmented. There will be further factions within each based on such factors as occupational specialities. To illustrate this within a limited defence budget, an Army's Armoured Corps may well be competing against expenditure on Army aviation assets for its share of the same limited pool of resources.

A further element of organisational analysis focuses upon the standard responses of organisations to requests for decisions. Allison, in his analysis of the Cuban missile crisis noted that many institutions responded with actions which were counter-productive given the wishes of the executive. For example upon ordering a blockade of Cuba the United States navy deployed its ships to intercept Soviet shipping as far from Cuba as possible. This was in accordance with a narrow tactical definition of United States Maritime doctrine. However this was contrary to the strategic spirit of the President's orders.

President Kennedy's intention was to give the Soviet government plenty of time to consider its response to American action. Upon learning of the Navy's action the President ordered that the distance of the blockade from Cuba be reduced. This resulted in the naval vessels moving closer to Cuba giving the Soviet Union more time to make decisions.

This second model draws heavily upon Weber and March and Simon's work in the field of Organisational Theory. This field was in its infancy at the time of Allison's research. This model sought to apply the ideas of the then new economic Theory of the
Firm. This challenged the traditional rational actor economic theory based on a concept of perfect information. Allison took the new economic paradigm and applied it to the operation of government agencies.

An important aspect of the model is its concern with the standard operating procedures and routines pursued by organisations. The model sees decisions as being fundamentally driven by the discrepancy between the organisation being tasked to enact a decision and the final output, referred to as slippage. This slippage can provide rich insights into the manner in which organisations function as well as illuminating the decision making process and subsequent implementation.

In economics Cyert and March chose to present a theory of organisations as being driven by processes only constrained by the external environment. The authors state, ‘that is, we viewed that decisions of the firm as the result of a well defined sequence of behaviours’. Their analysis was guided by four concepts; quasi-resolution of conflict, uncertainty avoidance, problemistic search, and organisational learning.

**MODEL III: GOVERNMENTAL (BUREAUCRATIC) POLITICS**

Allison’s third and final lens is the governmental (bureaucratic) politics model. This contrasts with the rational actor and the organisational process models. This lens views

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16 *ibid.* Ch. 6. p. 126. Figure 6.1 Organisational decision process in abstract form. Discussed in *op. cit.* Allison (1971). pp. 75 - 77.
government actions as the result of power politics played out between a small group of
key players in the government hierarchy.

The individual players can be organisational figureheads, or political figures in their
own right. Each is seen to possess their own distinct agenda and weltanschauung
(world-view) through which their world is perceived and then acted within Government
decision making is seen as the result of the interplay between all the characters for
whom a particular decision has ramifications. Allison conceived national decision
styles as emerging from, ‘intricate and subtle, overlapping games among players located
in positions in government’.  

This third model is summarised by Allison in the phrase, ‘where you stand depends on
where you sit’ [author’s italics]’. This phrase is used in both a horizontal and a
vertical fashion. The horizontal metaphor aims to illustrate the pressures on decision-
makers operating at the same level of the hierarchy. For example within a cabinet, the
Executive Committee formed by President Kennedy to manage the evolving Cuban
missile situation.

The vertical use relates to the problems faced when members within an organisation are
competing for the formal attention of their senior leaders. Key decision makers aim to
have the leader accept their rather than their colleagues priorities.

\[17\] ibid. p. 162.
\[18\] ibid. p. 176. Allison credits D K Price with making this assumption.
Allison introduces the idea of “action-channels”. These represent key nodes in the organisation through which instructions for implementation must pass. Allison used the example of the process needed to produce military action. This starts with an ambassador’s recommendation leading through the military organisation to executive government and back a number of times. This process is iterative.  

In formulating model III Allison drew on the work of Hilsman and Neustadt. Hilsman served in government both as senior intelligence official in the United States Department of State as well as in the Kennedy administration as an Assistant Secretary of State for the Far East. Prior to his experience in public administration Hilsman had studied theories of government.

Following his period of service he refined and elucidated a theory of government. Hilsman perceived a central characteristic to be, ‘the fact that policy is made through a political process of conflict and consensus building accounts for much of the untidiness and turmoil on the Washington scene’.  

Similarly Neustadt had experience of government service. He served on President Truman’s White House staff. His work *Presidential Power* had as its central focus an interpretation of the United States political system as one where power is shared between competing institutions.

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19 *ibid.* pp. 169 - 170.
22 *ibid.* Ch. 35 p. 544.
The implication of Neustadt’s model is that it requires the President’s to possess skills of persuasion of the highest order for them to prevail in policy-making. In the United States Neustadt’s work was given extra publicity by President Kennedy’s reference to it. This led to the appointment of Neustadt as the principal transition advisor for the incoming administration.

RESPONSES TO ESSENCE OF DECISION

Allison’s work has since received both praise and criticism. Smith summarises the critiques of the bureaucratic politics approach, to which Allison is regarded as having made ‘a lasting contribution to the study of foreign policy’. The criticisms of Allison’s work were grouped into six broad categories.

The first set of criticisms relate to the proposition that Allison’s models lack originality. The rational actor model was derivative of work by theorists writing on rational behaviour in the neo-classical economic tradition. Model II marshalled the research by behavioural economists and organisational theorists. Model III drew on the writings of people involved in government administration.

However Allison does not hide this and is explicit in giving credit to his sources. Indeed he made strenuous efforts to explain the various hypotheses he utilised quite clearly. It could be suggested that had Allison written his work today he would be recognised by

the qualitative research community as a *bricoleur* and therefore *Essence of decision* would be described as a *bricolage*.\(^{24}\)

The second set of criticisms concern Allison’s empirical presentation of the Cuban missile crisis. These views concern his research used in his description of the model II and III analysis of the crisis. Smith discounts the severity of this claim noting, ‘in general this area of criticism involves degrees of emphasis’.\(^{25}\) Despite periodic attempts at challenging Allison’s presentation of the crisis his interpretation is widely regarded, in terms of its citation, as a key contribution to understanding the dynamics of the crisis.

Thirdly Allison’s analysis was regarded as painting an inaccurate picture of the United States political system. The model III depiction of a policy elite placed the President as simply one of that group. It could be suggested that by virtue of his ability to appoint key bureaucratic positions as well as his cabinet officials, the President has greater powers than Allison suggests. Further given the lack of constitutional checks on the power of the President to act in foreign affairs he is less constrained and has a greater freedom of action.

It could be suggested that this criticism reflects a rare tendency of writers about their own national political system to attribute better values to both their political system and its leadership than is actually the case. A President, Prime Minister or national leader

\(^{24}\) *op. cit.* Denzin and Lincoln (1994). ‘Entering the field of qualitative research’ Ch. 1, pp. 1 - 17. The *bricoleur* is described as ‘a jack of all trades or a kind of professional do it yourself person’ (Levi-Strauss 1966, p. 17). The *bricolage*, ‘is a pieced together, close-knit set of practises that provide solutions to a problem in a concrete situation’ (Weinstein and Weinstein 1991 p. 161).
will always be constrained in their choice of senior officials, by precedent, or political debts.

A cabinet might not be composed of people that the nominal leader wanted because of a need to satisfy a wider constituency. For example the recent Conservative government in the United Kingdom was composed of a fine balance between Euro-sceptics and pro-Europeans. Given the administration’s small majority any suggestion that the cabinet was moving in one direction or the other regarding engagement with the European Union led to vocal back bench members of the governing party demanding a return to equilibrium.

The fourth criticism cited by Smith of Allison’s work centres around Allison’s interpretation of Hilsman and Neustadt’s approach, that is the Governmental (Bureaucratic) Politics model (model III). The argument is that this focus upon bureaucratic politics suggests a lack of accountability in the system.

By suggesting that policy is the resultant of politicising by un-elected officials the work could be seen to claim that the President cannot be held accountable for the outcomes of policy. Smith suggests that such criticism is extreme. The President’s policy may not be as he intended due to slippage within the bureaucracy. However President’s still have the authority to make and implement decisions with the assistance of political appointees spread throughout government.  

\footnote{op. cit. Smith in Clarke and White (1989). p. 115.}
\footnote{ibid. p. 118.}
The fifth criticism of Allison’s work presented by Smith relates to his ignorance of the social psychological milieu of the policy-making elite. An examination of Jervis suggests the relevance of the social psychological perspective. There are cases where, ‘bureaucratic structures and interests often remain constant over periods in which policies shift’. His own research into issues surrounding perception suggests that bureaucracies can fail to carry out their preferences due to misperceiving the priorities of their leaders.

The sixth and final criticism of Allison’s methodology arises from its inapplicability to other political systems. Wallace in examining British foreign policy suggests that, ‘Whitehall is not Washington; the open conflicts between sections of the administration which characterise bureaucratic politics in America have no exact parallel in Britain’. Dawisha applied the bureaucratic politics model to the Soviet Union, and found that the influences of the communist party and ideology undermined the utility of the bureaucratic politics model.

However Smith has observed other analysts such as Valenta who have found model III useful when tailored to the Soviet environment. In a direct response to Dawisha’s article Allison comments that he did not see his three models as representing the
definitive effort in foreign policy analysis. It was envisaged rather that, ‘these models must be refined, their applicability clarified, and variants identified’.  

In considering this amalgam of criticisms crafted twenty years after publication it could be suggested that Allison’s bricolage could not be expected to be more than a product of its time, author, and intellectual location. Attempts to discredit it for not providing a universal understanding seem from this perspective to be more a problem of the particular analyst’s cultural values and consequent limitations rather than with the technique per se. Indeed Wallace shortly after his criticism of the bureaucratic politics approach when applied to British decision making notes that:

‘There are clear departmental interests and clear clashes of interest arising from the very nature of large scale organisations and of human behaviour. Within departments and across departmental boundaries there are more complex patterns of disagreement, conflicting views, and prejudices, or of officials defending their own corner’.  

It could be suggested that outside of the United States, the governmental (bureaucratic) politics model is valid insofar as the pressures on decision-makers and the problems of implementing policy are universal. However critics such as Wallace were suggesting that the indicators which facilitate model III analysis, such as for example the method of cultural expression and the machinery of government employed vary from society to society. This therefore supports Allison’s conclusions that the models must be set in context and appropriate variants identified.

33 op. cit. Wallace. Ch. 1. p. 9
Having considered the techniques which comprises Allison’s work, and a well known summary of the critiques made against it, we now turn to examine subsequent developments of his methodology.

Shortly after the publication of *Essence of Decision* Allison and Halperin sought to merge model II - Organisational Process and model III - Governmental (Bureaucratic) Politics into a single model called the Bureaucratic Politics model. Their reason for this was the problem of clearly separating model II with its focus on organisational process, and model III with its focus upon the interactions between actors astride such organisations.  

Hilsman sought to codify further the theories developed in his earlier work. Previously he had discussed them as an adjunct to an analysis of foreign policy in the Kennedy administration. Hilsman’s work utilised the concept of government as a series of concentric rings of power. The President and Cabinet are at the core, encircled by overlapping groups including the bureaucracy, Congress, the electorate, and specialist interest groups such as the media.

Hilsman’s conclusions on reform were very similar to those espoused in his earlier research. He propounded that greater communication and democracy in government decision-making would make for better decisions and the result would be qualitatively superior policies.

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Freedman in a critique of the bureaucratic politics model importantly considers models I and III not as distinct perspectives but rather, ‘two ends of a continuum. At the one end is all rationality; at the other all is politics’.  

Brenner in considering the evolving literature of bureaucratic politics notes that,

‘Today it stands as an influential paradigm that goes beyond a delineation of how things are done at certain times and, under certain circumstances, how they occur; it asserts that national policy, inescapably and immutably, will be dominated by calculations or organisational interest and bureaucratically determined perceptions’.

Rosati noted the increased acceptance that the bureaucratic politics model had achieved citing one commentator, ‘Allison’s analytic approach to decision-making theory has recently become one of the widely disseminated concepts in all of social science’. 

Rosati then considered the central tenets in the development of the bureaucratic politics model. Following examination of two cases in different administrations makes the assessment that, ‘The President’s level of involvement is the crucial factor accounting for the difference in decision-making behaviour’.

In his conclusions Rosati believed that model III did not operate as popularly thought. In a modified view Rosati saw decisions emerging from an interaction of personalities, processes, organisational structure and problem context.

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Smith offered a Governmental (Bureaucratic) Politics account of the Iran hostage crisis in which he sought to test the explanatory power of the paradigm. In examining the three key meetings which led to the decision to employ force Smith noted the utility of bureaucratic politics in determining the preferred policy.

Further he codified the concept of individual rationality as an amendment to the model. He saw each person having their own mental schema based upon experience. This alters to an extent their perception of shared reality. The realist belief that an objective reality exists meant that group think distorted the power of individuals to perceive it. In a particular society people are socialised individuals who have differing perceptions of events making understanding of the objective reality difficult though not impossible.

Cutler in a review of Soviet foreign policy texts considers the bureaucratic politics approach. He sees the need to bring cognitive and bureaucratic approaches. He cites in evidence Valenta’s work on the Russian invasion of Czechoslovakia in 1968. Clarke and Smith and Vogler take up this theme. This work after analysing the merits and flaws of the bureaucratic politics model offers both complementary psychological and implementation approaches as complementary techniques to the analysis of decision-making.

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39 ibid. p. 245.
40 ibid. p. 251.
42 op. cit. Cutler.
Rhodes produced a Governmental (Bureaucratic) Politics study considering the impact of model III type factors on decisions as to the United States Navy’s forces structure from the end of the Second World War. In his study Rhodes takes Allison’s propositions to their logical extreme regarding the concept of ‘where you stand depends on where you sit’. He did this by showing that senior naval personnel from any one branch were unable to skew procurement decisions toward their own branches by examining procurement spending and formal positions of naval officers by specialisation.

Rhodes then outlines a new bureaucratic politics model concerned with ‘idea-driven’ situations, For example when a new concept for a weapon system such as an ‘arsenal ship’ is proposed. Figures emerge to defend the proposal and attempt to bring it to gestation.

Scott and Smith presented the lessons from the Cuban missile crisis as they arose from a series of conferences collating oral and textual information gathered subsequently. They observed that in 1990 Allison was cited in 58 different journals prompting the analysis that, ‘a minor industry has developed around Allison’s study’. The conferences considered sixteen events within the crisis which the academic community sought to clarify. Scott and Smith noted that, ‘broadly speaking, Allison’s

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45 ibid. p. 21.
interpretation is confirmed by evidence on the complex reasons for deploying the missiles in Cuba, in contrast to the claims of the rational actor model’. 49 Further the authors concurred with Welch in that Allison’s Models II and III require cognitive additions to explain the conflict of beliefs and cultural values on decision-making. 50
THE RELEVANCE OF ALLISON TO UNDERSTANDING BRITISH DEFENCE DECISION MAKING

Having considered Allison’s framework, development, usage and criticisms what can be suggested of its utility for considering decision-making in British defence policy. Firstly much of the existing work on British defence policy is historical. Problems exist in obtaining contemporary documentation which is in scarce supply.

British research inevitably goes through three iterations. The first is based upon information in the public domain chronicling the events and public statements on government attitudes and decisions. 51 Allied to this are writings by recent figures whom have served in government. Whilst they do reveal some of the inner elements of the processes at work they tend to be written utilising a narrative from one perspective. 52

The second iteration comes at the point where records and archival material enable a more objective re-appraisal of the situation through the addition of previously restricted source material. 53 In Britain this occurs as a result of the thirty year rule for disclosure of government documents codified in the Public Records Act.

The third and final iteration occurs when authors reflect on what has been revealed by the above sources. That is the combination of analysis made shortly after the event and

51 For example media articles such as Gretton, P. ‘The Defence White Paper 1966’ in The Journal of the Royal United Services Institute 111 (642) (May 1966), pp. 117 - 123.
53 For example Cathcart, B. Test of Greatness: Britain’s struggle for the atomic bomb (London: John Murray 1994).
analyses which more accurately represent the situation from the perspective of previously secret government documents.\textsuperscript{54}

These three iterations have tended to develop from the perspective of a rational actor. Model I involves the government of the day being stimulated by the external international environment to make decisions regarding security policy. The government is seen to rationally decide ways in which it can maximise its security on a cost-benefit basis from amongst the competing alternatives.

The value of using the model II and III analysis and their subsequent combination in the bureaucratic politics perspective is that they enable the analyst to consider the questions of how defence policy arises within a government, which is of itself a fragmented, anarchic nature. This raises questions such as; to what extent do standard operating procedures in government cause slippage in the policy decisions from their initial goals (the Model II analysis)? In what ways do the various organisations regularly in conflict with others interface with the elected government to press their opinions? (the Model III explanation).

The number and scope of references to Allison’s work demonstrate clearly its acceptance by the academic community. It appears that there is mounting interest in integrating cognitive approaches which focus upon the value systems of the players involved. Given the incremental release of information about the functioning of British government, an analysis which looked at the various institutions, identified the players,

\textsuperscript{54} For example Prior, R and Wilson, T. \textit{Command on the Western Front} (Oxford: Blackwell’s 1992).
and considered their shared values, resulting from education, membership of cultural institutions could prove a potent method for considering defence policy making in the United Kingdom.

THE THEORETICAL UNDERPINNING OF ALLISON’S THREE MODELS

This chapter has articulated the nature of Allison’s framework, responses to it at the time of publication and highlighted in turn British defence policy analyses in a manner conducive to use in our subsequent analysis. Having done this we now consider in greater depth the theoretical under-pinning of Allison’s models, and their evolution in the decades since the publication of *Essence of Decision*.

Evidence from one database indicates that Allison’s work has enjoyed nearly 1,000 citations since 1980. By establishing its continued validity it should be possible to consider the contemporary appropriateness of the methodology.

THEORETICAL UNDERPINNING & EVOLUTION: MODEL I

The rational actor model has its roots in the work of diplomatic historians, the intellectual forerunners to the international relations discipline. The model was formalised by the works of Kahn and Schelling. In the early 1960s they used micro-economic theory in their writings on strategic studies. Underlying their works was a particular concept of rationality.

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55 result of a recent citation search with the Bath Information Distribution System, using the search terms Allison_GT. for author, and Essence_of_Decision as the title keywords.

This rationality relied upon an actor who could objectively consider all the alternative courses of action and their consequences. The actor then weighed the alternatives and chose the most appropriate to maximise his utility. In micro economics the actor’s rationality would be described as pursuing their own self-interest. This involves understanding the opportunity costs of alternative options in a given situation and maximising the benefits to oneself.  

The rational actor depicted by Allison is the nation-state, a monolithic entity. This nation-state is concerned solely with pursuing its own goals. This concept allies itself neatly to the work of Morgenthau and his espousal of the realist conception of international politics as the pursuit of national interest by acquisition of power.  

This conception of rationality was further examined by Deutsch and Easton. They described the political process using rational actor language. They then portrayed the political system using a systems analysis style of presentation in a manner akin to Figure 2.1 below.  

**Figure 2.1**: Rational choice decision-making model, using a systems style representation.
States in conflict provided the theme for Schelling to introduce from economics the concept of game theory to consider the choices of participants involved in a bargaining situation. A central facet of traditional game theory was the design of a static payoff matrix. This describes a one off choice, showing all possible combinations of results from interaction between the players. A seminal example of game theory is provided by the game called the prisoner’s dilemma.

Two criminals are caught near the scene of a crime, and interrogated individually. Neither can be convicted without the evidence of the other. Each is given the following offer; the sentence for the crime is fifteen years, confess and you will be set free but your partner will be sent to gaol. If you say nothing and your partner says nothing you both go free: Should both criminals confess both go to gaol.

This pay-off matrix describes a zero-sum game. What one player wins the other loses. Game theory provides a useful tool for considering the choices facing competing parties. However it possesses a number of deficiencies when applied to international relations.

Firstly, whilst providing insight into the choice between alternatives in a particular situation at a point in time game theory can be useful. However akin to the invention of the one-time pad in cryptography it has design limits on its utility in ongoing situations.

Secondly whilst mathematically stimulating game theory becomes less useful when applied to situations with multi-players such as the 1990 - 1991 Persian Gulf crisis. More importantly it would have little utility alone in explaining international relations in a timely manner which is useful to the community trying to understand the central dynamics of the situation. It could be suggested that the complexity of decision-making and the qualitative factors involved cannot be represented by a static pay-off matrix alone.

The two actor game had some effectiveness as an explanatory tool for considering nuclear deterrence between the two superpower players in the cold war. As indicated in more general situations it loses its utility very rapidly.

Finally consider the debate surrounding the concept of belief systems. How can we assume that anyone can comprehend the full range of responses for each side and their relative worth on a payoff matrix? For example in the 1960s the United States sent ground forces to South Vietnam. It chose lightly equipped forces to demonstrate to the North Vietnamese the temporary nature of their intervention. However for the North Vietnamese the entry of United States forces was an escalation of the conflict regardless of the composition of those forces.

Nicholson acknowledges this problem suggesting that, ‘once we move from the explanatory to the normative the need to understand the goals of the actors and the conceptual framework in which they operate becomes clearer’. 61

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We shall see later in Chapter four that as a branch of mathematics game theory has developed greatly. Owen notes, ‘Some fifty years ago, the field seemed to consist of little more than the two co-authors of a book. Even thirty years ago, fewer than twenty researchers met at a workshop... Today annual conferences are held with several hundred participants.’ However, its development in the field of international relations has not kept pace with that elsewhere.

The basic concept has remained as a tool for considering the policy of mutually assured destruction in nuclear deterrence. Its other use has been for considering rational choice by states in the realist paradigm of which Morgenthau notes,

‘For realism, theory consists in ascertaining facts and giving them meaning through reason. It assumes that the character of a foreign policy can be ascertained only through the examination of the political acts performed and of the foreseeable consequences of those acts. Thus we can find out what statesmen have actually done, and from the foreseeable consequences of their acts we can surmise what their objectives might have been.’

However, this approach is not without its detractions. Firstly, given that every person possesses a rationality which is the product of their life experiences it could be asserted that all are different. How can one then claim a comprehensive understanding of rationality on the part of another? One response to the argument is that people in a society are socialised in a particular manner and whilst possessing unique characteristics

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are also socialised to have key characteristics consistent with those with whom they interact. 64

This still leaves the question, for students of international politics, of subjectivity. How can an analyst raised in a post-industrial liberal democratic environment comment on the rationality of a person from a fundamentalist religious culture? Rational choice theory may provide a coherent, intellectual basis as rigor for considering situations within the sphere of political economy and as such provides a useful medium for considering state behaviour in the first instance. More complexity is perhaps needed to take such analysis further.

THEORETICAL UNDERPINNING & EVOLUTION: MODEL II

The model II organisational process model sought to incorporate insights from the early development of organisational theory as a separate discipline. It also sought to utilise the behavioural theory of the firm derived from economics. It had moved a stage deeper. The level of analysis was no longer that of a unitary actor, instead the government was now represented as a semi-feudal alliance of organisations each with a particular identity and raison d’être. 65

This internal differentiation enables the derived outcomes of governmental institutions to conflict with one another. For example the outputs of the UK Treasury in determining and implementing affordable levels of public expenditure across

64 Thomas Schelling referred to this in his work as ‘vicarious problem solving’.
65 For further analysis of this metaphor see Ch. 1. p. 1. para. 3.
government could conflict with the Ministry of Defence’s primary goal of providing sufficient defence.

A second observation provided by an organisational focus is its ability to analyse the mechanisms used to carry out allocated duties unique to them. Organisations have inertia in this. Organisations then find planning for strategic change difficult. They have become used to planning for a static set of circumstances over time. Much the same as people are creatures of habit organisations, as aggregates of people, are no less so.

Allison’s examination of the missile crisis utilised the early writing on organisational theory to provide an analysis of irrational behaviour as the result of organisations following standard routines when faced with a problem. Cabinet decision-makers appointed by the political process were not necessarily aware of this. One instance of this being the continued over-flight of the Soviet Union by United States military aircraft to protect lost U-2 surveillance aircraft at the height of the Cuban stand-off. 66

Despite Presidential orders to stop over-flights of Cuba Intelligence sorties continued due to organisational politicking about institutional procedures such as command and control. 67 Since Allison’s analysis the number of works in the field of organisational theory has increased hugely.

THEORETICAL UNDERPINNING & EVOLUTION: MODEL III

67 Ibid. Ch. 4, pp. 122 - 123.
Since the Cuban missile crisis study Allison’s third model that of Governmental (Bureaucratic) Politics been used widely across a range of disciplines and situations as a potent explanator of decision-making. However its operating assumptions led Allison to choose to integrate it with model II.

It could be suggested as noted by Welch that this is inappropriate.68 This is because a number of valuable insights can be gained from a separation of the organisational process and governmental (bureaucratic) models. This richness risks being submerged in any amalgam of the two models whilst also rendering sense-making of the decision taken more complex.

The prime value of the model III approach came from focusing upon the interactions between the political players astride organisations, and the resultant decision. Decisions, according to the basic tenets of the model, are the consequence of the bargaining process between the principal players.

The inspiration for this model came from practitioners who sought to codify their experiences.69 As noted previously by Smith ignorance of psychological factors such as the impact of perception and the work of Janis on group-think tend to have taken the edge off its explanatory power.70

The Governmental (Bureaucratic) Politics model provides a key component in understanding decisions through the three lens framework. Attempts to modify, split or

69 op. cit. Hilsman and Neustadt.
merge this model with the Organisational Process one have been problematic. The original three lens conception provided insights into a key period during the cold war which have withstood efforts to invalidate them. This has led to its treatment as a seminal contribution not just for its explanatory insights of that incident but as a mechanism enriching our understanding of issues in public decision making in general.

It could be suggested that a relevant question to answer therefore is do the lenses really provide a robust generic means of analysis for events many decades after non-crisis, non-United States public decisions.

**SUMMARY**

This second chapter has had three objectives. Firstly it has outlined the source of the initial methodology employed in this study. This being the framework developed by Allison composed of three distinct models: The rational actor (I), Organisational process (II) and Governmental (bureaucratic) politics (III). Following analysis of the lenses the chapter has considered the subsequent use of the models and lastly critiques following publication.

Secondly the chapter has justified the framework’s appropriateness for use in considering decisions taken in British defence policy. The application of a structured methodology for considering a decision from several angles, and a number of hypotheses could yield a more complete picture of a shift in policy. Using a case-study

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70 *op. cit.* Smith in Clarke and White (eds.) (1989).
where access to original sources is possible enables the three lens analysis to be performed with the best data possible to test its effectiveness.

Lastly, the chapter has sought to evaluate the contemporary utility of the principles underlying the three model structure. For clarity of reference figure 2.2 overleaf summarises the concepts underlying Allison’s three models. The next Chapter applies this framework to an analysis of the defence review process conducted by the British government in the mid 1960s.

Figure 2.2: Summary of the Allison methodology.

<table>
<thead>
<tr>
<th>MODEL I – RATIONAL ACTOR APPROACH</th>
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<tbody>
<tr>
<td><strong>Level of analysis:</strong></td>
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<tr>
<td><strong>Organising concept:</strong></td>
</tr>
<tr>
<td><strong>Output:</strong></td>
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<table>
<thead>
<tr>
<th>MODEL II – ORGANISATIONAL PROCESS</th>
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<tbody>
<tr>
<td><strong>Level of analysis:</strong></td>
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<tr>
<td><strong>Organising concept:</strong></td>
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<td><strong>Output:</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>MODEL III – GOVERNMENTAL (BUREAUCRATIC) POLITICS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level of analysis</strong> - Actors astride organisations.</td>
</tr>
<tr>
<td><strong>Organising concept:</strong></td>
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<td><strong>Output:</strong></td>
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CHAPTER THREE: ALLISON & THE 1966 HEALEY REVIEW

The objective of this Chapter is to explore the 1966 review of British defence policy using Allison’s three lenses outlined in Chapter two to discover their applicability or not to this context. The chapter is organised in three sections. Each uses one of Allison’s lenses to viewing the processes and decisions behind the 1966 Defence review known as the “Healey review” after the then Secretary of State. The order in which this examination will be conducted follows the order in which the lenses were introduced; the Rational actor (I), Organisational process (II), and Governmental (bureaucratic) politics model (III).

As a means of assessing the utility of each lens, the chapter will address each in turn, using four hypotheses that the review occurred because of;

1. Personnel Over-stretch.
2. The politics of the United Kingdom’s retreat from Empire.
3. Politics relating to alliances such as NATO.
4. Economic considerations.

These hypotheses relate to the question of why the United Kingdom shifted from a maritime to a continental strategy in the mid 1960s. This also considers issues regarding the implementation of the decisions described.

There are many other possible hypotheses from this period that could be used to test the Allison framework however these four were firstly expressed in the 1966 Defence
White Paper and by many commentators at the time. It should be stressed in addition that hypotheses such as over-stretch and the UK’s economic performance have been consistently put forward as reasons for adapting Britain’s defence posture. It therefore seems appropriate to consider them here.

In order to situate Britain’s shift in strategy it is first necessary to consider briefly the heritage of British strategic thinking and the development of its two main competing schools of thought. The geographic location of Britain in proximity to but not on the mainland of Europe is suggested as having influenced the development of strategic thinking. In recent times one author has sought to define British strategy in terms of a peacetime and wartime paradigm.

The peacetime paradigm was that Britain’s main security objective is a stable Europe. In practice this meant that Britain would only engage in Europe in order to prevent one state or group of states from dominating continental politics. When Britain did not have to intervene she pursued global commercial interests and colonial expansion. The instrument for this latter strategy was the maritime capability embodied in the Royal Navy.


2 The works of Greenwood, D are illustrative of this effort esp. Budgeting for defence (London: Royal United Services Institute 1972).
The wartime paradigm is derived largely from the writings of Clausewitz. His teachings suggested that in war the objective was identifying the enemy’s centre-of-gravity and placing it in a position, through manoeuvre, of having to surrender or face a battle of attrition, or to use the military parlance, ‘inventory exchange’. Some of Clausewitz’s detractors interpreted his thinking to mean that his doctrine solely favoured the destruction of the opposing army by attrition.

The continental school were advocates of the Clausewitzean approach as a necessity in preventing the emergence of a Europe hostile to Britain. This justified a large professional army, compared to what Britain had previously, which was the precursor for the credible pursuit of such a continental strategy. Historically the use of British forces to balance between unequal foes in mainland Europe was a central part of British defence strategy in pursuit of a favourable balance-of-power.

Conflicts such as the Napoleonic wars were the justification for the continental school of thought. Such engagements were costly but vital for shaping European development in a manner serving British interests. Maritime struggles against the Spanish among others justified the maritime school of thought. This claimed a large navy provided Britain with the flexibility to pursue its world-wide interests.

Corbett, one of the early writers on British strategy sought to distinguish the British maritime school from the German continental. Corbett noted Clausewitz’s influence upon the latter, ‘his outlook was purely continental, and the limitations of continental

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warfare tend to veil the fuller meaning of the principle he had framed’. 5 His thesis adapted Clausewitzean logic to maritime strategy suggesting that,

‘the only circumstances by which we ourselves can profit are such as permit the more or less complete isolation of the object by naval action, and such isolation can never be established until we have entirely overthrown the enemy’s forces.’ 6

The American naval strategist Mahan noted the value of the maritime strategy to Britain suggesting, ‘The one nation that gained in this war was that which used the sea in peace to earn its wealth, and ruled it in war by the extent of its navy.’ 7 In the early Twentieth Century Maritime strategy was suggested as providing Britain with the flexibility to develop the Empire to its political advantage. A continental strategy on the other hand pursued during the First World War was highly damaging. 8

Arguably the debate between these schools of strategic thought has been crucial in determining British defence policy. In this century authors have sought to understand Britain’s strategic place in the world in the light of one or other of these positions. 9

It is arguably possible to separate the arguments for particular commitments and force structures as derived from one or the other schools. In the early 1960s East of Suez was

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6 ibid. Ch. 6. p. 87.
8 Liddell Hart, *The British way in warfare* (London: Faber & Faber 1932). Ch. 1. pp. 38 - 41. Liddell Hart suggests that had the maritime strategy continued without continental intervention the blockade of the German economy coupled with French resistance would have ended in the same result with far fewer British losses.
a classical embodiment of the maritime school. The Royal Navy’s forces provided Britain with the flexibility to deploy forces rapidly to Kuwait in 1961. Prompt action stabilised the situation there and reinforced British prestige in the Gulf.

British forces in Germany were deployed on the basis of the continental strategy. Large army formations were deployed to deter a potential conflict with the Soviet Union. The British membership of NATO could be seen as an indicator of its preparedness to accept the continental strategy. However until the Healey Reviews it could be suggested that it was of secondary importance as a focus for defence strategy.

The following three sections seek to examine the shift in the strategic orientation of British defence policy in terms of its through the use of the four hypotheses – Personnel Over-Stretch, Politics of Empire, Alliance considerations and economic performance. These will be examined through the three lenses developed by Allison – The Rational actor, Organisational process and Governmental (Bureaucratic) politics models.

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THE HEALEY REVIEW VIEWED THROUGH THE RATIONAL ACTOR MODEL

This first analysis of the 1966 Defence Review shall use Allison’s Rational Actor model. As discussed earlier this model is predicated upon rational choice by a value-maximising, homogenous state. Decisions in this model are the outcome of weighing the costs and benefits of competing alternatives and choosing rationally amongst them. We shall evaluate each of the four hypotheses; Personnel over-stretch, Politics of Empire, Alliance Politics and Economic considerations for face validity as a driver for change in the circumstances described.

HYPOTHESIS ONE: PERSONNEL OVER-STRETCH

The socialist administration elected in October 1964 inherited declining numbers in the armed forces. Arguably the previous administration had not reconciled declining personnel with a complimentary reduction in commitments. Britain in the 1960s was experiencing a rapidly changing socio-economic environment. An Estimates Committee report noted that an increasing number of service personnel chose to marry at an earlier age. This influenced the financial costs of posting service personnel to overseas bases. The committee concluded that, ‘roughly speaking, one married soldier costs the same as three single soldiers.’

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3 ibid. p. viii.
The larger number of families posted abroad caused an accommodation crisis. The domestic situation was little better. In 1964 one minute from the Chief Secretary to the Treasury to the Prime Minister illustrates the situation, ‘we need in the United Kingdom more than 100,000 married quarters. Towards this we have got available or under construction 65,000 units as well as 12,000 hirings.’ The minute went on to conclude, ‘nevertheless, despite this new attack on the problem it will be at least six or seven years before we have broken its back.’

Britain’s strategy of maintaining a series of bases and garrisons around the globe to support its operations all required large capital investments to secure them. In terms of the rational actor model the security imperative of reaction time to overseas crisis outweighed the financial costs of the strategy. In 1959 it was noted in the House of Lords that seven hundred service personnel were living in tents in Aden.

Such conditions led to an increasing number of service personnel being forced to undertake unaccompanied tours. This prompted the comment in the House of Commons, ‘only bachelors need now apply to join the Army surely sums up the whole wretched situation?’

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5 ibid. p. 2.
6 ibid. p. A. In the minutes of evidence to the Estimates Committee, when asked to define the difference between a base and a garrison, Sir Richard Glyn observed, ‘Would it be right to say that a garrison is for local defence and a base for defence over a wider area? - yes I think this is true’.
Overseas construction projects totalling up to £17 million included the £5 million development in Aden, new facilities for the Commonwealth brigade in Singapore at a cost of £8 – 9 million, and a further £2 - 3 million on the Royal Air Force base on Singapore Island.  

Further complication for Britain’s defence planners were posed by the independence movements in the Empire. Various territories were seeking political independence and internationally recognised sovereignty. Once independent, these new states requested that British forces vacate their territory. They felt that they could not claim to be independent if garrisons of their former masters were present. In the aftermath of the Suez crisis the new states were further worried that bases might be used without their consent for operations which they did not support.

As unitary decision-makers the rational actor model would view the independence movement as creating new players, thus making the pay-off matrix larger, unwieldy and its results less useful compared to Britain and Empire as one decision-maker.

In the 1964 general election both the Conservative and Labour party committed themselves to increasing domestic economic growth. The Conservative manifesto promised that, ‘We shall give first priority to our economic growth, so that Britain’s national wealth can expand by a steady 4 per cent per year.’ The Labour party by contrast having spent thirteen years in opposition was somewhat guarded in its aims,

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9 Hansard comment by George Brown ‘the other day’ in Hansard col. 976 31/01/63.
promising, ‘a faster rate of economic expansion.’ However in opposition it shared the goal of 4% per annum growth as being viable.

Following success at the October 1964 election the Labour Chancellor noted that the 50% growth target for the 1960s set by the International Organisation for Economic Co-operation and Development was one which they, ‘could not aim lower than.’

Given that defence absorbs people at a young age when they are best able to contribute to the economy, there is a clear opportunity cost in terms of economic progress. One author noted that the new Labour government could, ‘justify a substantial shift of emphasis toward economic development, simply on grounds of relative effectiveness.’

For the Rational Actor explanation this illustrates the competing alternatives which the value maximising state had to weigh up – economic performance as opposed to military security overseas.

Between 1950 and 1973 the average growth of UK gross domestic product was 3%. Further average retail price inflation growth during the period 1950 to 1967 was 3.8%. Lastly, unemployment during the period 1950 to 1970 was 1.85% on average. These figures suggest a relatively healthy economic performance, with high employment, and restrained inflation. However, when compared with the performance

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13 Callaghan, J. Time & Change (London: Collins 1987). Ch. 5. p. 164. The IOECD was later renamed the Organisation for Economic Co-operation and Development or OECD.
16 ibid. p. 189.
17 ibid. p. 100 and p. 112.
of fifteen other advanced nations Britain’s economy grew by the least average amount annually. 18

The cessation of compulsory National Service in 1960 stemmed from the 1957 defence review led by the Conservatives and Duncan Sandys. This intended a fall in the personnel of the armed forces from 578,700 in 1959 to 423,100 by 1964 (approximately 25%).

The Army being the largest organisation in personnel terms was reduced in size by nearly 40%. 19 In the same period the Army was employed in 22 operations overseas aside from its normal German and Singaporean commitments. 20

The Royal Navy during this period was facing difficulty in retaining personnel. Shortly before the 1964 general election A memorandum from the Secretary of State for Defence to the Prime Minister defined the core of the Royal Navy’s problem, ‘not only is there a deficiency of young men coming forward... but the number of trained and skilled... is steadily falling away.’ 21

A couple of reasons for this are suggested in the 1966 Defence Review. The figure for annual hours underway of naval ships increased between 1956-1957 and 1963-1964 by

18 ibid. p. 8. Table 1.4.
19 Personnel figures are all accumulated from the annual Statement on the Defence Estimates (London: HMSO). Table I: Personnel Strengths. All figures are actual figures for the 1st April of the relevant year.
approximately 20%. The number of days when ships were underway without rest increased in the same period by 40%. Lastly the ratio between ships being at sea or in harbour for rest or refitting increased from 1 day at sea to 4 days at rest in 1956-1957 to 1 day to 1.5 days in 1963-1964.

What did these statistics mean in practice? Clearly the greater the time at sea for naval vessels heightens the stress placed upon the ships and their crews. The dramatic increase in time underway without rest was seen to have had a deleterious effect upon morale and retention rates. Especially for the young skilled technicians who dealt with the sophisticated communications and electronic warfare equipment.

In terms of options this over-stretch relates directly from the choice of Britain to effectively choose the ‘non-decision’ regarding resources versus commitments. The non-decision as a consequence naturally stretches further the personnel and machines comprising the defence establishment.

The Minister for Defence (Royal Navy) wrote to the Secretary of State for Defence in May 1964, ‘The Navy is 1,300 ratings below strength... but 90% of the current shortage falls on the senior and leading technical rates.’ 22 The average wage of the male manual worker was above £20 per week in 1966. 23 When compared to unmarried ratings who received £10 per week and married ratings who were paid £15. 24 With these technical skills they could transfer to the private sector where their abilities were in short supply.

22 Earl Jellicoe to Thorneycroft, 13th May 1964, Public Record Office DEFE 13/277.
23 op. cit. Brown. Ch. 5. p. 133.
24 ibid. Ch. 5. p. 131.
Against this background British defence planners struggled to maintain a credible defence posture across the breadth of their commitments. A committee chaired by a future Chief of the Defence Staff in the wake of the Suez débâcle was established to consider personnel requirements. Its central premise was that an all volunteer army of 220,000 would be the lowest possible size if Britain were to continue to discharge its responsibilities.

The nature of the disparity between army personnel and commitments can be illustrated easily. The Hull committee assumed that 50,000 personnel would be required to fulfil the commitment to NATO in West Germany. Additional forces were needed throughout the Middle and Far East. Further the idea was developed in the early 1960s that garrisons could be reduced in size and replaced by mobile reserves based in the UK. A 1964 strategy document defined the composition of the strategic reserve as follows,

'(1) One division of two infantry brigade groups. (2) One independent parachute brigade group. (3) Augmented, when required, by one Royal Marine Commando and one RAF Regiment Field Wing.'

Figures vary for the size of a British brigade in this period. An authoritative source suggests a figure between 4,000 and 8,000 - the greatest variance of any of the major

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25 This was known as the 'Hull Committee'.
powers listed. Given this the strategic reserve would require between 12,000 - 24,000 plus 800 - 1200 Marines and Royal Air Force Regiment personnel.

The same source attributes further personnel commitments in the order of approximately 14,400 in the United Kingdom garrison, 800 in the Persian Gulf, 8,000 - 16,000 in Aden, some 8,800 in the Far East area, 600 in Cyprus plus an extra 1,000 with the United Nations, 4,000 - 8,000 in Berlin, 1,600 on Malta, and 800 troops in Gibraltar.

Further commitments included approximately 92,000 allocated to training, 72,000 engaged in supporting roles, 28,000 in the Whitehall bureaucracy, and 1,000 conducting research. Given the total armed forces possessed 423,100 personnel in 1964 the nature of over-stretch becomes readily apparent.

The Secretary of State for Defence inherited a situation in 1964 of increasing commitments and difficulty in maintaining personnel levels. A key meeting at Chequers in November 1964 sought to identify and remedy the flaws in defence policy. The Prime Minister noted,

‘There was an excessive strain on the troops themselves, especially unaccompanied service. Something had to give: it had to be commitments. The pressure on manpower was such that the following year the trooping the colour ceremony would have to be

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29 ibid. p. 18. For the purposes of calculation one battalion equals 800 personnel.
30 op. cit. Brown. Ch. 5. p. 130.
cancelled if there had been one further call for troops to deal with an emergency situation.\textsuperscript{31}

This issue was the first to be mentioned in the interim Statement on the Defence Estimates 1965, ‘The present government has inherited defence forces which are seriously over-stretched and in some respects dangerously under-equipped.’\textsuperscript{32}

Given the commitment by the government to the rapid expansion of the economy the transfer of personnel to the economy was essential. The cancellation of the HS-681 transport aircraft was a clear indication of the decision to reduce emphasis on the maritime strategy of maintaining forces in the UK for deployment overseas in a crisis.

It could be argued that a shift in emphasis to a European continental commitment provided the armed forces with a clarity of direction and stability give the previous period of over-stretch. Having been given clear commitments they could proceed to determine a future force structure in line with the personnel they could recruit and retain. As the evidence suggests morale within the armed forces was diminishing. This adds to the Rational Actor interpretation and its focus on state value-maximising behaviour choosing European as opposed to East-of-Suez engagements.

Retention of key personnel skilled in the use of increasingly sophisticated equipment was necessary but had an economic opportunity cost. The government could thus rationalise a decision to reduce commitments and focus upon the continent. The focus


on a continental strategy enabled two benefits. Firstly the force structure allocated to NATO for the defence of Western Europe could be clearly defined enabling personnel requirements to be determined. Secondly the government could pursue its priority of concentrating on domestic economic strategy with a ceiling on defence personnel resource requirements.

This is all compatible with a Rational Actor focus. Personnel shortages within the state forced decisions on whether to carry-on in an under-strength manner or to maximise the return on the defence budget by changing the focus of the deployments.

The decision to shift policy towards Europe over the East of Suez commitments was emphasised in the Statement on the Defence Estimates 1966. Regarding NATO the paper commented, ‘The security of these islands still depends primarily on preventing war in Europe. For this reason, we regard the continuation of the North Atlantic alliance as vital to our survival.’

In practical terms this meant that while the personnel projections contained in the 1966 White Paper projected falls of only 200 in 1967 and a further 1,700 in 1968 this nevertheless meant a decline in over-stretch. In the period the army was projected to increase by 3,500 and 700 extra personnel after 1 and 2 years respectively while both the Navy and RAF were to be reduced in size by 1,500 and 4,600.

34 ibid. Table I: Personnel Strengths. Figures shown are for the 1st April of the relevant years.
To summarise our conclusions on this hypothesis the British government had the twin goals of encouraging rapid economic growth as well as ‘contributing our share to NATO defence and also fulfilling our peace-keeping commitments to the Commonwealth.’  

Given the difficulty in maintaining sufficient personnel to execute its tasks it was inevitable that a decision be made to curtail commitments and redistribute resources released from the review to a sustainable continental focus.

This also meant that while an increasing percentage of manpower would be available to each service highly skilled labour available for production would be released from the defence sector. Given the Labour party’s commitment at the election to, ‘mobilising the resources of technology under a national plan, ‘allowing labour to move from defence to more productive sectors was a desirable goal.’

Once again the value-maximising aspect of state decision-making comes to the fore. The rational actor model sees cost benefit analysis favouring technological development requiring a need to release the younger citizens from relatively unproductive military service.

Because of uncertainty surrounding the timing of Commonwealth countries independence, defence planning required stronger direction to enable the creation of policy. The statements resulting from the 1966 Defence Review placing primacy on Europe. This enabled that planning to occur.

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36 ibid. p. 3.
Naturally the armed forces still had to provide resources for political commitments East of Suez. However the 1966 decision and subsequent reviews set target dates for withdrawal from Britain’s remaining Imperial commitments. This enabled a resolution of the personnel problems which had dogged the effectiveness of Britain’s armed forces throughout the 1960s. The Rational Actor model handled personnel over-stretch by changing strategy to enable the state to realise its stated commitment to economic development within the security posture it desired.

HYPOTHESIS TWO: POLITICS OF EMPIRE

This second hypothesis using the Rational Actor model seeks to explain the shift in the United Kingdom’s defence strategy in the mid 1960s as the rational response to a changing international political environment. The United Kingdom as a unitary actor reacted to its environment in a manner consistent with rational behaviour by altering its security posture accordingly to maximise achievable political value.

When comparing maps depicting the key trade routes, staging posts and bases of the British Empire at the start of the Twentieth century and later in the 1960s it appears that little has changed. The issue which is relevant to this hypothesis is that the garrisons dispersed across the territories East of Suez were often justified to maintain a secure route between Britain and its most populous dominion India which contributed to Imperial trade.

37 The 1966 Defence review indicated that it would leave retain no military presence in Aden or Saudi Arabia following its independence in 1968. The supplementary statement on Defence in 1967 indicated that forces in the Far East would be halved by 1970-71. In 1968 it was decided that all forces stationed in the Middle and Far East would be withdrawn by 1971
38 See Air Ministry to Minister of Defence, 18th October 1962, Public Record Office DEFE 7/1819. Map attached to memorandum. Also, Kennedy, P. The rise and fall of the Great powers: Economic change
The routes for trade between Britain and India can be traced through Imperial signposts. Sailing South past West Africa, Ascension island, St. Helena, around Cape Town and Southern Africa, North past Kenya to Aden and onto Colombo An alternative route ran from Kenya, West to the Seychelles and onto Ceylon and the East coast of India. Typically this voyage would take 30 days at 16 knots. The faster route post-1869 lay through Gibraltar to the Mediterranean, past Malta, and through the newly built Suez canal in British controlled Egypt, past the protectorate of Aden onto Colombo. This route took only 17 days.

This trade route provided Britain with a huge market for products and access to resources and labour at the zenith of the Empire. The Indian army also provided Britain with extra forces for policing its possessions East of Suez, enabling the British armed forces to be kept at relatively low personnel levels. For most of the Nineteenth century Britain was the pre-eminent global power. Its command of the sea passages through the Royal Navy and large territories gave it access to unrivalled resources. This was coupled with the industrial revolution giving Britain an immense technological lead.

In rational actor terms decision making in the security field was relatively simple because of a combination of being rich in resources as well as people, technology and a societal acceptance of the use of military capability.

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The First and Second World Wars served to stimulate nationalist movements in the dominions. The conflict in continental Europe was of an attritional nature causing Britain to raise forces from abroad to supplement the Allied forces in Europe. These Wars resulted in many casualties from the contributing dominions of the Empire. The loss of soldiers in conflicts of little direct relevance to their own society provided fertile material for nationalist movements.

In the period between the First and Second World War the Dominions acquired a greater level of independence vis-à-vis Britain. Having been committed to war in 1914 by the cabinet of the United Kingdom, there was keen interest in re-defining the relationship between dominion and Britain in the post-war period. Proceedings at the 1926 Imperial Conference resulted in the following definition of Britain and the Dominions being:

'Autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the crown.'

This definition enabled dominions to gain greater control over their relations with other states. For the unitary state, Britain found new decision making centres emerging which would complicate its own calculations in future. It could be suggested that the Second

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World War signalled the end of the British Empire. India supported the British war effort on the expectation of seeking independence afterwards and indeed became a sovereign state in 1947. Regarding its loss the Chief of the Imperial General Staff noted, ‘the keystone of our Commonwealth defence was lost. Without the central strategic reserve of Indian troops... we were impotent.’

In terms of the Rational Actor model the shift which occurred at the Imperial Conference of 1926 could be viewed as a rational choice to maximise Britain’s security by enabling change. If Britain had chosen not to reform its relationship it risked the consequence of civil war and huge internal unrest. The pragmatic definition of relations enabled security to be maximised while not losing members of the Empire.

Nationalist movements such as that of Nasser in Egypt pushed for British forces to leave their territory. This was stimulated partly by the reverses faced early in the Second World War. These tarnished the image of British supremacy causing the dominions to contemplate the appropriateness of continued British rule.

Britain’s subsequent need to re-build after the wars forced the country to seek increasingly greater contributions of resources from the dominions. This in turn caused greater resentment of Britain and stimulated the various movements indicated earlier.

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42 Imperial Conference, 1926. Inter-Imperial Relations Committee, Public Record Office CAB32/56. p. 2. Section II.
The intervention in Suez was crucial. It brought home the atrophy which had occurred in British influence since 1939. The forced withdrawal from Egypt had political ramifications for the dominions view of British stewardship. More importantly Suez changed British perception’s of the value to it of the Commonwealth.

In the aftermath of the Suez failure British defence policy began to shift. The 1957 Defence review signified a shift toward the development of a strategic nuclear deterrent force. The British army was to be reduced in size by ending National Service by 1960. As a consequence this reduced the number of personnel available for policing operations through-out the Commonwealth.

The early 1960s saw a renewed interest in the forces committed East of Suez. Operations which the British armed forces could influence were exclusively conducted within Africa, the Indian Ocean, and far East. Success in deterring a threatened Iraqi invasion of Kuwait was highly influential in determining the British view of the necessary strategy to pursue. 46

It could be suggested that the success of British policy in steering its Imperial territories toward independence was the undoing of its defence strategy East of Suez. Many of the newly independent states were reluctant to grant the British armed forces the right to use facilities or their airspace in an emergency. This in part was due to a wish not be seen

46 HMSO. Cmnd. 1639 Statement on the Defence Estimates 1962: The next five years (London: Her Majesty's Stationery Office 1962). The justification of joint operations was justified in p. 9. para. 23. ‘The considerable degree of sea and air mobility was amply demonstrated in the operations in July 1961 to support Kuwait.’ Further, ‘The use of task forces with a significant amphibious, seaborne military and air power can be exerted wherever our interests require it’ p. 11. para. 26.
as subservient to their former rulers. The result of this for defence planners was that air routes for strategic reinforcement in times of crisis followed the sea routes used by the Empire at the turn of the century.

By 1964 the unitary state had considered its alternatives and favoured supporting many of its colonies to independence rather than rule by coercion. As a consequence the state was left with a depreciating global military capability without the economic infrastructure of Empire to support it.

The central problem by the 1964 election lay in the nature of a strategy. It had become essentially reactionary. Such a strategy whilst maintaining maximum flexibility and freedom of action was consequently hostage to events. To maintain an orderly transition to independence the British government found it often had to be prepared to use its armed forces to quell discontent.

This would have been exacerbated had the government suggested publicly and on the record that it no longer favoured its role East of Suez. By maintaining a political commitment by a reasonable military capability Britain’s overseas domains and territories could feel secure in a stable path to independence.

The 1964 election brought a new party to office and so enabled a reconsideration of the basis of defence policy. The previous government interpreted Britain’s rational interests as to continue its commitments to British dominions awaiting independence and all

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47 See op. cit. James, Ch. 1, p. 22. James cites the instance of Nigeria refusing Britain staging rights in 1962. op. cit. Darby, Ch. 3, pp. 122 - 124. Darby discusses the impact of the Suez crisis on British
western orientated regional security organisations; NATO, CENTO, and SEATO. 48 This was reflected in an audit of the basis of defence policy presented to the Secretary of State for Defence shortly after the 1964 election. 49

The new government held a two day conference at Chequers to discuss defence policy. Given that between 1962 and 1964 nine countries had gained independence the strategy document presented to the Secretary of State for Defence was somewhat out of synchronisation with developments overseas. It noted that;

‘Our strategy for the Sixties is based on a paper written in January 1962. Much of it still applies but a number of changes have taken place and these will have to be reflected in a new long-term strategy when it is written. Before a new strategy can be written, however, we need to be given firm political objectives and assumptions for the 1970s.’ 50

During a foreign affairs debate at the House of Commons the Prime Minister alluded to the fact that international developments were forcing a re-evaluation of policy. 51 The 1965 Statement on the Defence Estimates was presented in February. 52 Essentially, it was a routine document with few major announcements prior to the publication of the 1966 Defence Review. There were however suggestions as to the direction in which

defence planning and the subsequent difficulty in gaining access to staging facilities.

48 NATO, the North Atlantic Treaty Organisation was created on 04/04/1949. Parties included Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and United States. CENTO, Central Treaty Organisation was established on 19/08/1959. Membership included Iran, Iraq, Pakistan, Turkey, and the United Kingdom with the United States as an associate member. SEATO, the South-East Asia Treaty Organisation was established in September 1954 following the Manila conference comprising Australia, France, New Zealand, Pakistan, Philippines, Thailand, United Kingdom and United States.


50 ibid. p. 1.

51 Hansard. 5th Series vol. 704. Session 1964-65. Foreign affairs debate 16th Dec. 1964 at 4:12 p.m. The Prime Minister noted, ‘The House will agree that recent developments in world affairs require all of us to re-examine the lines of policy on which we and our allies have been working’.
policy was moving. The cancellation of the HS-681 transport aircraft project had ramifications for the concept of a strategic reserve in Britain which could be rapidly transported East of Suez.

The independence of Singapore held a pivotal place in the re-orientation of strategic priorities. Without India the system of garrisons and bases could be judged as providing a strategic life-line to Singapore. Without Singapore the policy appeared to have no clear rational geopolitical aims. The rational actor calculus regarding East-of-Suez was thrown into flux by this event.

Against this backdrop the Opposition party called for a withdrawal from East of Suez. The unilateral declaration of independence of Rhodesia was a further development as was continued confrontation by Indonesia in the Far East. These crises were a challenge to the fundamentals of British policy. Due to the success of British arms the Indonesian case resulted in an accommodation. The Rhodesia situation proved a continuous impediment to clear policy definition by the Wilson government.

By the end of 1965 the debate centered around two options. The first was the need for a continued commitment to the defence of British territories and the Commonwealth. The second was to focus on continental Europe and the pursuit of membership of the European Economic Community.

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52 *op. cit.* Cmd. 2592. p. 5. para. 1. ‘The government has inherited defence forces which are seriously over-stretched’. Further, ‘The present government has therefore set in train a series of studies on defence policy... in the light of these studies it will be possible to review our strategy’ p. 5. para. 2.
As discussed previously the East-of-Suez option had become problematic. Many nations were reluctant to allow Britain access to their territory to suppress disturbances elsewhere. This fundamentally undermined the policy. Further, the new Commonwealth was composed of states each with its own set of priorities. Against this backdrop defining the exact nature of a future policy East of Suez was effectively impossible, and so presented a difficult argument to sustain with only political rationality.

In comparison Membership of the European Economic Community (EEC) provided a relatively clear alternative. To some the choice was to irrationally maintain relationships with under developed economies of little political relevance, or rationally joining a community of European nations enjoying rapid growth. As noted at a meeting of the Defence and Overseas Policy Committee (Official),

‘If Britain allows herself to be excluded from Europe, she will be increasingly isolated from what is becoming one of the main political and economic power centres of the industrialised northern world.’ 53

In terms of the Rational Actor Model this evidence is significant. The view expressed is that of a unitary entity facing two options between which it had to choose in order to maximise its security in terms of social and economic well-being.

Further the United States President, who in 1964 had been keen for British forces to be kept East of Suez rather than in Europe, was by 1966 urging British membership of the European Economic Community. 54
The decision was made to forego the East of Suez role and accept the continental European focus. The 1966 Defence review cancelled a proposed new aircraft carrier. It did state its intention to instead buy a US aircraft to carry out the same role. \textsuperscript{55} It made clear that military activities outside Europe would only be carried out with allies in future. \textsuperscript{56} Lastly it indicated Britain would withdraw from Saudi Arabia and Aden in 1968. The following month the Labour government was returned to office with a substantially increased majority.

In July of 1966 economic problems led the government to re-evaluate its public expenditure commitments. By this time the period of confrontation with Indonesia was approaching a conclusion. The opportunity would exist for the government to end commitments East of Suez.

The Queen’s address to parliament in 1967 emphasised Britain’s role in the NATO alliance. It indicated the government’s willingness to pursue entry to the European Economic Community. \textsuperscript{57} It only remained to divest Britain of its remaining East of Suez commitments. In 1967 it had been indicated that the numbers of personnel...

\textsuperscript{54} Johnson to Wilson, 16th November 1966, Public Record Office PREM 13/808. Regarding the European Economic Community Johnson remarked, ‘Your entry would certainly help to strengthen and unify the West’.
\textsuperscript{55} op. cit. HMSO Cmnd. 2901. para. 8 - 12. ‘Canberra aircraft replacement’.
\textsuperscript{56} ibid. para. 19.
\textsuperscript{57} Hansard, 5th series, vol. 753. 31st October 1967, col. 4.
deployed East of Suez would be reduced. The *Statement on the Defence Estimates 1968* took the decision to evacuate most commitments in the Far East by 1970-71. 58

In summary the decision to move from a maritime strategy East of Suez toward a continental European strategy was the resultant of interest maximising rational choice between two alternatives. with the independence of India by the mid 1960s many of the reasons for having maintained bases and garrisons in Imperial territories had diminished. The 1966 and subsequent reviews were a logical response to the requirement to the changing nature of British interests.

From the Rational Actor perspective the 1966 shift was one whereby given the alternatives to remain East-of-Suez or to focus on Europe, European engagement offered the greatest benefits to the British state and society. Therefore the rational response to this decision was disengagement from East-of-Suez and a restructuring of the armed forces to match the new emphasis of orientation.

**HYPOTHESIS THREE: ALLIANCE CONSIDERATIONS**

We have earlier hypothesised that the 1960s shift in British defence emanated from personnel shortages and changes in the international political environment. This third hypothesis suggests that the change in defence policy arose from the requirement to support its allies, particularly the United States in its ideological struggle with the Soviet Union. Changes in the strategy adopted by NATO and influenced by the US had

ramifications which the United Kingdom could only support at the expense of commitments elsewhere.

In the immediate aftermath of the Second World War, the annexation of Eastern Europe by the Soviet Union led to fears that the rest of Europe could soon become part of the Communist bloc. Churchill’s ‘iron curtain’ speech in Fulton, Missouri was symptomatic of the then evolving cold war confrontation between East and West.

Nervousness in the United States about the vulnerability of Western Europe to Communist expansionism led to a diplomatic initiative which provided economic assistance as well as security guarantees. Out of the latter NATO emerged in 1949. An initial lack of available personnel in Western Europe led the United States to provide the bulk of the soldiers. Further they gave assurances that their atomic arsenal would be used in the event of aggression by the Soviet Union with its larger conventional forces.

The concept of extended deterrence to protect Western Europe provided the stability necessary for economic reconstruction to be undertaken. United States forces provided a trip-wire which when crossed by Communist forces would trigger a massive nuclear attack on the Soviet Union. Massive retaliation provided the centre piece of NATO strategy through-out the 1950s.

This “trip-wire” strategy was undermined by the Soviet development of atomic and subsequently thermonuclear weapons in the 1950s. No longer was it sufficient to threaten a nuclear response to an attack on an ally. The credibility of massive retaliation
became suspect. Strategists postulated that if the Soviet Union mounted a minor incursion would such an aggression result in an American nuclear riposte that would rationally put its own integrity at stake?

Rational cost-benefit state based decision making in the early 1950s regarding the nuclear response against a non-nuclear aggressor had needed to be revisited in light of a new pay-off matrix where both players were nuclear armed. The possible consequences in this game were nuclear devastation in a mutual exchange, conventional military defeat of one of the players, or an unlikely peace being achieved.

British thinkers in the 1950s struggled with these problems. The result of their deliberations were articulated by Buzzard in the concept of graduated deterrence. During this period there was a cross-pollination of strategic concepts across the Atlantic as well as technical assistance. The United States strategists thought about the concepts of ladders of escalation whereby an act provokes an appropriate response. The problem lay in communicating the rationality of these acts and the availability of rational responses by our opponents. As the volume of research on strategies for conducting nuclear conflict increased there was an equal interest politically in giving serious consideration to fighting such a conflict.

It was realised that the strategy underpinning NATO was flawed, and an alternative required. In the United States the Kennedy administration grappled with the problem.

Their solution was the strategy of flexible response. In essence the strategy sought to meet threat with like response. This effectively meant that the conventional capabilities available to the alliance had to be increased in order to be credible in countering the conventional threat posed by the Communist bloc.

In opposition the Labour party were keen to emphasise conventional force improvements over the deterrent force. Their own thinking resonated in harmony with the critique of Mutually Assured Destruction (MAD) made by the United States Secretary for Defence. The Labour government’s first statement on defence noted, “at present all NATO forces in Germany are deployed in accordance with a strategic concept which in our view requires revision.”

The new strategic thinking created problems for the European members of NATO. For some years they had enjoyed relatively low cost security provided for them by another state. For Britain the nuclear guarantee enabled them to use their strategic reserve forces as a pool of labour to draw on to assist in emergencies East of Suez. In the summer of 1964 this pool was less than a brigade in strength. This was all that was available to assist NATO in an emergency. Clearly in the rational calculus nuclear weapons were essential given the opportunity cost to the economy of maintaining a conscription programme such as national service.

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The new Labour administration was presented with the opportunity to consider afresh its defence strategy. Flexible response required the deployment of forces and capabilities ranging from the infantryman to the ICBM. As one author noted the ‘McNamara strategy’, ‘presupposes the existence of such forces. If any ‘rung’ of the escalation ladder were absent, the link... would be lost, and the deterrent would lose credibility.’

This improved strategy appeared to enhance the credibility of the NATO defence posture. However it would require the support of the major allies. For the British the strategy required a definite decision regarding their policy. The Secretary of State for Defence, whilst in opposition, had collaborated in writing an academic paper challenging the nature of Mutually Assured Destruction (MAD).

Britain’s strategy in late 1964 noted the imbalance between capabilities and commitments. It noted that, ‘on occasion it has been necessary to withdraw units and administrative personnel from NATO.’ Regarding European strategy the paper noted further,

‘Our strategy is designed to prevent the outbreak of general war. To this end we support the North Atlantic Alliance as a bulwark against Soviet encroachment. This calls for NATO forces sufficient both in numbers and non-nuclear and equipment to deter such aggression.’

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67 *ibid.* p. 4.
However as one author suggested Britain was prone to shape its policy with a view to maintaining its relationship with the United States. The British government had received Submarine Launched Ballistic Missiles on generous terms from the Kennedy administration. They were thus keen to demonstrate their solidarity.

Initially the United States were keen for the British to continue their East-of-Suez role. Indeed, given their commitment to the defence of South Vietnam from the Communist North, the United States were eager to take advantage of British military experience. Further the British government were willing to remain East of Suez. The Defence and Overseas Policy Committee (Official) noted the implications of the special relationship between Britain and the United States;

‘This disproportion between our real and our apparent strength, and the dependence on our allies and especially on the United States which is implicit in it, means that the choice of a future role for Britain can only be partly ours.’

The efforts of the United States Secretary of Defence to centralise control of nuclear weapons and integrate British strategic forces into the American nuclear plan inevitably affected the policy of the United Kingdom in the cold war.

The new Foreign Secretary stressed the world-wide deployment of British forces in 1964, ‘since it was on these that our influence with the United States largely rested.’

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68 See op. cit. Wilson. Ch. 4. p. 48. For a description of the first of several requests.
Why therefore did the Labour government switch to support NATO instead of pursuing a continued role East of Suez?

The new Secretary of State for Defence was presented with the criteria guiding the employment of British military force shortly after the 1964 election. Amongst these were the strictures that no forces greater than Brigade strength would be used outside of Germany. Further, logistic support meant that only one operation at a time could be conducted. Lastly and most importantly, ‘it is unlikely, however, that we would, at least without allies, attempt to intervene in the face of heavy opposition requiring us to mount a full-scale assault.’

This suggested that the British strategy of amphibious task forces and a mobile strategic reserve were not developed to the point where they could serve British political interests effectively. The choice therefore was to maintain an East of Suez role whereby British forces could only be committed for minor operations, and face the possibility of being rebuffed by the new Commonwealth. Alternatively it could build up its force posture in Europe in order to exercise influence, and hopefully attain membership of the European Economic Community.

In Rational Actor terms these were the alternatives which were weighed in a cost/benefit analysis leading ultimately to a decision and course of action. What evidence is there to support this hypothesis? One author described the new approach,

73 The EEC later became the European Community (EC) and more recently European Union or (EU).
‘Labour, in office, proceeded with the re-equipment of B.A.O.R. with a wide range of new and highly effective conventional weapons... Healey also adopted his predecessor’s planned war establishment for B.A.O.R. of 120,000 men, or about twice its current strength.’

The 1966 defence review was forthright in its views on the nature of Western strategy noting, ‘NATO must maintain enough conventional forces to deal with small-scale conflicts in the European theatre without automatic recourse to nuclear weapons.’ A further spur to the United Kingdom’s interest in European defence was as a response to those in the United States advocating reductions in the number of troops stationed in Western Europe.

If the NATO partners showed equal determination to contribute to Western defence it would enhance the Alliances’ credibility. A secondary consideration was that it would alleviate domestic pressure in the United States to withdraw forces from Western Europe. Finally it would strengthen Britain’s application to join the European Economic Community.

The 1967 Queen’s speech to Parliament, indicating the new Government manifesto included references to the goals of, ‘the early opening of negotiations to provide for Britain’s entry into the European Communities’, and, ‘to participate actively in the North Atlantic Alliance as a essential factor for European security.’

74 *op. cit.* Bartlett. Ch. 6. p. 212. BAOR is a military acronym for the British Army of the Rhine.


76 *Op Cit.* Bartlett. Ch. 7. p. 229. One US analyst thought cuts of up to a third were possible.

77 *Hansard*, 5th series 753, 31st October 1967. col. 4.
The 1968 Statement on the Defence Estimates sealed the decision to emphasise the NATO commitments stating both an intention to withdraw from its East of Suez role, and to concentrate activities in the European theatre. Further the statement noted, ‘our contribution would be formidable.’

In summary this hypothesis postulated a rational shift towards a continental strategy to defend Europe through the aegis of NATO inspired by its willingness to maintain good relations with its Allies in the United States and Europe. The evidence put forward seems to make this credible as a possible explanation for the change.

The consequence of the resulting decision was that the force structure of the United Kingdom’s armed forces had to be adapted and this meant that deployment for extended periods East of Suez were untenable.

Viewed through the Rational Actor prism the United Kingdom chose a European commitment when it could no longer sustain both a European and an East-of-Suez one in support of its alliance with the USA. Britain wished to retain its security relationship with the United States. It therefore had no other rational choice other than to adopt the flexible response strategy. The British chose to support the United States through NATO changing their force structure to comply with the new policy goal required by flexible response.

**HYPOTHESIS FOUR: UNITED KINGDOM ECONOMIC PERFORMANCE**

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78 *op. cit. Cmnd. 3540. p. 5. para. 3 a - b.*

79 *ibid. p. 3. para. 7.*
This final hypothesis suggests that the sluggish performance of the economy, balance of payments problems, and consecutive Sterling crises forced the Labour government to curtail public expenditure and so re-assess its defence priorities. Viewed through the rational actor lens Britain made choices about the nature of its security policy shaped primarily by economic considerations. In this hypothesis the continental strategy provided a plausible rationale for drastic reductions in defence expenditure.

The newly elected Prime Minister having read the Treasury briefing on the state of the economy realised that Britain was facing a deficit on foreign payments of £800 million in 1964 and 1965. He noted, ‘It was this inheritance which was to dominate almost every action of the government for five years.’

Britain’s balance of payments was £(382) million in 1964. This coupled to Britain’s determination to preserve the value of Sterling at $2.80 within the Bretton Woods monetary regime meant room for manoeuvre was limited. Britain was presented with a simple decision; either to de-value Sterling or to seek economies in public expenditure to make up the shortfall in economic performance. Both decisions had complex ramifications.

The decision to pursue reductions in public expenditure was made early in the first 1960s Labour government. At a meeting on the 17th October 1964 the Chancellor of the Exchequer notes, ‘we quickly reached a unanimous decision to maintain Sterling’s

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exchange rate.’  

The budget on the 11th November 1964 enabled the Chancellor to signal the start of a strict review of government expenditure. In his statement the Chancellor indicated his objective for public expenditure, ‘our first objective is to get the deployment of resources right... defence will be in the forefront of this examination.’

A memorandum to the Minister for Economic Affairs shortly after declared, ‘I outlined my ideas for this in the budget speech and we can now go ahead and set it in motion.’

What were the reasons for defence providing the key to public expenditure reductions? Essentially there were three reasons. Firstly the portion allocated to defence expenditure had increased rapidly during the 1960s. This is displayed below in figure 3.1.

These increases in the defence budget were a cause for concern with the Treasury. The Chancellor requested that submissions for departmental estimates for the 1965-66 fiscal year be submitted by the 1st of December for evaluation.

Figure 3.1: Percentage increase in the Defence budget, 1960-65.
During this period the Chancellor attended the ‘weekend of the crunch’ - the Chequers meeting where defence and foreign policy discussions were conducted by the new government. The Prime Minister noted following the conference, ‘it will take some months to complete such a review, but it should be possible to reach early decisions about the future of some of the particularly costly projects such as the TSR-2.’

A private minute to the Prime Minister on New Year’s Eve 1964 reinforced the position of defence in the Treasury’s deliberations, ‘The only point on the 1965-1966 estimates which I was urging at supper... was defence expenditure.’ Communication the same day between the Chancellor and the Secretary of State for Defence reiterated the importance of the defence review, ‘I must be in a position to give absolutely clear

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88 Callaghan to Wilson, 31 December 1964, Public Record Office T171/772.
evidence that we are stopping the increase in the growth of the resources which are being devoted to defence.’

By late 1964 it is clear that the decision making calculus had moved rationally from devaluation to public expenditure reduction. From this base the rational consideration of government services had identified defence as being the policy ‘cost centre’ most in need of evaluation. This was due to the discrepancy between resources and commitments.

A Cabinet presentation early in 1965 set the parameters of government strategy and their implications for defence expenditure. The Chancellor noted, ‘We should use as our starting assumption a growth of the gross domestic product of twenty five percent between 1964 and 1970.’ Given the projected growth of public expenditure by nearly a quarter between 1964 - 1965 and 1968 - 1969 the Chancellor stated, ‘in short we must reshape the programmes we have inherited from our predecessors.’

The Chancellor next proposed the method of reaching his goal of limiting public expenditure;

“The main way I see of achieving this aim is by containing defence expenditure... A major review is being undertaken of our defence policies to see what would be involved in keeping the defence budget at the 1964 - 1965 level of £2,000 million at 1964 prices not only in 1965 - 1966, but right through to 1969 – 1970.”

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89 Callaghan to Healey, 31 December 1964, Public Record Office PREM 13/18.
91 ibid. p. 3. para. 8.
The defence budget in 1964 - 1965 was shown as representing approximately a fifth of government expenditure. In order to meet financial targets it was determined that given Government’s financial priorities the defence budget would have to be reduced.

However for the newly unified Ministry of Defence were there still choices open to them in deciding what should be reduced? When considering the defence budget as a whole, there are many costs which cannot be terminated with ease. Like any business a large segment of costs are devoted to personnel and equipment maintenance. This left projects as representing the most vulnerable, high visibility targets for the budgetary scalpel.

The Chiefs of Staff Committee considered the situation at several meetings. At one meeting the Permanent Under Secretary realised the significance of a Defence and Overseas Policy Committee meeting where, ‘the Treasury paper, in associating commitments and resources, showed that a review of defence expenditure appeared to be inescapable.’ 93 In discussion it was noted that savings were available by sacrificing research and development in the aerospace industry and purchasing some aircraft from overseas suppliers.94

Given the imperative to minimise defence expenditure within a short time span, it could be suggested that the cancellation of procurement projects offered a short term solution. At a Defence and Overseas Policy Committee (Official) meeting in early 1965 the

92 ibid. p. 3. para. 11.
93 Chiefs of Staff Committee meeting minutes 67th/64, 10th November 1964, Public Record Office DEFE 4/176. p. 4.
94 ibid. p. 5.
Secretary of State for Defence recommended, ‘That the TSR-2, the P.1154 and the HS-681 should be cancelled and replaced by the F-111A (TFX), the Phantom, a developed version of the P.1127 and the C-130E.’ ⁹⁵

Further economies were to be achieved by cancelling one of the Polaris submarines which would carry the British nuclear deterrent. The rest of the programme was spared once the Labour government realised how few resources it required. ⁹⁶ Britain recognised that in economic terms the nuclear deterrent force once paid for was a cost-effective means of deterring a nuclear attack on the UK, but also added to the deterrence capability of the West to prevent a possible super-power conflict.

A further meeting recognised that cancelling equipment could not continue, ‘Savings in equipment were of a once and for all character and, in the long term, major reductions in defence expenditure could only be achieved by reducing the number of men in the services.’ ⁹⁷

The problem of foreign exchange transactions and the balance of payments could only be tackled effectively by reducing overseas commitments. A strategy document provided for the Secretary of State for Defence outlined the cost of Britain’s commitments abroad and is illustrated in figure 3.2 overleaf.

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⁹⁵ Defence and Overseas Policy Committee (Official) 1st meeting, 13th January 1965, Public Record Office CAB 148/18. The TSR-2 was a British aircraft designated Tactical Strike Reconnaissance. The P.1154 was a Vertical take-off and Landing aircraft of unique design. The HS-681 a new transport aircraft under development with similar characteristics to the United States C-130E. The F-111A was a US developed Bomber which had not yet been finished. The Phantom was another US aircraft which could be used as an interceptor or bomber.

The chart on the next page clearly illustrates the comparative costs of overseas commitments. But which commitments were chosen to be reduced over others and why? The Cabinet Office requested information which gave an overview of overseas costs. The total foreign currency expenditure by the government was £500m of which the total overseas defence expenditure comprised 50%. 98
The Defence and Overseas Policy Committee (Official) Long term study group reported in late October 1964. They considered the interaction between the political and economic consequences of the East of Suez commitment noting, ‘There must come a point at which the advantages of influence are outweighed by the weakening of our economy.’ 99 Among their conclusions was the statement,

‘if economic considerations should force on us the decision to reduce our overseas military expenditure and if there is a choice between the Far East and the Middle East we should seek to make reductions in the Far East.’ 100

The common feature of all of the White papers on defence in the mid 1960s was the reference generally within the first couple of paragraphs to the impingement of

economic considerations on defence. From a unitary actor perspective, the government speaking with one voice regarding economic considerations as being central to understanding decision making is highlighted by this evidence.  

The 1965 White Paper lamented the estimates bequeathed to it by the previous administration which had provided for growth of the defence budget by 8.7 and 8.9 % in years to come.  

The publication of the 1966 Defence Review was explicit in its statement that, ‘military strength is of little value if it is achieved at the expense of economic health.’

Following the Defence Review of 1966 a further Sterling crisis forced Ministers once more to contemplate drastic reductions in departmental expenditure. Once more contemplation of Sterling devaluation was not considered an option for several months by the Cabinet.

The next Defence White paper, in 1967, stated the impact of the economic situation on the budget,

‘The planned estimates for 1969-1970 were cut by £400m or 16 per cent, bringing them down to the 1964 level of £2,000m at constant prices. The estimates for 1967-1968 will be £73m below that figure.’

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100 *ibid.* p. 15. para. 33 (iv).
101 There has been a lively debate between authors Baylis, J and Greenwood, D on the scale by which economic considerations have influenced British defence policy. For an introduction to the author’s standpoints see Baylis, J (1984, 1989) and Greenwood, D (1972, 1991).
102 *op. cit.* Cmnd. 2592. p. 5. para. 1. 1963-1964 estimates were £1,838m, 1964-1965 provided for £1,998m and in 1965-1966 £2,176m.
104 *op. cit.* Wilson. Ch. 15. p. 257. See also *op. cit.* Healey. p. 333.
By the publication of the 1968 White Paper Whitehall had sufficient time to conduct a further review. A timetable for withdrawal East of Suez had been set. As noted in the paper, ‘the financial result of the review is that of a cut of £110m.’

The East of Suez commitment was reduced over this period but Germany was also a drain on precious foreign currency reserves. The difference it could be suggested was in tri-lateral discussions between the British, German, and United States governments. This resulted in the United States placing orders worth $35m to help Britain offset the costs of their commitment.

In summary this hypothesis postulates that economic considerations drove the process of change from a maritime to a continental strategy. The economic goals of the state had consequences for public expenditure and so given priorities the defence budget. Within the Ministry of Defence commitments were defined in terms of their economic costs. Clearly the economics of an East of Suez commitment were felt to be un-sustainable. It was therefore abandoned as impracticable.

We have indicated a significant body of evidence supporting this. The United States chose to maximise their own interests by supporting Britain to ensure its NATO commitments were sufficient to sustain alliance credibility. The UK choice between public expenditure and economic growth forced change in accordance with the self-interest value maximising nature of state decision making as represented by Allison.

107 Public Record Office PREM 13/808.
CONCLUSIONS

This first part of this chapter has sought to examine the shift in British strategy using four hypotheses within a framework which has emphasised rational choice on the part of the British state. In terms of choosing a particular hypothesis to represent the true objective reality of events this is not possible.

It could be suggested that all four hypotheses played a role in the events with differing weightings applying to them at different times. The hypotheses have assisted in structuring the enquiry into the situation and providing the reader with a richer understanding of the dynamics shaping events.

These hypotheses have seen strategic choice and decision making as guided by the concern of a state choosing rationally when faced with competing alternatives in a value maximising manner. For example the economic choice between de-valuation and curbing public expenditure was followed by a similar dispassionate consideration of which part of public expenditure to focus upon, with the defence review being the resultant.

A further example is provided in the loss of over-fly rights as a consequence of the failed intervention in Suez. This was crucial in preventing defence strategy working effectively. The British foreign policy swing from Empire to Europe was surely influenced by Britain’s inability to maintain its security posture.
The next section will take the same four hypotheses once more using Allison’s second lens, the Organisational Process model. The focus of this lens is upon the intragovernmental level rather than considering the state as a unitary actor, speaking with one voice. This lens considering the role of individual organs of state in generating, implementing and obstructing the formation of policy, suggesting many competing voices within government who can influence the shape and direction of policy.
THE HEALEY REVIEW ANALYSED THROUGH THE ORGANISATIONAL PROCESS LENS

Having considered previously an analysis of British defence policy as the result of government making rational choices among competing alternatives we now aim to appraise the same situation alternatively. Rather than considering decisions as the output of deliberations by a unitary actor we now seek to examine decisions as coming from how individual organisations operate and the blind conflicting interaction between institutional players.

As discussed earlier Allison’s second model, organisational process views governments acting as a result of standard operating procedures. This level of analysis sees government as a federation of distinct departments akin to feudal states each with its own responsibilities and administrative procedures for handling directives. ¹

The interaction of these organisations and their methods of implementing directives yield what the casual observer would recognise as policy. A useful starting point could be suggested as being the identification of the relevant institutional structures pertinent to a discussion of British defence policy making. There are many administrative entities which exist to provide the range of services demanded by modern government. ² In considering the administration of British defence policy in the mid-1960s figure 3.3 over leaf seeks to illustrate the key organisations.

In 1964 the Chief of the Defence Staff and his Chief Scientific Advisor had made strenuous efforts to reform the organisation of defence and had succeeded. The result of this was the formulation of the modern Ministry of Defence structure of the War Office, Admiralty and Air Ministry with effect from April Fool’s Day 1964. ³

Formerly part of the Ministry of Supply, the Ministry of Aviation had responsibility for the procurement of military aircraft on behalf of the Ministry of Defence. Its autonomy from the Ministry of Defence was justified because, ‘The Ministry of Aviation has wide responsibilities for civil as well as military research and development.’ ⁴

³ HMSO. Cmnd. 2097 Central Organisation for Defence (London: Her Majesty’s Stationery Office 1963). See also Guide to the contents of the Public Record Office (London: HMSO 1968). p. 34. Interview evidence suggests that the date chosen was not deliberate insofar as its connection with April Fool’s Day. Upon being informed by a member of his staff, Mountbatten was ‘surprised’.

⁴ ibid. para. 75. p. 12. In February 1967 it was abolished and its functions transferred to the Ministry of Technology (for electronics) and the Board of Trade (the remainder). See op. cit. Public Record Office (1997). Section 710/1/1.
The Foreign and Commonwealth Relations Office were two separate entities at this juncture with differing geographic responsibilities. The smaller Colonial and Central African Affairs offices were under the jurisdiction of the garrulously titled Secretary of State for Commonwealth Relations and Secretary of State for the Colonies and Central African Affairs. In 1966 the Colonial Office was merged with the Commonwealth Relations Office to become the Commonwealth Office.

The Treasury is one of the oldest administrative departments with responsibility for, ‘the control and management of the entire public revenue and its expenditure.’ The Public Expenditure Survey Committee or PESC process was an annual round of negotiations by which future expenditure requirements were determined.

The Department of Economic Affairs was created as part of the Labour Party election commitment manifesto. Its aim was to create a national economic plan in consultation with industry and the trade unions. The Department in effect aimed to split the functions of planning the economy from the control of public expenditure.

Having considered the central administrative entities involved in defining defence policy and its subsequent implementation we shall now consider the review in the

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5 The Foreign Office had responsibility for the management of the Government’s relations with those states neither in the Commonwealth or dependent on Britain. The Commonwealth Relations Office was formed in July 1947 replacing the Dominions Office. See The Guide Part 1 (London: Public Record Office 1997). Section 801/1/1 and 806/1/1.

6 ibid. Section 803/1/3.

7 ibid. Section 201/1/1.

8 Heclo, H & Wildavsky, A. The private government of public money (London: Macmillan 1974). Ch. 5. pp. 208 - 209. The authors suggest that the reforms of public expenditure control were provided from within government. For details of the Plowden Committee report see Cmnd. 1432. The control of public expenditure (London: Her Majesty's Stationery Office 1961).
context of the four hypotheses mentioned earlier. These four hypotheses; personnel over-stretch, politics of Empire, alliance politics and economic considerations will be evaluated through Allison’s organisational process lens.

**HYPOTHESIS ONE: PERSONNEL OVER-STRETCH**

The Labour Party elected in the Autumn of 1964 was committed to improving the quality of equipment in the arsenals of the Army, Navy and Air Force. The Party manifesto was explicit. It stated that, ‘Our strength will be on the strengthening of our conventional regular forces.’ In part this commitment was an attack on the failure of the Conservative government during the early 1960s to manage defence procurement projects effectively.

Once in office the new Secretary of State for Defence would become the arbiter between competing factions within his newly unified ministry. Armed forces personnel it was argued were over-committed and their commitments would have to be re-evaluated. However there existed a further pressure, that of the requirement to modernise combat equipment.

At this time the two most capital intensive services were the Royal Navy and Royal Air Force. Naval vessels and combat aircraft were becoming increasingly expensive with each succeeding generation. In the case of aircraft one author suggested that the production cost of the RAF’s aircraft had increased exponentially every year since the

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1950s. However modern equipment was generally speaking more capable, and had lower short term maintenance. One method of off-setting high procurement costs is to buy fewer items, this in turn enables personnel reductions so freeing resources to invest in new defence equipment.

Further as independent ministries the War Office, Admiralty and Air Ministry were each pursuing their own development agendas unrelated to the other services and the overall spending plans of government. If choices were to be made regarding whether projects would be continued or cancelled, a sound basis needed be established to make sound decisions. In organisational process terms these ministries were parochial in that they had differing responsibilities. Following standard operating procedures they were blinkered as to similar activities being conducted by other such organisations which could lead to conflict.

It has been noted that historically the defence budget has been split fairly evenly between the three services. In thinking about a smooth organisational process equality of treatment between the three services provided the defence establishment with a single definable rule of thumb for division of the budget. Given this the services simply pursue their own procurement strategies internally and distribute the budget to achieve the force structure each desired? The services could justify this autonomy because of the distinct specialist skills and judgement each required for its operational effectiveness.

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However given that the leaders at the top of each organisation are drawn from the political party in power rather than from the services there are political pressures to redistribute resources both within defence and from defence as we have seen in the first part of this chapter. This redistribution of public expenditure aims to increase value added for the electorate. The services have thus to steer large, expensive procurement projects not only in their own service terms, but in the broader sense.

The mechanism of choice for this exercise is the employment of strategy to which the ministers can relate and support in public expenditure battles with other Secretaries of State. In many ways political commitments provides the market for the individual services to serve and the collective Ministry of Defence its opportunity to claim a share of public resources made available by the Treasury. In terms of Allison’s lens the organisational outputs (distinct single-ministry strategies) began to over-lap leading to choices being made which would have direct institutional costs attached to failure.

The East of Suez commitment provides an example of just such an opportunity. For the Royal Navy the carrier task forces were justified as a flexible reaction to political developments in the region. The Army perceived commitments East of Suez as providing motivation for recruiting personnel to serve in foreign lands. The Air Force similarly saw its opportunity to justify procuring long distance transportation assets, re-fuelling capabilities and long range strike aircraft.
Fundamentally, it could be suggested that defence policy at its most strategic provides a tool for guiding resources towards the goals of individual services.

Once the Secretary of State for Defence initiated the review process the armed services would be expected, applying the organisational process model, to deploy their standard routines for justifying their own current individual status. Further the three services would articulate their future requirements as a means to maintain their own autonomy. The central protagonists in the 1960s review were the Royal Navy and Royal Air force.

Due to the personnel intensive nature of the Army which was very distinct from its rivals it was of lesser importance in a budgetary sense. In the early 1960s the service interests of the Royal Navy and Air Force were such that they found themselves in diametric opposition.

Amongst the armoury of tools available to them for putting their case to the Secretary of State for Defence were operational research techniques and functional costings. Operational research techniques were essentially quantitative methods aimed at providing a mathematically optimised solution to the problem posed. The mathematical result would be the standard of a given weapon system effectiveness in particular conditions, in defined terms of kill probability. Alternatively the figure could relate to the cost of the force structure for executing particular tasks. One example of this was a study which led to the assessment that 7 Buccaneer aircraft equalled 3 F-111A’s. 13
The results of such analysis are very susceptible to changes in the underlying premises on which it is based. The way in which a questioner frames a study can have a profound influence on its results. Secondly a risk exists that people will take the final result of a study such as the 7:3 ratio above and use it politically without mentioning the caveats underlying such a comment. 

Operational research would suggest itself as being the classic tool from a rational actor perspective. Its use of logic, scientific rigour and quantification would appear to be synonymous with the models view of decisions as cost-benefit choices to maximise value. In practice it could be suggested that the parochial use of these techniques by institutions shows a very different utility for the methods as standard operating procedures for protecting assets and extending the organisation wherever possible.

Functional costing was introduced to the newly formed ministry following a trial in the summer of 1964. A team of assessors visited Washington the previous year to examine the technique as used in the United States. The implementation of functional costing was regarded, ‘more as an information system to facilitate large-scale policy and programme reviews than as an indispensable tool of year-to-year expenditure planning.’

13 For details of Operational Research studies regarding the Buccaneer see Maritime Operations Working Party Paper: Use of land based aircraft in support of maritime operations, Table UE requirements for attack of 2 Kiddins (London: Public Record Office DEFE 13/115). Also DEFE 19/81 01/02/66 Annex A.
The technique broke costs down by both inputs and outputs. Inputs were characterised as sums devoted to resources such as service personnel and building costs. Outputs were regarded as functional capabilities for example air defence forces, expeditionary ground forces and naval anti-submarine warfare forces. The input costs of service personnel could be understood in terms of their contribution to the function provided in terms of a type of monetary calculus. The idea being that an output such as the Naval general purpose combat forces could be priced in terms of its financial requirements. Thus functional costing aimed to provide decision-makers with greater knowledge of the relationship between resource consumption and results achieved.\(^ \text{17} \)

The information system element of functional costings meant that senior decision-makers could identify the expenditures that would be redundant as a result of cuts in required capabilities. Choices regarding the retention of particular military capabilities can then be made on the basis of cost.

Whilst in principle the costings effort would appear to be a part of the toolset for rational decision making its practice by parochial organisations use of lobbying suggests its minimisation in the case which follows. Two major projects illustrate the impact of the underlying organisational processes as they contributed to the cancellation of the TSR-2 aircraft and the CVA-01 aircraft carrier.

The Royal Air Force believed that it was best positioned to provide Britain with its East of Suez capability for rapid intervention. By using a series of island bases it could provide facilities for transporting forces by air as well as launching punitive attacks

\(^ {17} \text{ibid. esp. Ch. 1. pp. 7 - 14.} \)
when necessary. The Royal Navy saw this as a task for the Fleet Air Arm and aircraft carrier support of the Army and Royal Marines in interventions.

The Island Basing strategy required the new aircraft. The RAF’s organisational processes had determined that the TSR-2 Tactical Strike Reconnaissance aircraft was required to make the strategy viable. A memorandum from the Air Ministry to the Secretary of State for Defence in 1962 included a map showing that the TSR-2 could cover the whole of Africa and most of Asia from the United Kingdom and selected bases overseas.  

From an organisational process perspective both strategies were classic. They were competing for the same set of resources yet both strategies were incompatible from each services point of view. Using the standard procedures to hand the institutions now sought to lobby to convince the central decision makers of the validity of their plan over others.

The Island Basing concept took account of several considerations; the spread of nationalism and restriction on the use of some airfields, continuing economic pressure on the defence budget, the likelihood of losing access to further airfields, that British interests East of Suez would continue to be important and somewhat paradoxically that it was proving difficult to determine the nature of political commitments in the following decade. 

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18 Memorandum to Secretary of State for Defence from Air Ministry 18th October 1962, Public Record Office DEFE7/1819.
19 Memorandum to Secretary of State for Defence from Air Ministry 18th October 1962, Public Record Office DEFE7/1782.
The Royal Navy’s solution had its roots in the success of the Navy in support of the 1961 intervention in Kuwait. This operation had a major impact on the 1962 strategy paper which formed the basis of the policy in being at the time of the 1964 general election. Further the Chief of Defence Staff, Lord Mountbatten, had personally steered the Navy away from total reliance on nuclear warfare and toward flexible task forces, quick to deploy with rapid effect.

A 1963 paper regarding the Naval Task Force proposal sought to determine areas of agreement between the services and the merits of each strategy. In terms of common ground it noted firstly that tanks could be moved to a theatre of conflict only by sea at this time. Secondly the use of air transport to ferry supplies was practical only for a limited period of 28 days. Further the concept of a protectable air head, in the theatre to which supplies are shipped was unproven. Lastly the reaction time of Naval and Air Force assets was about the same.

In terms of each ideas merits and detractions, the Royal Air Force was regarded as providing the cheaper alternative but assumed no opposition from the enemy at the point of entry into the theatre. The Royal Navy and the carriers offered a tangible physical presence, the ability to move heavy equipment, less vulnerable bases, integral air cover, and ease of egress should the situation require it. This balance sheet suggested the ascendancy from a purely military point of view of the amphibious task force strategy as being most appropriate.
The role of the aircraft carrier was absolutely clear two decades prior to the 1960s. It was the new decisive weapon for use in global conflict capable of destroying similarly equipped fleets of great power adversaries. As the threat of a major conventional war receded and atomic then thermonuclear weapons entered the arsenal the credibility of such systems atrophied.

The first phase of peacetime strategy for the Royal Navy saw the fleet’s being integrated into the new nuclear strategic world. The Navy aimed to survive the nuclear exchange, contribute to it where possible and then be capable of fighting conventionally thereafter. The question was whether such a strategy could be exercised and was it likely to be required anyway?

Against this the aircraft carriers in service were ageing physically, and deteriorating to such an extent in effectiveness that they would soon become obsolete. The question therefore from the Royal Navy’s perspective was whether broken backed warfare i.e. preparing for a protracted conventional conflict post nuclear exchange, provided a strategy which could commandeer support in Whitehall for a new carrier project?

An opportunity subsequently occurred for the aircraft carriers to prove their worth in new contexts. The Kuwait intervention arguably illustrated their worth. The fortuitous availability of a carrier group East of Suez enabled the effective deterrence of Iraq from invading its neighbour. 21 The benefits of such an exercise in support of the Royal

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Navy’s organisational process (supporting standard operating procedures and administrative routines) were three fold;

1) Politicians could see the political utility of successfully employing the armed forces in pursuit of British interests.
2) Operational lessons to be gathered from the exercise were likely to improve the efficacy of future interventions.
3) Lastly there were opportunities to use the Kuwait intervention to support a strategy shift towards the maritime strategy which the Royal Navy’s organisational processes were designed to support. It would not pass by the opportunity for ‘best practice’ to be distilled and developed for the employment of maritime power and the future requirements of the Royal Navy it would not let pass by.

Clearly offering its political masters a new strategy based on carrier task forces was easily communicated, as well as being attractive in value for money terms. This was no small consideration when trying to procure the next generation of capital ships. There was however a significant barrier to the effectiveness of this strategy. This was not the Treasury, politicians or even the armed forces of a hostile power. The challenge for the Royal Navy’s power was posed by the Royal Air Force.

Having discussed the centrality of the aircraft carrier to the routines and processes of the Admiralty we shall now turn to analyse the role of the manned bomber as a core parochial responsibility of the Royal Air Force.
The Royal Air Force had spent the last two decades confident in the utility to their organisational survival of the manned bomber. The current crop of politicians remembered the bombings of the Second World War and associated this with the need to sustain a strategic bombing capability.

The arrival of the Atomic and Nuclear weapons only added to the mystique of this service offered by the Air Force. However as for the Navy the immediacy of war’s faded away a new generation of politicians did not respond to the bomber argument in the same way as its ancestors. Technological development meant that the enormously expensive strategic ‘V’ bomber force developed in the early 1950s had been surpassed by submarine based missiles.

The Royal Navy’s ability to position itself as the provider of strategic interdiction stripped away a major raison d’être for the sustainment of elements of the traditional Royal Air Force’s organisational process. Through the organisational process lens one sees clearly the parochial responsibilities of organisations as contributing to their strength of resistance to change such as the transfer of nuclear deterrence from the RAF to the Royal Navy.

Clearly the RAF had to market itself well in a new role to justify its existing programmes for developing the next generations of aircraft needed to sustain its organisation. It settled on the global focus of its island base strategy, providing air power from island bases around the globe in support of British interests.
This set the Royal Air Force on a collision course with the Royal Navy. The prize for each was the sustainment of capabilities because each organisation had processes it needed to support. That of not only who provides air support of Naval forces, the Navy or Air Force but also who controls air support of British forces engaged in conflict i.e. Army, Naval and Royal Marine forces?

The consequences of a victory for either were clear in terms of the operational requirement for new equipment. It is however important to consider the budgetary implications of a victory for either. We noted before that the defence budget has been split relatively equally between the Army, Navy and Air Force over a period of years. 23 To marshal the tenets of the organisational process lens the output of the strategy review would be a result of arbitration between competing visions pushed by parochial institutions.

This meant that the bargaining games over the defence budget in the period discussed had never seriously wounded a competitors budget in the longer term. A win traditionally provided sufficient leverage at its margin enabling the procurement of systems vital to organisational rather than national defence ends. This was reinforced by the common choice of procurement as the first port of call in a defence review. Here if well handled, budgetary change in the short term would not necessarily lead to long term organisational damage to relative budgets.

22 For further details examine the Sandys review. Her Majesty's Stationery Office (1957).
In this instance one could argue that the future of an interdiction ability for the RAF was at stake. A Chiefs of Staff meeting at the time indicated that, ‘there would be a need for aircraft carriers to provide floating airfields... irrespective of whether this power is provided by the Royal Air Force or the Fleet Air Arm.’  

Clearly the corporate view then was that the Navy had every right to attempt to protect and if possible conceive the successor to the current generation of its main ‘decisive weapon’ system.

Arguments from the Admiralty and Air Ministry camps became increasingly vocal. The Chief of the Air Staff wrote a minute to the Chief Scientific Advisor suggesting, ‘I gather that the Admiralty now acknowledge that carriers and sea-borne support are useless for dealing with inland emergencies.’ This evidence it could be suggested lies in the grey area between the remit of organisational process lens focusing on institutions and governmental (bureaucratic) politics with its focus on players.

A further tactic deployed by the Air Ministry was to seek to have their Island Basing strategy compared directly with the new carrier programme. The Chief of the Air Staff sought to ensure that, ‘both sets of figures are put on a comparable basis’. As a more junior Air Ministry figure suggested there would be significant difficulty for the Admiralty in requiring £620 million as compared to the £45 million Island Basing strategy. The Admiralty were not long in finding a riposte. An Admiralty minute noted of the Air Force plan that,

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1963. Data for the early 1960s shows convergence to within 2% of the budgets of the Army, Navy and Air Force.

24 Chiefs of Staff meeting, 24th December 1961, Public Record Office DEFE7/2234.

‘The Island Basing strategy does not, on at least three main grounds, as follows, appear to be a valid concept: a) strategic reality, b) political feasibility, and c) military practicability... The proposed establishment of a large stockpile in Thailand... provides an excellent example of such inflexibility.’ 27

The Admiralty sought to project perhaps rightly an aircraft which both services could operate, the Buccaneer. To the Air Force this was a pre-emptive strike aimed at wrestling their organisational control of aircraft procurement. This rebuttal was delivered at several levels, the Defence Research Policy Committee concluded, ‘that the performance of the NA.39 [Buccaneer] falls so far short of the strike/reconnaissance requirement for 1965 in almost every respect that it cannot be seriously considered for this role.’ 28

The Chief Scientific Officer conducted an enquiry into carrier forces examining the common intellectual ground between the Navy and Air Force as well as the advantages and disadvantages of each. 29 The key points derived from that investigation were; the Navy provided integral air cover, was geographically flexible, was less vulnerable and provided a physical presence. In organisational terms the Chief Scientific Officer held an important role as a subjective official, not part of the armed services, who could dispassionately proffer advice on the technical merits of programmes.

The Royal Air Force alternatively possessed in the Island Basing strategy an un-proven concept which was based on the assumption of no enemy opposition at the point of

26 Kent to Lawrence-Wilson, 28th February 1963, Public Record Office DEFE7/1819. para. 2.
28 Strike/Reconnaissance aircraft note by the Air Ministry, Public Record Office DEFE7/1114. p. 3. para. 16.
entry. However it was lower cost in strictly financial terms. Significantly the study concluded that reaction times were about the same. The following month the Minister for Aviation requisitioned a copy of the study, probably in order to formulate an organisational response to its conclusions.

All this resulted in an internecine stalemate. With the relative autonomy of each ministry this meant that each continued work on its own programmes. In any event the CVA-01 aircraft carrier project and TSR-2 aircraft were still formative projects. The Army was quiet in all this being busy deploying troops world-wide by all means available and somehow attempting to honour the commitments the political process required of it.

The battle for survival commenced after the election of the Wilson government in October 1964. It had a mandate to reinvigorate Britain’s defences. Following the weekend presentation to the Cabinet at Chequers the defence review process sought to wrestle over the major evolving financial decisions in the mid 1960s defence budget. Already aircraft projects had been cancelled and the Air Force TSR-2 project was as a high profile case top of the list.

The central issue for the Secretary of State for Defence in the newly consolidated Ministry of Defence regarding the TSR-2 was that, ‘even if this project was continued it seemed certain that we could not afford to produce the successor to the TSR-2. The problem would therefore be postponed, not solved.’  

over a decade it would be possible to save between six and eight hundred million pounds by cancelling TSR-2 and purchasing American alternatives.

Given the broad Cabinet support for cancelling the project the Air Force channelled their efforts into obtaining the successor aircraft they wanted - the United States F-111A bomber. Indeed it was later noted that the Chief of the Air Staff saw the F-111A as superior to the TSR-2. 31 Scenting blood the Admiralty sought to push the Buccaneer as the joint service aircraft once more. The services rapidly started deploying biased analyses using briefing papers that were such as to cause sufficient concern to one civil servant within the Ministry;

‘I am worried by the fact that it lists only the pros of the F-111A and the cons of the Buccaneer, so that, if used by the Secretary of State, it will expose him to the risk of being charged with not presenting a fair case.’ 32

The Air Force followed through on this with its study already referred to in an earlier analysis showing that seven buccaneers were equivalent to 3 F-111A aircraft. This prompted the Defence and Oversea Policy Committee (Official) to note that, ‘the conclusion must be that a UK carrier force was very expensive in terms of cost effectiveness.’ 33

In the 1965 budget day address the announcement was made that the TSR-2 project was to be cancelled. However the Air Force were upbeat. It felt safe in having obtained

31 Defence and Oversea Policy Committee (Official), 5th meeting 1966, Public Record Office CAB148/25. p. 3.
32 Cottrell to Cooper, 1st February 1966, Public Record Office DEFE19/81.
agreement from the United States to procure the F-111A. This meant that the Royal Navy had by no means yet won the day. A previous Chief of Defence Staff had ruffled the feathers of his Chief of the Air Staff by intervening to dissuade potential export buyers of the TSR-2 by advocating the Buccaneer programme. 34

The Royal Air Force’s institutional memory could not forget this. Although the TSR-2 was lost a replacement was being procured apparently vindicating their strategy. With regard to the overall defence budget situation the Second Secretary for Public Expenditure at the Treasury noted that now the RAF had adopted a less expensive procurement strategy, ‘the Navy’s expansion was the main cause of the rising costs.’ 35

The Royal Navy could have followed the RAF’s line and have chosen to purchase surplus United States aircraft carriers. The United States Secretary for Defence wrote to his British counterpart following a request for assistance with the offer of transferring two Hancock class aircraft carriers to the Royal Navy for the sum of £50m each. 36 The Royal Navy deployed arguments against these carriers. These ranged from inappropriate messing arrangements to the more reasonable issue that 1,000 extra men per carrier would be needed to operate them. Given the Royal Navy’s concerns over recruitment and retention the latter argument was a relatively stronger one. 37 Following standard

34 Jackson, B and Bramall, D. The Chiefs: The story of the United Kingdom Chiefs of Staff (London: Brassey’s 1992), Ch. 11, p. 365.
operating procedures the Admiralty discounted substitutes in place of its carrier programme following the procurement cycle. From a political point of view however having a bargaining position or a single operational reason for discounting the US offer might have led to a different result.

Into this highly charged environment the Chief of the Air Staff minuted the Secretary of State for Defence with a minute entitled ‘The Defence Review - The case for dropping carriers’ 38 His arguments centred around the speed of carriers, their logistic tail, the risk of mishaps and vulnerability. In conclusion he noted, ‘it is impossible not to conclude that the carrier programme represents the least productive sector of the defence programme.’ 39

The introduction of new criterion for determining the relative merits of projects in resource terms, such as functional costing and the increased application of operational research techniques defined the challenge which the Royal Navy had to overcome. Quantitative methods of analysis meant that the aircraft carriers qualitative advantages, physical presence and geographical flexibility, were difficult if not impossible to put into these models.

The Defence and Oversea Policy Committee (Official) committee noted early in 1966 that the defence programme needed to be kept at £2,000 million at 1964 prices. The Carrier programme raised that figure to £2,120 million. Without it the figure would be

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38 Chief of the Air Staff to Healey, 22nd August 1965, Public Record Office DEFE13/589.
39 *ibid.* p. 8. para. 22.
only £2,055 million.  

At this point the Chiefs of Staff, Chief of Defence Staff and the Secretary of State wanted to cancel the CVA-01. Only The Chief of the Naval Staff and the Minister for Defence (RN) were still defending the programme.

The navy required a strong argument to prevail. The Chief of the Naval Staff presented a new plan regarding the structure of the proposed carrier programme. Reactions to this were mixed. The Admiralty Board ‘did consider their plan the better’. The Chief of the Air Staff predictably ‘had grave doubts on the accuracy of its costings’. The Chief of Defence Staff felt time had precluded him from analysing the plan properly. The Chief of the General Staff with considerable eloquence was noted as saying, ‘if the costing of the revised Naval plan were correct and if the plan did not affect the Navy or the air support with the Army required, he was in favour of it.’

The Secretary of State was under continuous pressure through-out this period to deliver defence goods at a cost deemed acceptable in both military and political terms. The pressures of the period guaranteed the loss of TSR-2 and later on CVA-01 in spite of resignation threats by the Minister of State for Defence (Royal Navy). He subsequently did resign along with the Chief of the Naval Staff. In his resignation speech to the House of Commons Christopher Mayhew suggested;

‘The rigid fixing of the defence budget in advance placed a heavy strain on inter-service relations… by rigidly fixing in advance a level compelling each service to fight for its own vital interests by fighting the vital interests of the other services.’

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41 Defence and Oversea Policy Committee (Official), 27th meeting, Public Record Office CAB148/25.
As a footnote the loss of CVA-01 in February 1968 ultimately did little to protect the Royal Air Force’s strategy East of Suez. The currency crisis of 1967 led to the purchase of American F-111A aircraft being cancelled (though the American’s proceeded with procurement) ending for the time being a bitter spat between two of the three services.

Considering this experience in the light of the organisational process model we can see the three services as actors in their own right with particular abilities and power in certain situations. For example the Army had responsibility for deploying its forces in accordance with the strategy of the day with little interference from the other services. However it had little power to advise on the positioning of Air Force aircraft or Naval vessels.

The planning horizon within the organisation was defined by two issues, the public expenditure process and the procurement cycle. The Long Term Costings (LTC) detailing plans for the next decade have been discussed by one author as being somewhat arbitrary in the projections they used at the end of this period. 43 A better indicator of the organisational process pressures within each service would be served to define the core procurement issues for the particular service and backtracking to see where the start of the new procurement needed to be in order to have a replacement system in service at time ‘n’.

In terms of organisational goals it is clear that where the services were concerned their individual survival was the desired end state. At no point was the disbandment of one
of the three services considered. The strategy of dominating ideas about how defence should be conducted appeared to be seen to have large organisational pay-offs in terms of who gets which equipment, the sequence of provision to the three services and in what quantity.

Their organisational goals secured, the services sought to defend their conception of strategy that served their ends. This meant that organisational processes were heavily influenced by past practice and tradition. These in turn influenced force structures and so issues of procurement. In the 1960s the RAF and Royal Navy had visions which clashed directly with one another.

Common to both services was the desire to sustain their organisational processes by introducing new generations of sophisticated hardware sustaining and hopefully extending their technical expertise. They traded off personnel employed against new equipment. In economic parlance they sought to become more capital intensive organisations.

The British Army still required a large personnel base for performing its missions. Indeed during the start of the Defence Review commitments actually increased. Further the issue of manpower over-stretch combined with the other services desperate need for key equipment limited their role in the inter-organisational battle described and their vulnerability to organisational manoeuvring.

HYPOTHESIS 2: POLITICS OF EMPIRE

British foreign policy played a key role in the shift in focus from East of Suez to Europe. This analysis seeks to identify the part organisational implementation of the politics of Empire played in determining the shift toward a European security focus. In this hypothesis the Royal Navy and Royal Air Force Ministry were uninvolved. The Army was affected indirectly from the difficulties between the principal departments responsible for foreign affairs as will become apparent. The Army’s garrison strategy was affected by outside actors as shall become apparent.

Responsibility for British foreign policy was divided between the Foreign, Colonial and Commonwealth Relations Offices. Each of these three Departments had distinct responsibilities. The Foreign Office was described in the early 1950s as being concerned with the political and economic relationships with foreign powers as well as the protection of British subjects abroad. 44

The Commonwealth Relations Office had responsibility inherited from its previous title of Dominions Office. It acted for the British government on all issues to do with the members of the Commonwealth. 45 The last of these organisation, the Colonial Office was chartered to administer the various remaining territories of the British Empire which had not yet become independent. 46

There existed little interdependence between the three foreign departments. Colonies intending to become independent would become the responsibility of the Commonwealth Relations Office, and those pressing to become independent of the

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45 ibid. pp. 142 - 146.
Commonwealth altogether would fall under the purview of the Foreign Office. This description of distinct roles is consistent with the tenets of the organisational process characterisation of institutional actors.

The Foreign Office’s seniority in the hierarchy of foreign departments was underlined by the large proportion of senior grade civil servants in its employ. This was second in Whitehall only to the Treasury. \(^{47}\) Some officials saw the artificial division between Foreign and Commonwealth ministries as nonsensical. The Plowden report of the early 1960s saw that the, ‘logic of events points toward the amalgamation of the Commonwealth Relations Office and the Foreign Office.’ \(^{48}\)

There is an oft repeated maxim in defence circles that ‘defence is the servant of foreign policy.’ \(^{49}\) One commentator has noted however that, ‘there was no integrated policy during these years, but instead several lines of policy pursued independently by the various departments with interests in the area.’ \(^{50}\) To reinforce this perception a former Minister for Defence in the late 1950s described foreign policy toward Africa as ‘very bitty.’ \(^{51}\)

\(^{46}\) ibid. pp. 137 - 142.
\(^{47}\) ibid. p. 169.
\(^{49}\) This relationship has been referred to often. Notably in Wallace, W. *The foreign policy process in Britain* (London: RIA 1975). Especially Ch. 5. In the 1960s this was noted by *op. cit.* Darby Ch. 4. p. 135. Healey himself noted that, ‘our defence has always served our foreign policy’ in Williams, G & Reed, B. *Denis Healey and the policies of power* (London: Sidgwick & Jackson 1971). Ch. 8. p. 187. The most recent Secretary of State for defence has referred to the fact that the Strategic Defence Review, ‘will be foreign policy led and MoD will work jointly with the Foreign and Commonwealth Office to establish a policy baseline’.

\(^{50}\) ibid. Ch. 4. p.136.
\(^{51}\) ibid. The quotation was by Anthony Head, Minister for Defence (1956 - 1957).
In practice how does this lack of co-ordination manifest itself in the defence environment? One such area of particular difficulty related to overseas bases. Darby described in considerable detail the problems experienced by the Ministry of Defence with regard to this. \(^5^2\) Securing the co-operation of the foreign departments with regard to protecting assets they needed for the strategic deployments East of Suez was extremely difficult. \(^5^3\) In terms of the organisational process model the outputs of these organisations were not mutually supportive. Rather their standard operating routines led to actions being pursued contrary to one another’s interests.

The co-ordination issues involved arise from three considerations. Firstly with regard to planning the Defence and Foreign departments operated on different planning time scales to defence. The planning horizon for the armed services was in the region of five to eight years that of the Foreign departments was very short term. One military figure described the Foreign Office as possessing, ‘a deep-seated prejudice against forward planning’. Clearly this was problematic for a Ministry of Defence seeking to make contingency plans with implications for procurement. In terms of the organisational process paradigm poor co-ordination maximised the potential for slippage of any benefits toward which the departments were working.

Secondly the cultural difference engendered by these organisations was also distinct. The Foreign departments were regarded as interested primarily in other countries intentions. Defence organisations as we have seen focused on sustaining capabilities in the face of technological and strategic change. This made realistic threat assessments

\(^5^2\) op. cit. Darby.  
\(^5^3\) ibid. pp. 140 - 141.
difficult to attain. Further when attempting to define defence commitments how does one distinguish between those where capability is irrelevant and those where intentions are not an issue?

Thirdly, there appeared to be a problem of communication between the Ministry’s regarding strategy. The Ministry of Defence would stress the requirements necessary to maintain bases in various countries, for example certain legal privileges and access to particular infrastructure. However the Colonial Office was reluctant to give time to the Ministry and when it did the Defence organisation had no confidence that it was taking their requirements seriously enough.

Clearly the organisation’s goals were at odds with one another. There were strong shades of difference between the Foreign Ministry’s. Clearly the Colonial Office was focused on the practical policy issues of governing territories. The Commonwealth Office derived its influence vis-à-vis other foreign departments based on the size it could sustain for the Commonwealth. It would be difficult therefore to imagine it not having an interest in independence for countries that wished it.

An example of this lack of co-ordination can be observed with the Army’s experience in creating a garrison in Kenya in the 1950s. The Chief of the Imperial General Staff was keen to establish such a garrison for economic as well as military reasons. It was noted that, ‘he would be happy to see it surrounded by an aura of semi-permanence since that would help the War Office bully the Treasury about accommodation and amenities.’

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54 Extract from an eighth meeting of the EADC, 10th July 1954, Public Record Office CO968/462. The quotation referred to Sir John Harding.
However the Colonial Office was less enthusiastic about the proposal. One minute stated emphatically, ‘there is no case which the Colonial Office could sponsor… the idea is inconsistent with current strategic thinking.’ Following a feasibility study the Prime Minister became aware of the organisational struggle under way.

The Kenya base was not seen as an appropriate idea to pursue. The study noted that, ‘the climate, communications and lack of technical manpower made it [Kenya] unsuitable as a base, and it was found to be uneconomic as a store-holding area.’ The wishes of the War Office were thus frustrated.

Following the Suez debacle the Arab countries denied permission for the British to fly across their territory. In this new environment with East-of-Suez cut off from Europe by air the idea of establishing a garrison in East Africa was reconsidered. In spite of the problems identified previously Army planners were directed to assume that, ‘the duration of their stay would be from 10 to 15 years.’ This organisational unwillingness to realise the impact of environmental change is indicative of perception problems highlighted by the organisational process model.

Meanwhile the view in other parts of government was that independence was some time away. Those entering service with the overseas departments were instructed that Kenya

55 Bennett to Lloyd, 9th November 1954, Public record Office CO968/462.
would be a colonial territory for decades to come. 59 There was however dissent in Kenya at this deployment. A prescient newspaper article carried by the Scotsman raised concerns over the base centring on the wave of de-colonisation underway in Africa and the radicalisation of African nationalists by the deployment of British military might. 60

However against the backdrop of Prime Minister Macmillan’s ‘winds of change’ speech the Colonial Office had pushed ahead with plans to transfer power to the colonies. The Colonial Office in essence administered British territories, it did not instigate policies towards them. The Foreign and Commonwealth Relations Offices had no files of significance related to Kenya prior to its independence.

Darby noted that it was nearly 1961 before the War Office began to rethink its investment in Kenya. 61 The lack of communication between the Colonial Office and the Defence departments was indicative of an organisation pursuing goals whilst not recognising the impact of its policy upon other groups. The Defence Ministry’s reluctance to address the changing environment at an earlier opportunity is indicative of ‘cognitive dissonance’.

Cognitive dissonance occurs in organisational processes when decision-makers in an organisation discard information not conforming with their belief system in order to pursue their organisations ‘best interests’. This situation repeated itself a few years later with regard to the Aden base.

59 ibid. Ch. 4. p. 206.
60 Scotsman (10/12/59). ‘Anxiety over UK base in Kenya’.
In the context of the 1966 Defence Review the key organisational mechanism for influencing policy in the area of interest was the Cabinet Defence and Oversea Policy Committee. This small group comprised the central decision-makers in government. It was serviced by the Defence and Oversea Policy Committee (Official) composed of civil servants and officials.  

This official incarnation provided a filter for processing requests for information and filtering data back to its political counterpart.

One of its early responsibilities prior to the ‘weekend of the crunch’ at Chequers in November 1964 was the preparation and discussion of pertinent position papers. Here the role of the foreign departments in setting out the reasons for withdrawal East of Suez can be observed clearly.

At the outset the Committee was instructed to consider British interests and commitments overseas avoiding justifying the status quo. The sub-groups charged with examining the Far East and Middle East commitments had been instructed to assume, ‘that within the next decade Britain had been deprived by one means or another of the bases at Singapore, or Aden, or both.’ By setting parameters such as these the defensible value of maintaining a security presence East of Suez were being conditioned.

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61 op. cit. Darby, Ch. 4.
63 op. cit. Williams & Reed, Ch. 9. p. 193.
65 ibid. p. 1. para. 3.
In terms of economic reasons for maintaining a presence the paper went on to state that, ‘our economic interests in South-East Asia are not a significant factor in any consideration of the consequences of withdrawal from the base.’ 66 Therefore the paper was forced to accept at the outset that a presence East of Suez had no de facto rationale.

Its depiction of the European situation was somewhat different. Regarding the Eastern Bloc, ‘major changes in Soviet policy toward the West that could justify reducing our present troop commitments are unlikely to occur within the next ten years.’ 67 Further more Europe was not only a more immediate security concern but also of vital importance to Britain. The paper counselled as we have quoted before that, ‘if Britain allows herself to be excluded from Europe, she will be increasingly isolated from what is becoming one of the main political and economic power centres of the industrialised western world.’ 68

The report which would have been circulated to the political Committee provided a clear justification for shifting strategy to Europe and away from East of Suez. The Official Committee provided a communication channel, but more importantly a means to enable foreign policy issues to influence the political decision-makers. This organisational committee was able to shape the perceptions of senior decision-makers.

Organisationally the politics of Empire was fundamental to shift defence priorities toward Europe. The Army’s problem of securing garrison sites overseas for the

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66 ibid. p. 3. para. 9 (a).
68 ibid. p. 10. para. 25.
strategic reserve because of de-colonisation meant that to remain East-of-Suez was untenable. The problem illustrated with Kenya was later repeated with regard to Aden.

The loss of these bases meant that air transportation would have to be relied on. Given that air transportation could not be guaranteed following the Suez crisis the choice between Europe and East of Suez became clear. If the army were to plan effectively for its future development it would have to focus upon the defence of continental Europe. Whilst not the sole reason for withdrawal clearly the inability to maintain a coherent presence outside of Europe would have been a major contributory factor in forcing a re-alignment of strategy with commitments.

In summary the organisational initiatives of the three foreign departments and the Army were such therefore as to define a context for the decision on future resource allocation which would best suit their organisational routines and process. In terms of the politics of Empire these parochial institutions carried out individual routines which led to conflict and misperception between them. Ultimately the outputs of these organisations forced by default a retreat from East-of-Suez.

**HYPOTHESIS 3: ALLIANCE CONSIDERATIONS**

Several reasons have been advocated as being responsible for the shift in British defence policy from a stance East-of-Suez to that of a continental commitment. This third hypothesis seeks to examine one of these reasons that of alliance politics as being a central determinant for the shift from defence East-of-Suez to focusing on European commitments.
This hypothesis will be seen through the lens of the organisational process model with its focus on organisations and the outputs of their procedures as determining policy decisions. The key institutions in this hypothesis are the armed services, the Ministry of Defence and sister ministries in countries of the NATO alliance.

The NATO Alliance provided the British Ministry of Defence with a significant role in Europe as one of the senior military partners. The scope for collaboration with other members’ Ministries was suggested by at least one writer as providing, ‘a powerful protection against Treasury assaults on the defence budget.’ However NATO strategy in the early 1960s was still focused on conventional forces only able to fight for a short period of time before resort to nuclear weaponry.

Clearly in organisational process terms this was not conducive to the maintenance of a large procurement programmes for military equipment and materiel. In the British case the Ministry of Defence was able to project strategies related to the wider commitment East-of-Suez. The Army had its strategic reserve so deployed, the Navy had its Task Forces concept and the Air Force possessed its Island Basing strategy. The Air Force had enjoyed close bi-lateral co-operation with the United States in targeting nuclear bomber tactics prior to losing the strategic deterrent role to the Royal Navy.

With the 1964 amalgamation of these disparate organisations into a unified Ministry of Defence it was possible to consider strategy afresh. Senior NATO members including

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69 op. cit. Wallace. Ch. 5. p. 122.
the United States and United Kingdom were contemplating a new strategy to replace one which was being seriously questioned as providing deterrence.

As already seen the alternative strategy articulated was one in which conventional forces would be reinforced in order to be able to respond flexibly to any form of aggression perpetrated against NATO members. In late 1964 British strategy toward the Soviet Union meant that, ‘this calls for NATO forces sufficient in number and non-nuclear and nuclear equipment to deter such aggression.’

Clearly such a strategy had a requirement to procure equipment appropriate to the commitment as well as providing justification for force structures. Further these force structures could be based upon clear knowledge of the opponent and his organisation. Following a preliminary examination of projects the Secretary of State as we have seen cancelled several delayed aircraft and purchased alternative American designs.

Throughout 1965 the Defence Review process led to a series of studies which sought to assist in the process of choosing the necessary capabilities within the financial ceiling. By January 1966 it was clear that the Navy would follow the Air Force in terms of losing a major equipment programme.

In the face of financial stringency the government saw one priority as minimising its foreign exchange requirements alongside the maintenance of an appropriate world-wide

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70 Chiefs of Staff Committee minutes 27/10/64 - 17/11/61, Public Record Office DEFE4/176. p. 4 (a).
71 The United Kingdom - United States logistics arrangement enabled the sale to the United Kingdom of the F-111 bomber to replace the TSR-2, the C-130 Hercules to replace the HS-681 and the F-4 Phantom multi-role aircraft.
military presence. The Alliance politics hypothesis requires the analyst to consider the impact of foreign states wishes in influencing British defence policy to favour one commitment over another.

The records of a meeting in the United States in January 1966 appear to add credence to such external organisational interventions. NATO countries were very keen to reduce their contribution to the alliance ahead of the start of conventional arms negotiations with the Warsaw Treaty Organisation (WTO). The United States Under Secretary of State noted that, ‘we all feel that some reductions in Europe would be possible militarily, but that the beginning of reductions might unravel commitment by others. This was our principal concern here.’

The Secretary for Defence was concerned with West Germany’s attitude to changes in the force structure of the Allies caused by the integration of newer generations of combat equipment. He noted that, ‘If we withdraw a battalion, it is taken as an indication that we are modifying our political commitment.’

McNamara’s British counterpart was clear about his organisation’s concerns. The British forces in Germany were incurring significant foreign exchange costs as well as military commitments increasing, however, ‘to reduce the BAOR would make it appear that the UK was opting for outside Europe rather than into Europe... but if no foreign

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73 ibid. p. 303. The Under Secretary of State was George Ball.
74 ibid. p. 304. The Secretary of Defence was Robert S McNamara.
exchange savings can be made, the British would be forced to make cuts in their forces in Germany. ’ 75

Further the Foreign Secretary echoed the United States view that, ‘it would be good for other NATO nations and for France to realise that we could carry on if necessary without France.’ 76

What were the implications of all this foreign influence for the 1966 Defence Review? Firstly it could be suggested that it shows the organisational ties between sister departments of state in an Alliance. The Ministry of Defence and the Department of Defence were both concerned with keeping forces in West Germany so as to maintain a credible defence of Western Europe. The Foreign ministry’s likewise shared the view that the recent abandonment of the integrated NATO military structure by the French created a situation where any significant reductions by others would endanger the Alliance’s credibility in political terms.

Not only does this demonstrate the difference in goals as a consequence of fractionated power between ministry’s in the United States and Britain but also the similarity of view internationally between the ministry’s in the USA and UK. This could be interpreted through the organisational process model as a logical step for two reasons. Firstly sister organisations think in broadly similar terms – i.e. the defence planning and management process between defence ministries. Second as a means of enhancing their

75 ibid. p. 305. Noted by Secretary of State for Defence Denis Healey.
76 ibid. The British Foreign Secretary Stewart.
position close collaboration enabled an additional importance to their defence of programmes due to a facet which would be harder to challenge.

Following the publication of the 1966 Defence Review The United States placed orders worth $35 million with British industry in order to, ‘prevent a withdrawal of forces from BAOR.’

For the policy makers who were reeling from the difficulties of maintaining garrisons East-of-Suez the stability of Europe with a NATO backed by the United States and its ability to provide financial support eased the organisational sustainment rationale for shifting toward a continental policy and NATO Europe. In organisational process terms the European commitment enabled the sustainment of organisational processes as well as the modernisation of forces necessary to fully participate in the NATO alliance. In pursuing this new goal sister ministries could be harnessed to provide arguments to support future procurement policies.

**HYPOTHESIS FOUR: UNITED KINGDOM ECONOMIC PERFORMANCE**

Viewed from the perspective of organisational process this last of the four hypotheses needs to examine the shift in defence policy already described as being driven by the economic self-interest of the organisations under consideration. At the heart of this lies the central role of the Treasury and the efforts made by the Ministry of Defence to extract sufficient funds from it to maintain their capability to operate overseas.

77 Foreign Office telegram 10801 from Prime Minister Wilson to President Johnson, 29th November 1966, Public Record Office PREM13/808. p. 2.
Shortly after the election of the Labour government in October 1964 the Chancellor of the Exchequer instigated rapid deadlines for submissions of departmental budgets in order to meet the PESC deadlines. The Treasury was of the view that decisions had been deferred under previous Conservative administrations. They felt some form of reassessment was required. Indeed their figures showed that defence expenditure had increased by an average of 1.5% per year between 1960 and 1964.

The PESC system or Public Expenditure Survey Committee was instigated in 1961. Its aim was to provide ‘Ministers with a regular means of seeing where their existing policies will lead in public expenditure terms.’ In practise this system set up an organisational process requiring departments to negotiate their spending requirements five years ahead on a bilateral basis with the Treasury.

Once the estimates are established Ministers can negotiate with the Secretary to the Treasury and Chancellor the actual budget figures. Regarding its organisational impact one Treasury official was quoted as stating that, ‘with PESC, power is shifted to the centre, that is, to the Treasury.’

Meetings of the Defence and Oversea Policy Committee enabled the Treasury to put their case for defence cut backs. The Permanent Under Secretary at the Ministry of

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78 Public expenditure note by the Chancellor of the Exchequer, Public Record Office CAB129/119. Estimates for 1965-66 were required by the 20/10/64 with submissions for 1965-66 required by 01/12/64.
80 ibid. p. 29. para. 168.
81 For an analysis of the implementation of PESC see op. cit. Heclo & Wildavsky. Ch. 5. pp. 198 - 263.
Defence noted that, ‘the Treasury paper, in associating commitments and resources, showed that a review of defence expenditure appeared to be inevitable.’ 84

A subsequent Chiefs of Staff Committee meeting centred on a critique of the Treasury paper. One attendee noted that had defence spending, which the Treasury had depicted through time, been of a proper level prior to the First and Second World Wars the deterrent effect of the British armed forces might have been higher. 85

At the Chequers weekend meeting already referred to on Defence and Foreign policy the Treasury and Department of Economic Affairs presented their case. After the Chiefs of Staff had made the military situation clear the economic departments delivered a brief which, ‘points to the need for reducing the proportion of our resources which is devoted for defence.’ 86 The organisations clearly approached the Chequers weekend as a display case for parochial presentations of activity. The presentations by one institution at a time are indicative of this.

Once the departmental estimates for the following year had been assimilated the Chancellor took the Treasury case to cabinet early in 1965. It could be suggested that organisationally the Treasury role was to shape the brief which the Chancellor delivered in Cabinet. A Table near the beginning of the brief examined the projected cost of existing programmes should no changes in expenditure be made. Interestingly the costs

84 Chiefs of Staff Committee meeting minutes, 10th November 1964, Public Record Office DEFE4/176. p. 4. The reference was to a meeting held on the 30th October 1964 which the Treasury and Department of Economic Affairs were privy.
85 ibid. pp. 5 - 6.
86 Cabinet documents, 17th November 1964, Public Record Office PREM13/18.
were divided into Defence, Other and Contingencies. The way this is all presented is clearly meant to highlight the cost of defence relative to the other departments of state.

The key statement by the Chancellor displayed the goal of the Treasury:

‘The main way I see of achieving this aim [of limiting public expenditure growth] is by containing defence expenditure... A major review is being undertaken of our defence policies to see what would be involved in keeping the Defence budget at the 1964-1965 level of £2,000 million at 1964 prices not only in 1965-1966, but right through to 1969-1970.’

The Treasury were keen to see a decision on the continuation of the TSR-2 programme prior to budget day. A memorandum from the Secretary of State for Defence noted, ‘The TSR.2 is costing us £1 million a week... I believe we should now cancel it.’ The perception was that by purchasing an American alternative £200 million could be saved on the cost of continuing to develop the TSR-2.

The Defence departments were keen to complete the Defence Review. The Chiefs of Staff Committee minutes record in early 1965 noted that, ‘it was not in our interests to delay, as the Treasury was likely to withhold financial approval for any major projects during the review period.’

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87 Public Expenditure, Memorandum by the Chancellor of the Exchequer, 26th January 1965, Public Record Office CAB129/120. p. 2. Table. 1. Figures for 1964-65 were Defence £1,998, Other £8,448 and contingencies £0 at spring 1964 prices for a total expenditure of £10,446. Projections for 1968-69 indicated Defence £2,350, Other £10,195 and Contingencies £300 for a total of £12,845.
88 ibid. p. 3. para. 11.
90 The TSR.2 or the F-111A, Memorandum by the Secretary of State for Defence, 31st March 1965, Public Record Office CAB129/121. Item 57. p. 1. para. 2.
91 Chiefs of Staff Committee minutes, 16th February 1965, Public Record Office DEFE4/177. p. 2.
The Royal Navy was keenly aware of this issue. The need to obtain replacement aircraft carriers meant that they would have to provide convincing enough arguments not only for the Minister, but also the Treasury. Among their efforts was a chart depicting the costs of each embarked aircraft as a function of carrier size. The chart showed that existing carriers led to a cost of approximately £2.5 million per aircraft embarked whereas CVA-01 would cost only £1.5 million per aircraft.  

However the Navy were so convinced by the rationality of their own organisational arguments for aircraft carrier retention that they had not contemplated failure. The Private Secretary to the Secretary of State for Defence noted that, ‘only the most general and tentative consideration has been given to the question of how the Navy would have to be refashioned if the carrier programme were abandoned.’ From the organisational perspective the perceptions of the Admiralty appeared such that their project would succeed regardless of apparent obstacles.

Meanwhile in a fact finding visit to the United States the Treasury had been informed by the Secretary for Defence that, ‘a Navy was a luxury to any nation... In particular he [McNamara] was convinced that there were many areas of duplication.’

Furthermore it was doubtful whether the Royal Navy could rely on the other services to support their project. Reputedly Lord Mountbatten enabled the TSR.2 programme to go

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94 Note of a meeting held in the State Department at 16:30 on Wednesday 30th June 1965 with the Chancellor of the Exchequer, Public Record Office DEFE13/508.
ahead as a trade-off for the Navy being made responsible for the nuclear deterrent. 95 The Royal Air Force having then subsequently lost the TSR.2 clearly felt cheated that this example of ‘log-rolling’ had failed.

Given the perception that the revenues from which departments of State received their funds was Treasury money such meetings did not predispose the Treasury towards the Royal Navy plans. Indeed the loss of TSR.2 and the continuing over-stretch faced by the Army led inexorably to defence cuts coming from the Royal Navy’s plans.

It could be suggested that the Royal Navy made a major miscalculation of the relative influence of organisational processes over political demands. Reputedly one tactic which the services would employ occasionally when trying to obtain expensive equipment would be to request funds to keep the programme alive subliminally. Over time the expenses would accumulate and decision-makers are then forced to fund the programme rather than waste the significant amount of money already expended. 96

The CVA-01 programme was one such example. Senior Naval staff felt it would be a mistake to request funds for CVA-02 before having acquired those necessary for CVA-01. 97 Simultaneously the Royal Air Force were trying to ascertain how many F-111A bombers they could procure from the United States. The Royal Navy chose to join their interests to those of the RAF and argue that CVA-01 and the F-111 were both crucial components in the mix of forces necessary to pursue British defence commitments.

96 op. cit. Jackson. Ch. 1. p. 11.
However the Air Force did not reciprocate. The Chief of the Air Staff’s view summed up as, ‘No, I must follow where reason leads; I am grateful for your support on the F-111, but I’m not going to support you on the carrier because you are obviously wrong!’

The cancellation of the aircraft carrier on essentially economic grounds forced a shift toward Europe which would be dramatically re-emphasised following the economic reality of a currency crisis and subsequent second Defence Review.

It could be suggested that effectively economic issues and specifically the Treasury as an organisation central to all government activity enabled it to play a decisive role in determining British defence strategy. As the Cabinet Secretary remarked to the Prime Minister, ‘equipment and commitments are two sides of the same coin. Economies in one are related to economies in the other.’ The Treasury’s power in determining the former it could be suggested gave them by default de facto control over the latter.

From an organisational process perspective the Treasury’s procedures such as PESC enabled them to provide senior decision-makers, through the Chancellor with detailed financial knowledge of the institutions plans. This was probably a better overview than that possessed by the armed forces of one another enabling decisions regarding expenditure levels to be taken.

97 op. cit. Darby, Ch. 8, p. 299.
98 op. cit. Williams & Reed, Ch. 9, p. 201.
CONCLUSIONS

In summary the second section of this chapter has examined the four hypotheses through the lens of Allison’s organisational process model. This model has focused upon the interactions between and within organisations and their role in enacting what we recognise as policy.

It could be suggested that the manner in which departments are created and their responsibilities tend to cause over-laps that conflict and can result in miscommunication of policies such as in the case of the three foreign ministries in the second hypothesis. However as self-interested organisations pursuing their own institutional goals versus those of others it is hardly surprising that the resulting policy may appear of a muddled and confused nature in rational terms. Especially when examined in detail rather than on the political rhetoric on which it was presented.

The mid 1960s saw conflict between the procurement aspirations of at least two of the major clans within the newly formed Ministry of Defence. Looking in their past beyond the remit of the Allison framework it can be observed that the services were still individual administrative entities. Each pursued their own plans and devised projects to supply them with their requirements they felt justified their existence generally oblivious to the calculations of the other two.

It could be suggested that the new ministry had an opportunity to progress towards a unified defence effort. The election of a new government gave the Ministry a new secretary of state unconfined by precedent. From the analysis it is apparent that Healey
was very effective in being able to play the services off against one another to achieve his own financial and strategic objectives.

The final section of this chapter will provide the final analysis of the mid 1960s defence reviews from the perspective of bargaining amongst the leadership of the various organisations or what Allison has termed the bureaucratic politics model.
THE HEALEY REVIEW ANALYSED USING THE GOVERNMENTAL
(BUREAUCRATIC) POLITICS MODEL

The previous two sections of this chapter have sought to consider the 1966 Defence Review firstly as rational choice by a unitary state, and secondly as organisational routines carried out by the institutions of which the state is composed. This third and final examination of the Review seeks to address it from an alternative perspective, that of Allison’s third lens, Governmental (Bureaucratic) Politics.

This model posits that decisions are the resultant of politicking between the figures astride the organs of state. 1 Government policy is the result of bargaining amongst those figures. All have particular interests with regard to the events which arise. This chapter seeks to apply this model to the four hypotheses considered earlier in order to provide a greater understanding of the decision-making undertaken in the mid 1960s.

Firstly it is appropriate to define the central players and the forum in which their bargaining would occur. In British politics the central decision-making forum for the government is the Cabinet. 2 The members of the Cabinet are drawn by the Prime Minister from the political party voted to compose government. At regular meetings the senior Secretaries of State meet with the Prime Minister at 10 Downing Street to shape the activities of government. Figure 3.4 below identifies the central players atop the Departments of state relevant to British defence policy between 1964 and 1966. 3

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3 The acronyms in Figure 3.4 have the following meaning; CAS – Chief of the Air Staff (Most senior Royal Air Force officer), CDS – Chief of the Defence Staff (Nominal seniority over service heads,
However many Cabinet decisions have already been defined by various Cabinet Committees in order to best use the scarce time in Cabinet. Among the most influential with regard to this study are the Defence and Overseas Policy Committee and the Economic Committee.

Cabinet Committee membership tends to be small and the results of their deliberations are often passed to Cabinet as decisions rather than for debate. One Minister’s diaries indicates this reality with regard to the 1966 Statement on the Defence Estimates, ‘so the whole thing was fixed. All Cabinet could do was express opinions and comment and influence to some extent the general tone of the White Paper by drafting amendments.’

roughly analogous to United States position of Chairman of the Joint Chiefs of Staff), CGS – Chief of the General Staff (most senior army officer), CNS – Chief of the Naval Staff (Senior Royal Naval officer), Cab Sec – Cabinet Secretary (Civil Servant), PM – Prime Minister
Working for the Cabinet Committees are a series of parallel Official Committees, for example the Defence and Oversea Policy Committee (Official). These are staffed by civil servants from across government. These provide an action channel through which requests for information are received and information passed on. Of these a former Minister wrote;

‘Very often the whole job is pre-cooked in the Official Committee to a point from which it is extremely difficult to reach any other conclusion than that already determined by the officials in advance... This is the way in which Whitehall ensures that the Cabinet system is relatively harmless.’  

Outside of the Cabinet senior civil service and military figures in the Ministry of Defence are able to influence their Secretary of State through the Chiefs of Staff Committee. Established in the 1920s the function of the Committee remains;

‘to advise the CDS [Chief of Defence Staff], and, through him, the government of the day on the capabilities and activities of each of the armed services, and on the military aspects of Defence policy as a whole.’

Having identified the decision-makers and the forums in which they operate we now turn to examine the four hypotheses from the bureaucratic politics perspective.

**HYPOTHESIS ONE: PERSONNEL OVER-STRETCH**

Within the Ministry of Defence the issue of personnel levels had influenced planning for some time prior to the 1964 general election. This hypothesis seeks to examine personnel over-stretch using the governmental (bureaucratic) politics model. In the early

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1960s a Conservative minister of Defence sought to examine future defence strategy and came to a stark conclusion regarding the choices ahead;

‘It looks to me, therefore, as if we will be confronted as a government with the choice of either an increased share of the GNP going to defence or a decrease in manpower and therefore of commitments, or accepting inferior equipment, or some combination of these distressing choices.’ ⁷

The Minister’s summary was somewhat prescient in noting, ‘we cannot, however, field a first-class team in both leagues.’ ⁸ Given the turnover of Ministers of Defence in the Conservative governments during this period it is hardly surprising that this issue was not adequately addressed. However many of the personalities who served the Macmillan and Douglas-Home administrations in official capacities were still in post to influence the newly elected Labour Party’s Secretaries of State.

The Secretary of State for Defence had two in the shape of the Chief of Defence Staff and his Chief Scientific Advisor. ⁹ These two individuals, formidable characters in their own right, were largely credited with bringing about the formation of the unified Ministry of Defence created with the blessing of the Prime Minister. Furthermore they were key players in the Ministry and as such able to influence the thinking of the new government about defence from an early stage. Together they were known as the “Zuk-Batten” axis. In terms of the bureaucratic politics model they were key players who were able to influence others by virtue of their position in government and their bargaining skills.

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⁸ ibid. para. 11.
The Chief of Defence Staff as an ex-Naval officer did perhaps have an interest in protecting the size of the Fleet. Upon hearing that *HMS Surprise*, the designated headquarters ship for the Mediterranean Fleet was due to be decommissioned because of insufficient personnel to crew it Mountbatten minuted the 1st Sea Lord requesting a reappraisal. Given the Royal Navy’s difficulty in retaining skilled personnel this instance provides an indication that even the most devoted Chiefs of Defence Staff can and do retain loyalty to their home service.

The Chief Scientific Advisor had a significant role in the creation of the unified Ministry of Defence. During his tenure prior to the 1964 Labour election victory Zuckerman espoused what he termed the *inexorable law of R&D*. The pattern of argument was as follows: If a country wishes to have a contemporary armed forces it must equip them with ever more sophisticated, costly weapons. Unless the defence budget increases, smaller forces are the inevitable consequence.

Some observers clearly thought that a growing economy was the antidote to this dilemma. A rapidly increasing GNP could enable the defence budget as a percentage to rise in real terms and so facilitate the sustainment of a significant defence establishment. Zuckerman rebuffed this notion as a fallacy. He suggested that as GNP rises so too do

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9 The Chief of Defence Staff from 1959 to 1965 was Lord Mountbatten of Burma. Solly Zuckerman was The Chief Scientific Advisor to the government.
10 Mountbatten to Luce, 23rd. September 1964, Public Record Office DEFE13/217.
personnel costs. The only solution he could identify was to procure more and better equipment obtained at lower unit costs.  

The new Secretary of State for Defence was keen to establish command and control of the Ministry of Defence. Healey noted, ‘my most urgent task... was to decide whether to renew Mountbatten’s appointment as Chief of Defence Staff the following July [1965].’ It could be suggested that Mountbatten’s strong personality and determination caused some resentment amongst his colleagues which most certainly would have prejudiced their responses to Healey’s informal soundings on the issue.

Clearly in terms of the bureaucratic politics model the new player (Healey) faced strong, clear minded individuals in theory responsible to him (Mountbatten & Zuckerman), but whom could cause problems in the event that their agendas came into conflict. The limitations on service meant that Mountbatten could be removed as a problem naturally when his term of service came to an end. Zuckerman it could be suggested could be circumvented as an advisor, but with some risk attached.

Furthermore Healey’s feelings towards his Chief Scientific Advisor were somewhat ambivalent, ‘if I did not accept his views, he would go behind my back to other ministers for help’ he noted. In his memoirs Zuckerman ascribes his behaviour to his role in government;

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13 ibid.
‘In my capacity as Chief Scientific Advisor to the government as a whole, and not just the Minister of Defence, it was accepted that I could discuss the Defence Review with members of the government other than Denis Healey, whether in answer to questions that were put to me or on my own initiative.’

Given the pressures which Healey was under it is clear that he would not look kindly on Zuckerman providing the Prime Minister with memoranda regarding the inexorable law of R&D for example. Coupled with this was the divergence of attitudes between the two men. Zuckerman disputed the need to purchase the F-111 aircraft and was actively against the cancellation of the CVA-01 aircraft carrier.

However in his memoirs the former Chief Scientific Advisor challenges these earlier claims stating that CVA-01 had in fact been cancelled by Healey’s predecessor. Such contradiction could have emerged from Zuckerman’s distaste for the RAF Island Basing strategy and his belief in the value of purchasing two surplus United States aircraft carriers.

With regard to the 1966 Defence Review Mountbatten had left by mid-1965 and Zuckerman considered his influence as, ‘well and truly isolated as far as Healey was concerned.’ Zuckerman believed that the criteria for deciding which commitments to continue to honour should stem from a consideration of the demographic trends in the regions concerned. He sent his conclusions to Healey noting, ‘we shall have to face the

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17 *op. cit.* Zuckerman. Ch. 31. p. 379.
18 *ibid.* p. 382. See also *op. cit.* Williams & Reed. Ch. 9. p. 201.
19 *op. cit.* Zuckerman. Ch. 31. p. 382.
20 *ibid.* Ch. .31. p. 377.
fact that, in the light of population changes in the world, our status and influence as a military power cannot but be lower ten, twenty years hence.’  

It is clear that Zuckerman’s role meant that he would be providing individuals including the PM directly with information about the evolving thinking on defence issues within the Ministry of Defence. It could be suggested that such access could have undermined the Secretary’s of State’s position when bargaining for his fair share of the funds available for public expenditure in the context of governmental (bureaucratic) politics in action.

The personality of the Prime Minister is essential for understanding the decision making process. Wilson was regarded by his colleagues in retrospect as having, ‘completely dominated defence and foreign affairs.’ With a scant parliamentary majority the Prime Minister realised it would be essential to define his leadership style rapidly. Wilson spoke of defining his leadership as, ‘Chairman of the Board, not President... but Managing Director too, and very active at it!’ A senior member of his Cabinet noted of this statement that, ‘this was all too true.’

Given Wilson’s definition of the Premiership and his propensity to take control of the decisions of government those able to influence him would have a crucial role in shaping policy making. One such individual was Zuckerman. He had an action channel direct to Wilson outside of the Cabinet arena. This element of decision making, outside

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21 ibid.
23 ibid. Ch. 10. p. 187.
the organisational structure of the state (the Rational Actor and Organisational Process
models) provides an important perspective on the United Kingdom policy making
process unavailable using the alternative lenses.

Historically the Labour party has tended to favour the provision of social welfare and
relegate defence as a lower priority. The Prime Minister at the outset of his
administration set out on a strategy to ensure re-election. As an Oxford educated
economist Wilson had strong ideas of how the economy should be run as well as well
developed political instincts. During the Second World War Wilson was a Civil
Servant, Secretary to the Manpower Requirements Committee.

Prior to the Chequers weekend the Cabinet Office requested figures on overseas UK
defence expenditure. This overview depicted net overseas defence expenditure as
representing half the total £500 million foreign currency expenditure. Shortly after the
Chequers presentations in November 1964 the Prime Minister personally drew the
conclusion that, ‘it should be possible to reach early decisions about the future of some
of the particularly costly projects such as the TSR-2.’

Given Wilson’s exposure to the testing issues of allocating scarce human resources to
best economic effect in wartime, the foreign currency drain of deploying forces abroad
must have influenced his thinking on defence policy. This is significant given his grasp

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25 ibid. Ch. 10. p. 186. In an interview on election night Wilson stated his objective as, ‘to get in there,
form a government and then control events and time the next election’.
26 ibid. Ch. 3. pp. 30 - 40.
27 Wright to Bancroft, Minute for sample analysis of UK overseas defence expenditure, 10th November
1964, Public Record Office PREM13/18.
on policy and the fact that he was one of the few members of the government with previous Ministerial experience.  

From the evidence available it is clear that the defence establishment having failed to obtain further funds faced Zuckerman’s inexorable law, personnel strength would fall leaving commitments unfulfilled. By January 1965 the Prime Minister reckoned that all the major decisions regarding the future direction of policy had been taken. All that remained was the timing of their implementation.

As had most of his predecessors, Wilson constructed a Cabinet made up of personalities to represent the various factions within the Labour Party. Wilson noted that the most influential people in his Cabinet were from the Right wing faction of the Party. In his view the Left wing had produced few skilled individuals. This difference manifested itself in government policy and often put it at odds with the desires of the back-bench MP’s. As an example the labour Party’s policy on nuclear disarmament proposed in opposition was modified by the government to the reduction of the Polaris programme from five to four submarines.

Throughout 1965 the government faced both internal and external calls for reduced overseas commitments. In August 1965 the government was censured by the Labour

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28 quotation from the Prime Minister, Defence policy, 25th November 1964, Public Record Office PREM13/18.
29 op. cit. Ziegler (1995). Ch. 9. p. 169. Aside from the Prime Minister himself only two candidates (Walker and Griffiths) to the Cabinet had previous experience.
32 op. cit. Labour Party. p. 23. The manifesto stated, ‘We are against the development of national deterrents’. op. cit. Ziegler (1995). noted that by mid-1965 Wilson and three other Ministers were convinced of the need to retain the deterrent force.
Party for not reducing defence rapidly enough. Later that year at the Conservative Party conference, the shadow defence spokesman Enoch Powell called for an East-of-Suez withdrawal.

The 1966 Defence White Paper spelled out officially the planned defence reductions. As a consequence of its contents the junior minister responsible for the Royal Navy and the 1st. Sea Lord resigned nine days before the 1966 General Election. Whilst the resignation of the Minister was couched in terms of the consequences of the cancellation of CVA-01 observers suggested that it was in part inspired at resentment of being subordinated to Healey without a Cabinet seat. 33

Clearly the minister’s bargaining bluff had been called. His resignation from a bureaucratic politics perspective was an attempt at converting his positional power as a less influential minister with responsibility for a department due to receive a grievous budgetary blow, into positional power as a back-bench MP who would be less influential directly with ministers but more so with colleagues outside of Cabinet.

However the resignation appeared to serve the Prime Minister's objectives. Rather than presenting a poor image to the electorate the resignation enabled him to appear to be in firm control of the Cabinet regarding defence cuts especially in the eyes of his predominantly left-wing back bench. 34

33 op. cit. Williams & Reed. Ch. 10. p. 211. Further an anonymous source interviewed in the course of this research agreed with the analysis.
In summary the personnel over-stretch hypothesis from a bureaucratic politics perspective suggests that the influence on the Prime Minister of the Chief Scientist Solly Zuckerman and his Inexorable law of R&D was decisive. Healey’s efforts to break the “Zuk-Batten” axis removed the influence of key players but it could be suggested, at the expense of the battle to retain control over aspects of policy-making in the early stages of the government.

The Governmental (Bureaucratic) Politics model has provided an alternative focus for viewing the proposition regarding personnel over-stretch. Its focus upon the relative position of key individuals and their bargaining power provides another level of understanding of the strategic decision making problems at the time.

**HYPOTHESIS TWO: POLITICS OF EMPIRE**

In the decision to shift from a maritime to a continental approach to defence foreign policy is clearly crucial. Military deployments are one of the means by which states signal their intentions to one another. In the Governmental (Bureaucratic) Politics model one would expect the interaction between those leading defence and foreign affairs to be of pivotal importance in developing an understanding of the decisions taken in the 1966 Defence White Paper.

The Labour administrations’ main agenda was to improve economic performance and the quality of life of British citizens. The main manifesto commitment on foreign affairs was that, ‘the first responsibility of a British government is still to the
Commonwealth.’ 35 It could be suggested that this was little different from the position of the Conservative Party when it was in office. 

Despite this limited foreign policy, wider international issues soon impacted upon decision-makers forcing them to divide their attention between managing a domestic transformation and ordering Britain’s overseas affairs. As noted by Healey, ‘Kruschev’s fall and China’s bomb were a useful warning of the unpredictability which was to complicate my life as Defence Secretary over the next six years.’ 36

The Prime Minister’s own recollections of 1964 observed that after less than a week in office a major problem in Southern Africa required Cabinet attention. This coupled with the on-going Indonesian confrontation placed foreign policy issues higher on the agenda than the government would have liked.

All this suggested that it could be important to understand the people who had the authority to shape decision-making to foreign policy in the Wilson government. Apart from the Prime Minister himself few members of the Cabinet had prior experience in government. One of them, George Brown had challenged Wilson for leadership of the Labour Party whilst in opposition. This gave the Prime Minister additional advantage in bargaining with his ministers in the early stages of his government.

Wilson’s election was greatly assisted by the candidacy of James Callaghan who served to dilute the anti-Wilson vote that might otherwise have gone to Brown. In government

the Prime Minister had to recognise both these individuals with senior appointments so as to placate those supporting them within the Labour party. Brown was appointed Deputy-Prime Minister with responsibility for the Department for Economic Affairs. Callaghan was appointed Chancellor for the Exchequer.

Brown’s success depended on his department’s ability to wrest control of economic planning from the Treasury - Callaghan’s fiefdom. This perhaps provides an example of the creative tension which Wilson aspired to create between his more powerful Ministers with a view to keeping them from challenging his position. Intellectual part of the right wing of the Labour Party, Gordon Walker had been Shadow Foreign secretary in opposition and fully expected to be appointed as Foreign Secretary. He was inoffensive to George Brown who had his own aspirations for this role.

This illustrates the distinctiveness of the Governmental (Bureaucratic) Politics model. Its focus on personalities and the balancing act of a government leader has to engage in to establish his authority and leadership.

However in the general election Gordon Walker failed to secure his constituency seat. The repercussion of this was that the Prime Minister had to appoint another member of parliament to the House of Lords in order to provide Gordon Walker with a seat. The reason Wilson was willing to reduce his very slim majority voluntarily was that Gordon Walker signalled to the United States that despite Wilson’s past anti-nuclear left

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38 *ibid.* Ch. 9. p. 171.
wing stance on foreign policy and other issues British foreign policy would not change adversely to US interests under his administration. \textsuperscript{40} His appointment it has also been suggested was, ‘to thwart George Brown’ who had aspirations to be Foreign Secretary. \textsuperscript{41}

For Denis Healey as Secretary of State for Defence it was essential to be able to influence the foreign policy commitments he would have to match to capabilities given Walkers reliance on the PMs patronage to gain office. \textit{De facto} control of foreign policy rested with the Prime Minister and as we have seen through Solly Zuckerman he also had significant leverage over Healey’s own agenda for defence. As a player in the bureaucratic politics game he had to gain control over his position, and reinforce his role as the primary action channel for information regarding the defence brief in order that he be effective.

Harold Wilson has been described as dominating defence and foreign affairs in the first two to three years of his administration. During that time the Chequers weekend had defined the broad direction of foreign and defence policy. Also some decisions had been taken which had ramifications for the ability of the defence establishment to support British foreign policy such as the TSR-2 cancellation. \textsuperscript{42}

What were the Prime Minister’s goals and interests with regard to foreign policy? Wilson’s biographer suggests that his goals were, ‘the need to keep the Commonwealth...

\textsuperscript{39} \textit{op. cit.} Wilson. Ch. 5. p. 65.
\textsuperscript{40} \textit{op. cit.} Ziegler (1995). Ch. 8. p. 139.
\textsuperscript{41} \textit{ibid.} Ch. 9. p. 172.
united and the vital importance of the Anglo-American alliance.’ 43 There were however a number of political obstacles in the way of achieving these goals.

First as the United States was committed to supporting the government of South Vietnam militarily from attack by the communist North, President Johnson wished to enhance the legitimacy of the campaign by building an international coalition of forces including the British. The Labour Party were opposed to any escalation of the conflict by the United States. 44 However the British needed financial assistance from the US and would have to reconcile these diverging political positions.

This dilemma was confounded by the Labour Party’s goal of enhancing the role of the Commonwealth. Their election manifesto contained several measures to promote the Commonwealth as a political actor in its own right able to play a role in maintaining the international political balance which would be disturbed by Britain’s intention to relinquish control of many of the dependencies. The intention was also to work toward establishing intra-Commonwealth trade and exports on a sounder footing. 45

However the intention was also challenged by the concern that newly formed nations might be concerned that their people could perceive such a policy as indicative of a Commonwealth with Britain as only one of its actors. They needed to feel that their collective views on foreign policy dominated the policy aspirations of its individual members specifically of the former colonial power?

44 op. cit. Wilson. Ch. 6. p. 79.
The first test for this foreign policy agenda was a trip by Wilson to Washington to meet President Johnson in December 1964. A meeting of the Defence and Overseas Policy Committee (Official) discussed the plans for the first official visit to Washington. Gordon Walker’s stated that his role was, ‘to stress our world-wide commitments since it was on these that our influence with the United States largely rested.’ In a further Cabinet Committee meeting close to the planned trip a minute from the Foreign Secretary sought to define British policy in south-east Asia as being:

‘Of relatively little economic importance to Britain, but politically we have a substantial interest in preventing its absorption by communism.’

At the Washington summit Wilson’s team stressed their influence and capacity to intervene in Africa through the Commonwealth mechanism. The Prime Minister stressed to the President that such involvement, ‘would depend on our firmness in handling the Rhodesian situation.’ The British were able to deflect the issue of directly supporting the United States which might have been difficult in the Commonwealth context by reference to the 54,000 troops deployed in Malaysia to contain Indonesian incursions.

The Washington summit provided a deadline for all foreign policy actors to define their positions. The strength of the Prime Minister and his freedom to act unconstrained by

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47 Defence and Oversea Policy Committee (Official), 19th November 1964, Public Record Office CAB148/17. para. 2a.
the existing organisational protocols of an administrative department enabled him to take a firm lead in shaping foreign policy leaving the organisational fall-out to be handled by his Secretaries of State. One former Minister noted that by December 1965 Rhodesia had consumed, ‘I am sure more than half of the Prime Minister’s energies.’

The Prime Minister’s response to these problems displayed what Allison refers to as “his style of play” as a political tactician. The concept proposed to the US was to send a mission of Commonwealth leaders as intermediaries in the Vietnam conflict. This re-affirmed the Anglo-American relationship, gave a heightened role to the Commonwealth and placated his narrow Commons majority with the possibility of continued dissent over the conflict. Whilst the move was subsequently blocked by China, Russia and North Vietnam the end results for Wilson were the same.

This action by Wilson demonstrates how in the Governmental (Bureaucratic) Politics model the style of play of an individual can provide an explanation of events distinct from that of using the unitary state. However the problems of accessing current data for British public policy studies means that this level of insight is difficult to achieve for more modern cases.

A further issue dominating the conference was the developing situation in Rhodesia. The white minority there were seeking to prevent the imposition of majority rule. The British position was repeatedly challenged by other heads of state, especially President

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50 For a discussion see op. cit. Ziegler. esp. Ch. 10.
Nyerere of Tanzania. Wilson stood fast. He noted in his recollections that, ‘my insistence on standing by our position on Rhodesia had subjected the conference to great strain.’

Within four months the situation had deteriorated further. The White minority were threatening a unilateral declaration of independence. This could cause severe embarrassment to the British government. The Prime Minister responded by calling the bluff of the Rhodesian leader Ian Smith. However this demonstrates the role perception plays in decision making. Wilson apparently thought that the declaration would not come and Smith clearly that it should. He declared UDI on Armistice Day 1965. Under the British system of disclosure of the public records we will need to wait 75 years until c. 2040 to know whether this was an intelligence failure or a miscalculation on Wilson’s part.

The frustrations Wilson felt and the time devoted to foreign affairs by Cabinet resulted in fatigue with this issue. The difficulties it created for building the Commonwealth as a political body capable of speaking with one voice took the edge off the aspirational element of the government’s foreign policy.

The sanctions implemented against Smith’s regime failed to have an appreciable effect. After a year of this one Cabinet Minister recollects a particularly important Cabinet meeting where the Chancellor summed up the situation;

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'If we were heading for an open break with Smith and all the economic strains of mandatory sanctions, it was imperative that we took some step to restore confidence... An attempt to enter Europe, he was now convinced, would give a boost to economic morale... and so it was agreed.' 56

Following this meeting the Prime Minister stated in the House of Commons, ‘In the light of this review the Government have decided that a new high-level approach must now be made [to Europe].’ 57 This official statement of policy indicated a significant shift in the direction which foreign policy would take in future.

The 1966 Defence Review indicated that aside from Aden commitments East-of-Suez would be relinquished when appropriate. 58 This decision was shaped by the principal actors responses to changes in both the environment and their colleagues views.

In this instance the role the Prime Minister defined for himself enabled him to shape the direction of foreign policy. Clearly goals were likely to be constrained by the need to retain the confidence of the whole Cabinet and so sustain his slim parliamentary majority. However in spite of winning the 1966 election with an enhanced majority this policy shift was sustained. This all suggests that the problems encountered by the Prime Minister may or may not have reduced his power to shape foreign policy by direction in the short term, but even then his political acumen permitted him to set in train policy to which he was personally committed.

55 This period in Rhodesia’s history was known as the declaration of UDI.
58 op. cit. Cmdnd. 2901. para 3. ‘the Government can, and must, decide in broad terms what sort of role Britain should play in the world in ten years time.’ In paragraph 19 it was indicated that whilst Britain would retain a capability for operations East of Suez certain caveats for the employment of these forces would be applied.
The pro-European faction in Cabinet including one of Wilson’s rivals George Brown was, it could be suggested in a stronger position to convince Cabinet of the need to shift policy. The implications for these political manoeuvres was that defence strategy would be shaped by the factions power in Cabinet and the goals of the Prime Minister.

The Government (Bureaucratic) Politics model provides further understanding of the foreign policy aspects underlying the Defence Review. By focusing upon the principal actors we have illustrated the positional power of Wilson and his ability to constrain the freedom of action of his Cabinet members enabling him to take the lead in foreign affairs.

**HYPOTHESIS THREE: ALLIANCE CONSIDERATIONS**

During this whole period Healey’s views on defence policy were vulnerable to the intervention of other individuals and departments especially in foreign policy and economics. One such area of decision-making regarded the shift towards a continental NATO strategy which we shall consider using Allison’s third lens. The results of this appeared to be attributable largely to the Ministry of Defence and its powerful and arguably very effective Secretary of State, Denis Healey.

Using the Governmental (Bureaucratic) Politics model we now hypothesise that the shift in strategy from a maritime to continental one was a result of the re-negotiation of a strategic framework for NATO by key players within the alliance’s decision making institutions. These persons were Healey of Britain, McNamara of the United States and
Schmidt of West Germany. Their views it seems prevailed over those in the UK government that favoured a new East-of-Suez posture based on the Commonwealth.

The British defence establishment see the maintenance of good links with the United States as essential. For the new Labour government it was clear there were problems ahead. The agreement made by Macmillan and Kennedy at Nassau two years earlier secured the *Polaris* system as a replacement for the cancellation of the *Skybolt* project. The Labour party manifesto stated that it was committed to re-negotiating the Nassau agreement and that they were, ‘against the development of national nuclear deterrents.’

59 Wilson was personally known as a unilateralist.

Furthermore the British were not in favour of an American proposal known as the Multilateral Force. This aimed to place the British deterrent under NATO control thereby giving other NATO partners, namely the United States West Germany a say in the nuclear decision making process. One of the outcomes of the Chequers weekend discussing defence was the creation by the Cabinet of a means to dissuade the American President from creating the Multilateral Force created. 60 This instance illustrates actors within a system co-operating to bargain for a favoured outcome with an external entity.

More significantly the Chequers weekend saw the victory of the right wing Cabinet members over the Left who favoured unilateral nuclear disarmament. Supported by the Prime Minister, the Chancellor and Minister of Aviation one author regarded the

60 *op. cit.* Jackson & Bramall. Ch. 11. p. 362.
weekend as, ‘a vital meeting for Healey, and something of a personal triumph.’ 61

Healey’s knowledge of the deterrent plus his oratory made clear his mastery of the defence brief. This decision-maker exemplified the bureaucratic politics idea of ‘where you stand depends on where you sit’. Healey’s grip on defence issues at this point was unassailable.

Healey suggested that the Atlantic Nuclear Force was designed primarily, ‘as a means of scuppering the M.L.F.’ 62 Whilst plausible in placing United States nuclear weapons under European as well as national control this ensured the abandonment of the whole concept at the Washington summit of December 1964. Prime Minister Wilson noted the President’s decision to abandon the Multilateral Force by requesting that his senior officials to, ‘prepare a full study of what was involved.’ 63

With the Unites States engagement in South Vietnam increasing in intensity the Prime Minister and his team had to tread a careful diplomatic path in order to avoid committing forces to the conflict. The British commitment to the Indonesian confrontation ensured that a sufficient presence there was enough to illustrate to the Johnson administration that they were not working alone to keep the peace in that region of the world.

Anglo-American co-operation in the defence sphere required as a pre-requisite good relations between the senior decision-makers. First Denis Healey was both an ex-

63 op. cit. Wilson. Ch. 4. p. 50.
military officer and an intellectual. He had spent some time thinking about the philosophical problems associated with nuclear strategy. 64

Robert McNamara the United States Secretary for Defence also possessed military experience and was recruited from industry to bring modern management methods to the Department of Defence. 65 These individuals had several similarities. Both were regarded as technocrats bringing new techniques to examine old problems. 66

Secondly Healey and McNamara were both relatively isolated politically. Healey was regarded as having no power base within the Labour Party and was dependent on the Prime Minister for patronage as McNamara was to Johnson. Thirdly both men were interested in the challenge of producing a coherent nuclear strategy as well as being conversant in the language of deterrence.

Fourth both individuals had sole political responsibly for their Departments at the highest level of government. Recent reforms in the United States had downgraded the role of service secretaries from the American Cabinet. 67 Likewise in the United Kingdom the new central organisation for defence cemented Healey’s political control of the Ministry. Finally Healey and McNamara had been involved with defence intellectuals and as Secretary for Defence during the Cuban missile crisis McNamara was sensitive to the practical issues.

Reshaping nuclear strategy was an important issue for the United States and NATO. NATO strategy for the employment of nuclear weapons relied upon the concept of massive retaliation. In the 1950s it became clear that sufficient personnel could not be employed in Western Europe to deter or contain an invasion by the Soviet Union on conventional means alone. Western members felt the opportunity costs too high given the need to re-construct their societies after the Second World War. The individuals atop the key members of NATO were intellectually uncertain as to the appropriateness of the current alliance doctrine in the light of technological change plus Soviet acquisition of a significant nuclear arsenal.

The strategic debate led to the US forces in West Germany becoming a trip-wire. Soviet invasion or crossing of this trip-wire would signal the use of nuclear weapons to halt such an advance. Given US quantitative superiority in nuclear weapons and air power the West in the mid 1950s found this strategy attractive. 68

With the cessation of a conventional conflict in Korea an intellectual debate began on the logic of massive retaliation in the face of the Korea experience. For McNamara the introduction of new techniques for managing defence required a coherent strategic framework. The development of this would set a baseline for performance and so enable cost-effectiveness criteria to be used to judge the value of alternate force structures and procurement decisions. As noted by one analyst;

'On the one hand, the change in strategy would not be effective unless a method could be found for translating the theoretical doctrine into the actual, desired kinds of power. On the other, the methods of making decisions would be useless by itself because it could only point out the best way of achieving the goal that the strategy had to choose.'

The new thinking in the US was driven by the wish of the key players to have more options available to them in a crisis. This was given added impetus by the Cuban missile crisis of 1962. In this circumstance the Soviet installation of nuclear weapons on the Caribbean island of Cuba led to a superpower confrontation which was resolved peacefully.

Healey prior to becoming Secretary of State for Defence had a keen intellectual interest in strategic issues. Aside from influencing the foundation of the International Institute for Strategic Studies in emulation of RAND in the United States, Healey had written several papers on the subject and was widely read. Prior to attaining office Healey spoke of the need for NATO, ‘to develop a strategy that will give time for a collective decision on the use of atomic weapons.’

Healey required US support to maintain the UK’s defence capabilities. These were in desperate need of modernisation. This required the practical assistance of his counterpart McNamara. Their positions and more importantly their intellectual thinking provided the potential for building a relationship beneficial to both parties. From the

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69 op. cit. Art. Ch. 2. p. 31.
bureaucratic politics perspective the bargaining power of Healey was enhanced in Cabinet by communication with McNamara and exchange of ideas.

Peacetime defence management was constrained by the individual interests of those in place within its establishment. McNamara faced considerable resistance to his management reforms. For example he was defeated in his attempt to secure a single multi-role combat aircraft for both the United States Navy and Air Force. Healey also had to make a series of decisions regarding procurement hostile to the interests of the UK’s equivalent services.

Nuclear strategy offered both a means to transform their defence establishments strategy and create a new framework for judging the worth of proposals. However they both needed support from other like-minded individuals to convince their political system of the need for change.

Given that Labour remained committed to deterrence and most of its costs had been met the government had a nuclear submarine based capability. It could be suggested that once the commitment to Polaris had been made and the submarines built, an operational capability able to launch an attack during a moment of supreme crisis left the government with a negotiable nuclear strategy in an alliance context.

70 RAND or research and development was initially Air Force funded think tank which had a remit to analyse problems for government. For details of Healey’s interest in strategic issues see op. cit. Williams & Reed. Ch. 6. pp. 130 - 143. Also op. cit. Healey. Ch. 12. pp. 234 - 248.
71 op. cit. Williams & Reed. Ch. 6. p. 141.
72 See op. cit. Art. for an in-depth analysis of the TFX (F-111A) programme.
This statement is premised upon the fact that nuclear weapons are different by their very nature. That is their employment is more strictly controlled at the political level than conventional rules of engagement governing small arms. In an analysis of the British deterrent force it is made clear that co-operation and co-ordination, such as the integration of British and United States plans of attack indicate the close relationship that existed. 73 Therefore the strategy for employing these most political of weapons could in effect be utilised to improve the conventional armed forces.

A further issue regarding nuclear strategy was the lack of understanding of these intellectual developments. Few people knew the language of nuclear strategy. Perhaps this was a key benefit when defining in Cabinet Committees the nature of future strategy. For example a meeting of the Defence and Oversea Policy Committee (Official) prior to a Prime Ministerial visit to West Germany noted that, ‘the Secretary of State for Defence suggested it best to avoid points of doctrine.’ 74 From a bureaucratic politics perspective this specialist knowledge would enable Healey to defend his long term agenda from deflection by Cabinet colleagues.

By the time of the 1966 Defence Review NATO strategy had not yet changed to that of a flexible response doctrine. However the co-operation between Healey and McNamara gave the former several benefits. For example on the cancellation of aircraft projects including the HS-681 transport aircraft the British negotiated with the United States the Phantom/Hercules arrangement. This agreement enabled the British to obtain

74 Defence and Oversea Policy Committee (Official) 12th meeting, 3rd March 1965, Public Record Office CAB148/18. p. 5.
replacement aircraft quickly. McNamara was allowing the sale of the United States most capable aircraft to a foreign country. 75

Another benefit on the conventional front was the subversion of United States preference rules for its armaments manufacturers. A Defence and Oversea Policy Committee (Official) meeting in 1965 noted that, ‘Mr. McNamara has promised to waive the 50 per cent preference rule which at present applied to any UK equipment bought for the United States forces.’ 76

A final example can be witnessed by the McNamara’s reaction following a request for help with the British aircraft carrier issue. A memorandum reads, ‘we have considered your question on aircraft carriers and believe we may be able to assist you... subject to Congressional approval.’ 77 Subsequently the Royal Navy declined the transfer of two United States aircraft carriers which were offered.

For the armed services such co-operation yielded immediate benefits to them. Obtaining the latest design in combat aircraft was a small price to pay for co-operating with the nuclear strategy for employing weapons which probably would never be used. Anyway the future NATO strategic framework under development would constrain the ability in future to argue for procurements outside the flexible response framework.

75 The formal title of the agreement was the United Kingdom - United States logistics arrangement. Public Record Office DEFE13/418.
76 Defence and Oversea Policy Committee (Official) 18th meeting, 29th March 1965, Public Record Office CAB148/18. p. 3.
77 McNamara to Healey, 24th August 1965, Public Record Office DEFE13/589.
Helmut Schmidt the West German defence minister also had military experience in the Second World War as well as having written on nuclear deterrence thinking. As the key players in NATO these three personalities dramatically influenced the strategy NATO pursued. This statement is particularly pertinent given the lack of ministerial understanding that existed between Alliance members.

This was coupled with the lack of interest in nuclear issues. Once the system was purchased there were few bureaucratic battles to be fought over resources used in deploying it. Healey himself noted of his role that, ‘as Britain’s defence secretary I was able to influence NATO’s position on the important issues far more than any official. My role in the formulation of flexible response was one example.’

In summary using the Governmental (Bureaucratic) Politics to analyse the shift in strategy as resulting from alliance politics has two dynamics. The first is that the relationships may not necessarily be within a system of government but rather between players in similar positions but appointed in other governments. Secondly the shift in policy was the result of a pragmatic deployment East of Suez, which as it atrophied lent increasingly on strategy articulated by Healey in conjunction with Alliance partners.

Britain received a dual benefit from its ability to maintain close co-operation with the United States on nuclear strategy whilst still disagreeing with them over Vietnam. Britain could cite co-operation in nuclear matters in order to gain leverage and assistance with conventional procurement and financing issues.

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79 ibid. Ch. 15. p. 320.
HYPOTHESIS FOUR: UNITED KINGDOM ECONOMIC PERFORMANCE

This final application of the Governmental (Bureaucratic) Politics model to the 1966 Defence Review treats the shift in strategy as the resultant of bargaining between the key players in government concerned with the allocation of public finance. Here we hypothesise that the shift in strategy was a direct consequence of adjustment to changing economic circumstances and the inability of those involved to secure further funding for defence over other priorities.

In the new Labour government Harold Wilson as we have seen had to reward his two main rivals, Brown and Callaghan. Brown was Wilson’s closest rival. He was appointed Deputy Prime Minister and Secretary of State for the newly formed Department of Economic Affairs. Callaghan was Chancellor of the Exchequer.

It could be suggested that these appointments were designed to keep Wilson’s main rivals from plotting against him. Callaghan was not as potent a threat as Brown as he was given an existing Department of State, the Treasury, now solely responsible for managing the public purse.

Brown was given responsibilities both as Deputy Prime Minister as well as authority over a completely new ministry and would have to co-operate with the Treasury in order to implement economic policy. From the perspective of the Bureaucratic Politics model such responsibilities would be a major drain on the time available to consider making a political challenge for the position of the Prime Minister.
The decision which had the greatest ramifications for defence strategy was an economic one. It was made by three people, the Prime Minister, the Secretary for the Department of Economic Affairs and the Chancellor. The balance of payments situation meant that Britain was importing many more goods than it was exporting. The deficit was significant. This left two choices - to engage in a devaluation of Sterling or deflate the economy.

Either choice was fraught with problems for the new government. Labour had been out of power for thirteen years. They had campaigned on the basis that they could manage the economy. Therefore the principal players did not want to take ‘the soft option’ and devalue Sterling. The alternative, deflation flew in the face of the Labour commitment to dramatically increase economic performance before the 1970s by 25%.

Furthermore the choice had significant and distinct ramifications for the three central players goals and interests. It could be suggested that perceiving their mandate as being to create a ‘New Britain’ they would see deflation as damaging not only to their vision, but more tangibly to their future electoral prospects.

The Prime Minister had been involved in the 1949 devaluation and was regarded as perceiving Sterling, ‘as a sort of virility symbol.’ Given their respective responsibility for economic planning and controlling public spending Brown and

80 The meeting occurred on the 17th October 1964 in the Cabinet room. For details see Callaghan, J. Time and chance (London: Collins 1987). Ch. 5. pp. 163 - 164.
82 op. cit. Ziegler (1995). Ch. 10. p. 190. The comment is attributed to Denis Healey.
Callaghan’s roles made it unlikely that they would want to take the devaluation route either. As noted in the Chancellor’s memoirs, ‘each of us knew before the Prime Minister began what our answer would be.’ 83

Once deflation was chosen as the policy to pursue the spending departments with large overseas currency expenditure such as defence would be prime candidates for spending cuts aimed to take the heat out of the economy. Coupled with Labour’s traditional inclination to give defence a low priority compared to social services this meant that its fate was sealed from the start.

Within the higher echelons of the Ministry of Defence the implications of government economic policy were soon realised. The Chiefs of Staff noted that in the face of the planned curbs in public spending, ‘there was very little room for manoeuvre in the short term.’ 84

A further meeting a fortnight later confirmed this situation. The Permanent Under Secretary noted of a paper disseminated by the Treasury that, ‘in associating commitments and resources, showed that a review of defence expenditure appeared to be inescapable.’ 85

Meanwhile the new Department of Economic Affairs was facing considerable difficulties in determining its responsibility and mandate vis-à-vis the Treasury. The

83 op. cit. Callaghan. Ch. 5. p. 163.
84 Chiefs of Staff Committee meeting 63rd/64, 27th October 1964, Public Record Office DEFE4/176. Confidential annex. p. 1. c.
new department had to break the monopoly of the Treasury on economic matters. There had to be entrenched battles if one were to change the machinery of government and having appointed ministers not totally committed to a plan with the full backing of the Prime Minister was bound to lead to an unsatisfactory conclusion. The creation of the unified Ministry of Defence showed how change required genuine Prime Ministerial backing as well as highly motivated individuals within the system.

By the New Year 1965 the Ministry of Defence’s position in the public expenditure round was clear. A minute from the Chancellor to the Secretary of State for Defence stated that, ‘I must be in a position to give absolutely clear evidence that we are stopping the increase in the growth of the resources which are being devoted to defence.’ 86 A minute to the Prime Minister the same day indicated that, ‘the only point on the 1965-66 estimates which I was urging at supper... was defence expenditure.’ 87

At a full Cabinet meeting in January 1965 the Chancellor put up his plan for public expenditure. Callaghan saw defence as providing most of the savings required;

‘A major review of is being undertaken of our defence policies, to see what would be involved in keeping the defence budget at the 1964 - 1965 level of £2,000 million at 1964 prices not only in 1965 - 1966, but right through to 1969 - 1970... A long term defence policy within these limits will save £350 million of the £500 million I need.’ 88

85 Chiefs of Staff Committee meeting 67th/64, 10th November 1964, Public Record Office DEFE4/176. p. 4.
87 Callaghan to Wilson, 31st December 1964, Public Record Office T171/772.
88 Public expenditure. Memorandum by the Chancellor of the Exchequer, 26th January 1965, Public Record Office CAB129/120. p. 3. para. 11.
The Chiefs of Staff knew therefore that they had to define affordable plans as rapidly as possible. They noted, ‘it was not in our interests to delay, as the Treasury was likely to withhold financial approval for any major projects during the review period.’

As we have seen the first major decision was to cancel the TSR-2 aircraft. It had already been clear by the Chequers weekend that Wilson accepted that while the fine print of the defence review might take time decisions on expensive projects could be rapid. Healey believed that TSR-2 could be cancelled. One of his first acts was to review the TSR-2, P-1154, and HS-681 projects and see if overseas alternatives could be more cost effective. Healey stated, ‘within a month I’d discovered we could save £1,200 million.’ However advocating cancellation would impinge from a bureaucratic politics perspective on other players interests, such as the Aviation Minister.

The cancellations had to meet a political timetable. The Aviation Minister Roy Jenkins agreed about the second two of the above projects but was keen to defend the TSR-2. One key issue in the ministerial defence of the project was that Jenkins although a key player was not a full member of Cabinet. Without access to that particular action channel through which to influence his colleagues, defending the project was extremely difficult.

At the Defence and Oversea Policy Committee Healey recommended the replacement of the TSR-2, P-1154 and HS-681 with the United States F-111A, C-130, and an

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89 Chief of Staff Committee meeting, 16th February 1965, Public Record Office DEFE4/177. p. 2.
90 op. cit. Williams & Reed. Ch. 8. p. 177.
eventual British P-1127 aircraft. This would save £600 - 800 million over a decade.  

At this meeting Jenkins ‘did not dispute most of the Secretary of State for Defence’s recommendations’ and Callaghan as Chancellor, ‘accepted the recommendations of the Secretary of State for Defence.’

Furthermore problems with the programme itself had a habit of occurring at key points in the decision-making process. A few days after the public expenditure situation was presented to Cabinet the TSR-2 suffered an air frame fracture. the Defence and Oversea Policy Committee (Official) noted, ‘the cost of the TSR-2 was still likely to escalate.’ This incident did not assist the chances of the ailing project’s survival.

Within the Ministry of Defence there was also a divergence of opinion between the main players as to TSR-2’s value. Mountbatten favoured the Buccaneer and engaged in strenuous efforts to seek TSR-2’s cancellation by discouraging potential foreign buyers. However upon the battle being lost the Chiefs of Staff were quick to promote buying into US aircraft programmes.

To avoid too traumatic a blow to the Government the cancellation of the TSR-2 was placed in the April 1965 budget announcement rather than the February publication of

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91 Defence and Oversea Policy Committee (Official), 13th January 1965, Public Record Office CAB148/18. p. 3.
92 ibid. p. 5.
the Statement on the Defence Estimates. Meanwhile work on the Defence Review was continued apace.

In early summer the Chancellor made a journey to Washington to visit his counterpart. When defence was mentioned the Secretary of the Treasury suggested that Callaghan, ‘should develop this theme with Under Secretary Ball and Secretary McNamara.’ At a meeting with McNamara the Chancellor was informed of the following:

‘McNamara cited as instance naval requirements. A navy was a luxury to any nation... in particular he was convinced that there were many areas of duplication between the United States and United Kingdom in the naval field.’

Given that the Royal Navy’s CVA-01 project was one of the most expensive plans under review this exchange with leading defence figures outside of his own government had a clear impact on a Chancellor concerned with cutting public expenditure. From a bureaucratic politics perspective the arguments obtained by the Chancellor would give him ammunition for Cabinet decisions regarding the carrier procurement programme.

Another visitor to Washington was the Cabinet Secretary Burke Trend. He was supposed to be on a fact finding tour for the benefit of the Prime Minister. Healey wished to have him briefed beforehand on the Ministry of Defence position. The Prime Minister’s relationship with Trend was strong, ‘the man who probably influenced

95 op. cit. Ziegler (1995), Ch. 10, p. 211.
96 10:30 a.m. meeting between the Chancellor of the Exchequer and the United States Secretary of the Treasury, 29th June 1965, Public Record Office PREM13/216.
97 Notes of a meeting held in the State Department at 16:30 on Wednesday 30th June 1965 with Chancellor of the Exchequer, Public Record Office DEFE13/508.
98 Minute from Secretary of State for Defence regarding visit of Sir Burke Trend to Washington, 6th July 1965, Public Record Office DEFE13/114.
Wilson the most during his first administration.’ His advice would have most certainly been taken seriously by Wilson.

Within the Ministry of Defence the CVA-01 situation was straining relationships. Mountbatten had been replaced by an army officer, Field Marshal Hull. The ability of the Royal Navy to advance its agenda was limited. The Royal Air Force had promoted to its highest ranks some who had trained as legal advocates and were more than skilled in presenting a brief to the Minister. This was a vital skill in terms of protecting their service interests and acting to the detriment of others.

The First Sea Lord decided to take a diplomatic view of future requirements. He chose to emphasise that both the F-111A (the TSR-2 replacement) and CVA-01 were necessary. He hoped to create a coalition between the key players in the Air Force and Royal Navy in order to present a unified front to their Minister. The Air Force however would not play this game. They knew their requirements were covered by the F-111A and the sustainment of this project could be enhanced if they did not co-operate with the Navy. The Army remained in the words of one interviewed officer, ‘neutral or rather kept their heads down.’

The junior Royal Navy Minister was keen to protect his fiefdom as well as assisting in the delivery of the CVA-01. Following an exchange of memoranda in the summer Healey gave an ultimatum to his junior minister requesting that by the next day, ‘a minute which will show the consequences... of any decision to drop carriers in terms of

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100 Interview with anonymous officer.
practical limitations.’ 101 Mayhew’s response referred to foreign policy implications rather than economic requirements. In his recollections Mayhew noted that,

‘I had been driven unhappily to conclude that both CVA-01 and the F-111As were essential... our only possible course of action seemed to be to emphasise the small margin by which the cost of the ‘with carriers’ fleet would exceed the cost of the alternative proposal.’ 102

Shortly after this exchange a second Chequers weekend was due to discuss the final Defence Review contents and make any final amendments. Healey was keen to carry his Cabinet colleagues with him. To that end he circulated a personal note in advance to diffuse potential conflict.

At the weekend the Paymaster General, Wigg, was one of the attendees with a keen interest in defence as a former Army officer. Wigg was regarded as a minister whom Healey had ‘crushed’ during previous Chequers debates. 103 From the records it appeared that Wigg failed to receive a copy of the personal note from Healey which he regards, ‘would have influenced my position on the subject.’ 104 A subsequent investigation led to the conclusion that a letter to a potential opponent of Healey’s did not reach him because the envelope was incorrectly addressed.

By early 1966 it was clear the CVA-01 project was likely to be cancelled. However the defence budget was still above the political threshold of £2,000 million which was required. The final touch appears to have been on the initiative of the Cabinet

103 op. cit. Williams & Reed. Ch. 8. p. 170.
Secretary, Wilson’s ‘ultimate mandarin’ Burke Trend. 105 In a minute to the Prime Minister he offered two indirect means of reducing the budget, 1) Remove the £60 million contingency allowance. This would reduce the current budget of £2,060 million to the desired £2,000 million. 2) abandon the P.1127 Harrier project 106 Given the cutbacks effects in the aircraft industry the latter option was seen as unacceptable. The budget had been reconciled for the coming year. In bureaucratic politics the position of the Cabinet Secretary had been demonstrated as a key player in the decision-making game.

It is interesting to note that although no direct evidence exists that the Ministry of Defence made efforts to conceal its true budget from observers. A Foreign Office visit to the Ministry aimed to discuss the feasibility of using the defence budget as a means of monitoring arms reductions. A Ministry of Defence official noted;

‘That it was possible, within certain limits, to disguise and even conceal military expenditure under other headings. This would be possible even in the best regulated budgets, where detailed figures were published and scrutinised by parliamentary committees etc.’ 107

The Official went on to give examples. He suggested that military construction costs were borne by the Ministry of Public works and appeared in their estimates. He suggested that the costs of research and development be split 60:40 between the

106 Trend to Wilson, 10th February 1966, Public Record Office PREM13/801.
107 Minute miss E J M Richardson and Dr. Viney, 17th November 1964, Public Record Office FO371/176368. para. 2. The Ministry of Defence official was C L Silver.
Ministry of Defence and Aviation. Clearly this provides one explanation why the Ministry of Defence was keen to cancel the Concorde supersonic airliner project.

Further speculation as to ways of hiding defence expenditure were even more illuminating for a Ministry contemplating retrenchment. Research into chemical weapons could be hidden in the Ministry of Agriculture or Health budgets. A further possibility was the nationalisation of the armaments industry so that government could institute artificially low prices so reducing direct expenditure. A last example was to move the cost of supporting dependants to the Ministry of Pensions.

What is the significance for the Governmental (Bureaucratic) Politics analysis of this discussion? It could be suggested that at the start of a new administration preparing to engage in reducing the defence budget Ministers faced officials who were already conversant in how to manoeuvre politically in order to subsume defence costs under other budgets. Alternatively they could advise on a course of action which could reduce costs in the armaments industry. It could be suggested that the politicised presentation of resource allocation decisions was well developed.

However the cuts were to be real. The publication of the Defence Review led to the cancellation of CVA-01 and the resignation of the First Sea Lord as well as the junior minister responsible for the Royal Navy. Luce reportedly resigned to avoid other officers doing so and because he had failed to secure the next generation of decisive weaponry for the Navy. Whilst Mayhew resigned over the abandonment of the East-of-Suez commitment it has been suggested that his decision was also tempered by the fact

\[108\] Ibid.
that he felt that he had a right to a Cabinet seat. His exclusion it appears was as important to him as his resignation on the strategic issues. This view is supported by his subsequent efforts as a back bench MP to have Wilson replaced as Prime Minister.

Later in the year successive currency crises forced another Defence Review in order to cut public expenditure further. A casualty of this was the F-111A which the Air Force had hoped to obtain. Healey’s defeat in Cabinet was by a new Chancellor, Jenkins, who had been in charge of Aviation when Healey scrapped the TSR-2. As Minister for Aviation earlier Jenkins had suffered the loss of the TSR-2 programme. Now as Chancellor he fought for the funding to be cancelled for its replacement. The new Chancellor’s response illustrates well Allison’s principle of where you stand depends on where you sit in the context of the bureaucratic politics model.

The Cabinet battle was between Healey and Jenkins. Healey noted that he lost by one vote in the first skirmish. By the time of the second vote the project had been lost. Healey felt that he was on the point of resignation. He did not resign because he perceived his successors as not being able to stand up to Cabinet and protect the Ministry and the significant deals he had personally struck concerning nuclear strategy with the Americans and McNamara.\(^{109}\)

**CONCLUSIONS**

This section of the chapter has sought to examine four hypotheses to explain the shift from a maritime to a continental strategy through the Government (Bureaucratic) Politics model. The origin of the hypotheses were in the explanation by the 1966 White Paper and the comments of others as to the causes of the review. Here we have sought to focus upon the decisions and policies of government as arising from the political bargaining manoeuvres between the principal actors at the highest level.

This has yielded insights different to those previous perspectives. The model III analysis has detailed the importance of individuals with parochial responsibilities, personal views and distinct political baggage. The bargaining between such individuals led to policy decisions such as that to avoid the devaluation of Sterling thus forcing a public spending review. The examination of the personalities involved has indicated that different players have different capacities in getting their agenda across as well as levels of power and ability to use the rules of the game to prevent their opponents enacting their interests.

A further outcome of this analysis has been in seeing the conjunction between this and the other two models in our endeavours to test Allison’s framework. The next chapter will look at the lessons learnt from its practice and to suggest an alternative model for considering governmental decision-making.

This model was developed after this straightforward examination of the utility of Allison’s model in a new context to ensure our views on this were not contaminated by any prior understanding of the value of this approach.
It is our intention to apply this alternative model to a contemporary case study where a lack of primary source information should enable it to yield insights of a different nature to the three lens model of Allison.

Having applied hypotheses uniformly to the three models in this analysis it is possible to indicate the importance of these hypotheses to the lenses in terms of offering a filtration device for channelling thinking on the decision situation and structuring research efforts. The risk that arises through the application of a structured inductive approach as this is its possible funnelling of thought about the key drivers of the decision situation. Finding enough mutually exclusive hypotheses to make the exercise suitably comprehensive without becoming an inappropriate burden on the analyst is at the core of this issue.
CHAPTER FOUR: RE-APPRAISAL OF THE METHODOLOGY AND PRESENTATION OF AN ALTERNATIVE

Having applied the Allison framework to British defence policy in the mid 1960s we now seek to look at subsequent development to its theoretical underpinning and use these to integrate it into a new model. This will make it possible to assess the continued explanatory power of the analytical paradigm Allison developed for understanding state decision-making behaviour.

Concepts from the sub-disciplines of economics, organisational behaviour and game theory were marshalled by Allison to facilitate deeper comprehension of the prevalent dynamics of international relations. However as Allison himself noted the fields examined at the time of his writing constituted, ‘a young science.’

This chapter aims to consider the developments and challenges to the precepts underlying Allison’s three explanation modes. Following this we will propose an alternative incorporating these critiques for considering the nature of governmental decision-making.

In order to achieve this the Chapter will first consider the three models in turn; the Rational Actor, Organisational Process and Bureaucratic Politics lens. This will discuss development of the philosophies driving Allison’s models over the past decades. The fourth section will articulate an alternative model called the Intra-Governmental Decision model.
I - THE RATIONAL ACTOR MODEL

This model sought to explain decision-taking by recourse to the international relations paradigm known as “state-centric realism”. Within this nation-states are the central unit of analysis. Their interactions are to be understood by their unremitting pursuit of the national interest in an environment where no over-arching authority exists to curb their power. This was synonymous with the prevailing paradigm of the international relations community at the time of Allison’s research. It is exemplified by Morgenthau’s work Politics amongst nations.

However during the late 1950s and early 1960s the social sciences underwent a transformation that attempted to adopt the methods of traditional science in a period known today as the behavioural revolution. Its impact upon the realist school of international relations was to encourage a split between those who saw research as assessing contemporary issues inductively through the direct use of archival resources and those who favoured developing a priori theoretical hypotheses, models and concepts for explaining, and occasionally attempting to predict the behaviour of states.

One such model was based upon the ideas developed by the RAND school in the early 1960s on choice. Researchers such as Boulding, Schelling, Wohlstetter, and Waltz

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brought concepts such as the prisoner’s dilemma from game theory into the social sciences. This idea was utilised for thinking about conflict. It was especially used for analysis of the problems of nuclear deterrence in the then burgeoning field of strategic studies.

The rational actor model was predicated therefore upon state based rational choice made on a case by case basis with regard to others with distinct sets of values i.e. power maximising states. During the 1960s and early 1970s a sustained intellectual debate was mounted within the realist paradigm. Systems thinking derived from control engineering saw systems models as the best means to contemplate international activity in which the state as a unitary actor was only one actor amongst many.

A further challenge to the pre-eminent paradigm came from those scholars who saw state decision making as the resultant of hierarchically subordinate domestic interactivity rather than the result of deliberations by a monolithic entity. Various

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individuals including Wohlstetter set out to examine the nature of bureaucracy. From this effort Allison’s research and *Essence of Decision* emerged.  

Following Allison’s publication the realist framework continued to face criticism. By the late 1970s super-power détente began to fade and a new phase in the cold war began. Against this backdrop Waltz’s work *Theory of International Politics* is regarded as a key contribution in the re-affirmation of the realist paradigm. It is therefore relevant to understand the theoretical development of Allison’s assumptions underlying the lens.

Waltz’s contribution is categorised as Neo-realism. It sparked an intense debate within the international relations discipline. This continues today. The essential characteristics of Waltz’s work it could be suggested is his adoption of concepts from economics to describe the international political system and its units of analysis. Along with Gilpin he continued to support the concept of rationality as used in traditional modelling derived from economic analysis.

Furthermore Waltz, notes Snyder, declared behaviour between states to be either ‘relations’ or ‘interaction’ in nature. Snyder noted that this, ‘permits a richer, more

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detailed analysis of interactions between particular states than is possible from only structural or unit perspectives.\(^\text{11}\)

Other research in this area has highlighted the emerging role reputation plays in international politics. Mercer has sought to consider the issue of reputation between states in a deterrence context.\(^\text{12}\) Copeland discusses Mercer’s analysis of the Munich syndrome. This arguably inspired the United States foreign policy community regarding the domino theory they had propounded during the cold war. Regarding United States participation in hot conflicts during this period the point is made that;

‘The blood and treasure... spent during the cold war in such hot spots as Korea and Vietnam were for naught. Our allies were not impressed, and had we not acted, the Soviets would not have thought less of us.’\(^\text{13}\)

Mercer suggests that reputation in the international relations context has two attributes. Firstly it must explain an actors behaviour in terms of disposition. Secondly past behaviour needs to be marshalled to predict that in the future. The amalgam of these constitutes reputation dynamics.\(^\text{14}\)

The essential point of this thesis is that the rational explanation for the behaviour of states is that they are reacting to maximise their power, tempered by Mercers ideas on the significance of reputation. Continuing in this tradition of looking out to disciplines such as economics and game theory have recently developed concepts generating

\(^{13}\) ibid. pp. 33 - 34.
further insight into the process by which actors relate to each other and develop reputations in the pursuit of their self-interest in a dynamic context.

Grief’s work on trust and reputation considered the Maghribi traders federation in the 11th century. In order to ensure a stable basis for trade the traders made their efforts viable by creating a system of agents who provided services at ports throughout the Mediterranean and sold their merchandise on behalf of the federation. Given that individual agents in the federation could trade goods and embezzle part of the proceeds this agency system sought to curtail this by generating a system of mutually beneficial trust.

By designating particular agents to handle their business the Maghribi Traders’ agents behaviour was tempered by the knowledge they would receive business automatically from the designated Maghribi traders (trust) but only if they did not act to the detriment of their clients. If they did they could expect to receive no business in the future (reputation). This system worked so well that agents would share their losses as well as their profits with the traders to maintain their reputation with each other and the trust of the clients.

This concept has profound implications for considering inter and intra state based choice. In Allison’s models applied to British defence policy in the mid 1960s the ideas of repeated games, trust and reputation effects could add a much richer level of understanding in terms of identifying the relationships between the principal parties.

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Further the concept of reputation in the repeated games Axelrod’s work has received attention by those researchers concerned with game theory in particular and the different situations that occur in the prisoner’s dilemma.  

Consider the Rational Actor interpretation of hypothesis three: alliance considerations. It was posited that the shift from East of Suez to a European defence posture occurred to support effort by the United States to deter Soviet aggression against Western Europe. In terms of the model however at what point was there in pursuing this given the preponderance of United States military power both conventional and nuclear?

Applying the concept of repeated games demonstrates a more rationally understood picture. Given the reputation of both countries the shift to support United States goals was based upon trust developed as a result of their successful pursuit of mutual interest over time.

In terms of the Organisational Process model we can again consider this hypothesis in the light of Grief’s developments. The level of trust and reputation of the British and United States Defence and foreign departments was such that their views on NATO strategy were harmonious both at the intra state and inter state level. This level of trust meant that the United States could rely on Britain to support her as well as providing the United Kingdom with a strategy which it could trust rather than pursuing its own enlightened organisationally based short term self-interest.

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16 ibid. p. 531.
An example of a repetitive game is the fact that the defence and foreign ministry’s did not seek to totally dominate one another either internally or externally. It could be suggested that this was because they constrained their behaviour knowing that they would still have to deal with each other at future points in the decision cycle. Rather than pushing for the classic game theoretic outcome maximising self-interest this modified their behaviour to sustain trust and develop reputations.

Finally consider the Governmental (Bureaucratic) Politics (model III) interpretation of the alliance hypothesis and the relations between McNamara, Healey and Schmidt. Given the repeated interactions between these individuals and their respective reputations as competent defence intellectuals the decision to adopt a new defence strategy would have made little sense politically for figures such as McNamara. In the context of trust building with foreign counterparts to generate consensus for a shift in strategy such activities are more easily understood.

Grief’s analysis has been expanded to validate his ideas by contrast to other mercantile arrangements in medieval Europe. Further research has aimed to examine relations between culture and institutional organisations. These concepts of repetitive games with the added issues of trust and reputation are resonant as principles providing an explanatory framework for analysing relationships in other disciplines. Gilson & Mnookin’s work has aimed to show the impact of these in explaining the activities of

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litigation lawyers. These often find themselves operating against one another in the representation of their clients where the prisoners dilemma provides an misrepresentative description of the dynamics.  

To summarise: since Allison propounded the Rational Actor model there have been developments both within the international relations discipline and outside that utilise economic and game theoretic concepts. This has generated new interest in the qualitative factors such as relations, interaction, and reputation offer an enhanced explanation for the failing of the static prisoner’s dilemma type game in international relations. The work of Grief we propose adds the necessary dynamic to these developments by situating state decision-making within a dynamic continuum, conditioned by trust and reputation effects.

**MODEL II - ORGANISATIONAL PROCESS**

Allison’s organisational process model posited that foreign policy outcomes were sub-optimal from a rational actor perspective as they were the outputs of intra-governmental actors that divided and sometimes overlapped responsibility for administering particular policy areas. Much of this model is derived from the application of ideas from the field of economics and organisational theory and more specifically from the works of Simon, Cyert and March.

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Simon’s concept of bounded rationality and Cyert and March’s behavioural approach to the economic construct known as the theory of the firm enabled a richer understanding than previously possible of organisational activity within the firm as opposed to between firms. Allison saw further research as necessary to evolve this model. This required study of various governmental organisations as well as, ‘why a given set of SOPs [Standard Operating Procedures] happen to exist in a particular organisation.’

The dominant paradigm within organisational behaviour evolved during the period since the 1960s. Robbins posits that the organisational theory in Allison’s time was based around a rationality in which organisations were mechanisms for achieving particular goals. The major theme within was the alignment of structures to environmental uncertainties in order to function effectively. The mid 1970s however saw a shift. Robbins suggests this shift is still relevant today. Rather than rationality as the basis for considering organisational behaviour a social perspective is favoured in which;

‘The result is the viewpoint that structure is not the rational effort by managers to create the most effective structure but rather the outcome of the political struggles among coalitions within the organisation for control.’

Simon’s concept of bounded rationality sought to show how decision-making was more realistically analysed by utilising rationality derived from schools of thought opposed to the rational unit of analysis posited by classical economics. In his view the latter

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conception of rationality was, ‘decisively refuted by modern developments in psychology and sociology.’ 26

Robbins has suggested Pfeffer added to the work of Simon. He built a model of organisational theory that considers, ‘power coalitions, inherent conflict over goals, and organisational-design decisions that favour the self-interest of those in power.’ 27

Research into this concept has shown how organisational culture evolves from the pursuit of dynamic self interested aims, adding an extra dimension to the economists traditional view of the organisational structure as exogenous. 28 The evolved culture affects the manner in which organisations perform tasks. These may appear irrational to external observers, but imbedded in the sustainment and creation of trust of reputation they make sense. For example recruitment of individuals to a particular department in the British civil service may be drawn from a particular background in order that all share a latent value system pertinent to the culture of the organisations they serve.

Wildavsky considered the role of culture in the governmental budgetary process. In a comparative exercise he differentiated between hierarchical, market and equitable

regimes. In Wildavsky’s view states which support the market economy possess a budgetary system with the characteristic of, ‘opportunity for gain by bidding and bargaining.’ Relating this to the organisation of government the idea is expressed that;

‘Cultural theory is about how individuals who identify with rival cultures... seek to strengthen their preferred way of life... and to weaken others... Cultural theory, in short, is a way to bring what different people want and why they want it into budgeting.’

Morgan posited a selected typology of metaphors for describing organisations. In his consideration of the cultural metaphor Morgan makes the point that, ‘culture... shapes the character of organisation.’ Another metaphor seeks to establish the idea of organisations as political activity systems where a number of differing interests are accommodated by politics influenced by power and authority.

In the context of governmental decision making this political metaphor has some explanatory utility. This model explores power achieved and exercised through various forms of formal authority, organisational structures, rules, regulations and control of knowledge, information, organisational boundaries, technology, and resources. This typology details further the nature of fractionated power used in Allison’s Organisational Process model.

30 ibid. p. 654.
31 ibid. pp. 675 - 676.
33 ibid. Ch. 5. p. 117.
34 ibid. Ch. 6. pp. 141 - 198.
Wildavsky’s recent collaborative research has sought to consider the implementation of government policy. \(^{35}\) His analysis starts from the presumption, ‘that the essential constituents of any policy are objectives and resources.’ \(^{36}\) Because of the dynamic nature of the environment in which organisations pursue policies and the subsequent lack of knowledge as to the effects of a particular policy at a specific time Wildavsky suggests several policies are sustained by inertia. This is such effect that, ‘implementation begins neither with words nor deeds, but with multiple dispositions to act or treat certain situations in certain ways.’ \(^{37}\)

Wildavsky goes on to suggest that the process of implementation is evolutionary and so dynamic in character noting that, ‘since it [implementation] takes place in a world we never made, we are usually right in the middle of the process, with events having occurred before and (we hope) continuing afterward.’ \(^{38}\) A consequence of this statement for policy makers is policies which are not routine in nature (i.e. having been performed frequently and whose effects are well understood) will always have to adapt to environmental circumstance.

Wildavsky concludes with the assessment that, ‘implementation will always be evolutionary; it will invariably reformulate as well as carry out policy... Implementation is worth studying precisely because it is a struggle over the realisation of ideas.’ \(^{39}\) The concept of organisational activity possessing evolutionary characteristics was a feature


\[^{36}\text{ibid. p. 168.}\]

\[^{37}\text{ibid. p. 169.}\]

\[^{38}\text{ibid. p. 177.}\]

\[^{39}\text{ibid. p. 179 - 180.}\]
of the research by the economists Nelson & Winter and is of course fundamental to Axelrod’s et. al.’s approach to dynamic games. Their work sought to examine the effects of dynamics upon the development of firm behaviour by utilising alternative disciplines. Their evolutionary theory of economic change had three main facets;

‘The first is the idea of organisational routine. At any time, organisations have built into them a set of ways of doing things and ways of determining what to do... Second, we have used the term “search” to denote all those organisational activities which are associated with the evaluation of current routines... Third, the “selection environment” of an organisation is the ensemble of considerations which affects its well-being and hence the extent to which it expands or contracts.’

In the consideration of the development of the theory underpinning the organisational process model it is suggested that there have been several developments offering greater understanding. By focusing upon behavioural factors such as an evolving organisational culture and the manner in which organisations get to this steadily through time it is possible to understand better the manner in which they interact. The implementation of several concurrent options in order to select the one which survives best in a turbulent environment suggests a greater possible understanding of Allison’s operating procedures and the reason for their existence. It is possible that dynamic games sketches out the prospect of a rapprochement between the Rational Actor and the organisational process models.

What evidence exists to support the view that organisational behaviour in the British government is salient to understanding policy outcomes and bargaining positions? One

41 ibid. Ch. 17. pp. 400 - 401.
Naval officer in the United States sought to grapple with such an evolved culture on policy, noting of soldiers, sailors, and airmen that;

‘Let there be no delusion. Even though they all serve the same common purpose and do so in all the honesty and sincerity of able and dedicated men, they do not think alike... these clashes of ideas, these almost constant pullings and haulings among the services, are the greatest source of military strength that the nation has.’  

In the British case Strachan seeks to evaluate the political nature of the British army focusing upon the role the regiment plays in engendering values in its members. These can and occasionally encourage conflict with other arms not to mention the other services. Within the Ministry of Defence recent research has illustrated the four main cultures and their differing approaches to the practise of their art. It could be suggested that the characteristics which make the services different will manifest themselves in bargaining on resource allocation as much as they do in war fighting.

Do these developments provide us with greater understanding when contemplating the role of organisations in the decision-making of the mid 1960s? When considering the first hypothesis ‘personnel over-stretch’ the idea of the services possessing distinct cultures and therefore strategies and styles of bargaining makes great sense. The splitting of the defence budget between the three services illustrates the role their cultures can play in defending access to resources. Divine summed up what he saw as

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the failing of the services between the Second World War and the formation of the unified Ministry of Defence as follows;

‘The Admiralty stands condemned... that it failed to secure the essential factor, naval aircraft, in its otherwise ironically successful carrier programme... The War Office stands condemned... that it failed to produce adequate armour and a proper doctrine for its use... The Air Ministry stands condemned... that it subordinated all [author’s italics] else to the pursuit of the myth of the independent bomber theory.’

This commentary betrays important knowledge for the dynamic of the interaction between the services. The services responsibility for particular realms of warfare, and the mechanisms for fulfilling the role create distinct cultures with particular modes of operation. In terms of understanding interactions within the Ministry beyond a single game theoretic interaction the culture evolved in the dynamic games to clearly mobilise political resources to defend central programmes such as the Naval aircraft-carriers or the air force’s manned bomber.

Understanding the battle between 1964 and 1966 to move to Europe can be observed with the evolved cultural metaphor. The reluctance of the Royal Navy to consider alternatives such as the purchase of surplus United States Navy aircraft carriers and the Air Force desperation to sacrifice TSR-2 as long as an alternative manned bomber could be obtained clearly illustrate the reaction to threats to the core systems that support the culture of the services.
The concept of organisational implementation introduced by Wildavsky independent of the paradigm show how the organisational activity at the time of the 1964 - 1966 defence review process can be better examined by the means that have now emerged as a result of dynamic games and the ideas of evolved culture as a basis for organisational process behaviour.

Each service elaborated its own strategy for providing for Britain’s security. The island basing and amphibious task force strategies evolved independently from each other and duplicated the outcome of the other in their ability to project military force. These strategies are examples of the evolutionary manner leading to organisational decision-making. The procurement of new generations of tanks, aircraft carriers and manned bombers are incremental technological improvements on equipment already in the current inventory and providing a raison d’être for the existing service culture. They do not represent a radical departure from existing practice in the delivery of the requirement. Divine describes the obstacles to getting the services to adopt innovative practices and armaments such as the machine gun in the 19th century and admiralty doctrine at the start of the 20th. This level of difficulty in terms of gaining acceptance is much higher than compared to more incremental programmes of development.  

It could be suggested that organisational culture has an impact on the implementation of programmes and provides detailed understanding of the policy-making process. The evolutionary manner in which organisations change provides a broader understanding than is possible through a single game-theoretic consideration of a particular decision.

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From evolutionary theory we see the dynamic continuum and the organisational responses to it. Thereby we can derive better understanding of the environment in which choices are made and the mechanism by which the results are conditioned.

III - THE GOVERNMENTAL (BUREAUCRATIC) POLITICS MODEL

Allison’s third model is arguably his lasting contribution to the discipline. The phrase ‘bureaucratic politics’ is now a staple phrase expressing the problems government decision-making faces across all the social sciences. This section considers the philosophical underpinning of that model and its continued explanatory power in both its original form and that into which it seems to be evolving.

The model itself has as its central characteristic the role key people play in taking forward their political organisations agenda and positions which imbue them with particular agendas, powers, and stakes in issues vis-à-vis others. Within this environment decision-making is explained as the resultant of bargaining amongst such players. 47 Allison’s use of the term ‘game’ to describe interactions between such players indicates the game theoretic influence for considering choices which he himself did not pursue. Further the game theoretic aspect of the governmental politics models means that the economic conceptualisation of rationality is the de facto means to consider how players relate to one another. In politics where reputation and trust, or the lack of it, are the meat and drink of the exercise of power, we have to use dynamic games to adequately explain changing situations effectively.

46 ibid. esp. Ch. 2 - 4, pp. 19 - 82.
The model refers also to the use of game in the Wittgensteinian sense of a language game. It has already been posited that with the concepts of repeated games we have a better understanding. Trust and reputation issues have a significant bearing upon our better understanding of the bureaucratic politics game. However it could be suggested that consideration of alternatives to the economic ‘rational man’ may provide further insight into government decision-making.

By the early 1980s the notion of economic man as a value-maximising individual able to distinguish between alternatives was under sustained challenge in the social sciences. Williams and Findlay suggested that psychology offered better ways to explain decisions, ‘classified as non-rational, irrational or inexplicable.’ 48 Economics moved from the neo-classical position of rationality toward the bounded rationality of Simon. 49

However Williams and Findlay go further and describe emerging challenges to bounded rationality. They posited that, ‘economics is in a quandary today both methodologically and in its ability to describe what is going on in the world.’ 50

An alternative conception of rationality is offered by Etzioni. He suggests that normal human behaviour is naturally non-rational and requires constant motivational pressure to sustain rationality akin to a rocket constantly needing to produce thrust in order to escape the gravitational pull of Earth. 51 Within his conception of rationality, society and institutions act as anchors engendering greater ‘rationality’ not lesser rationality in

individual behaviour. Having surveyed theories of rationality in economics and psychology Simon suggested that, ‘such economics [the conception of rationality] is a one-bladed scissors. Let us replace it with an instrument capable of cutting through our ignorance about rational human behaviour.’

The same year Etzioni proposed a new inter-disciplinary field of research known as socio-economics. This was a response to the need to redefine rationality in economics utilising the advances within the social sciences. As a research agenda Etzioni’s new socio-economics paradigm aimed to consider the extent of rationality in any behaviour studied, how people make choices, and the extent to which decision-making is influenced in group as opposed to individual situations.

Etzioni’s contribution has been to formulate what is termed the ‘I & We’ paradigm and its associated normative-affective factors. Normative-affective factors are described as, ‘a concept of individuals governed by normative commitments and affective involvement’s’ i.e. they are cultural, institutionally embedded.

This is in contrast to what are seen as logical-empirical or the neo-classical view of rational decision-making. Etzioni cites as an example of the primacy of normative-affective over logical-empirical factors that of a banker seeking a home in New York.

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When accommodation was suggested close to his place of work but in a disreputable neighbourhood rather than a more expensive, fashionable district;

‘The banker recoiled in horror... rejecting out of hand the suggestion to “at least have a look”. It might be said that the Banker’s choice was “rational” because the prestige loss... would exceed the saving in real estate. However, as he refused to examine the Brooklyn option...we score such choices as dominated by N/A [normative-affective] factors, and as not rational.’

Such normative-affective factors show a potential for adding explanatory power in examining the actions of those in government. This model allows for particular prejudices and cultural adopted values to influence the decision-makers view of the problem at hand. The I & We concept seeks to address the tension between individuals and the community into which they belong. Etzioni notes of the I & We paradigm;

‘If one views the community as merely an aggregation of individuals temporarily joined for their convenience, one leaves out the need for commitment to serve shared needs and for involvement in the community that attends to those needs.’

This paradigm can be marshalled to explain much about governmental behaviour. Departments possess cultures and shared values which are instilled in their members. For example Lord Mountbatten, Chief of Defence Staff at the start of the 1964 Defence Review was clearly an influential individual. He was also a Naval officer and a clear tension developed between the neutrality required by him as Chief of Defence Staff and his loyalty to his home service.

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57 *ibid.* Ch. 1. p. 8.
The international relations discipline has since the mid 1970s taken an interest in propounding the use of a modified over neo-classical rationality, partly influenced by Allison’s contribution to the debate. Wrightson argues that state-centric realism does not exclude moral concerns in foreign policy decisions. 58 Nicholson suggests that the contribution of classical rational choice theory may, ‘stop at this point.’ 59 Within political science generally there are moves to adopt alternative models of rational choice. 60 It could be suggested that Etzioni’s concept of normative-affective rationality provides an insightful alternative to the more conventional neo-classical theory still permeating research today. 61

Turning to the idea of knowledge as concept the governmental (bureaucratic) politics model is reliant upon the availability of knowledge to underpin rational value maximising choice. One of the outcomes of post-modernism as it has influenced the social sciences has been to engender interest in the nature of documents and language.

Language can be used to exclude social groups. For example the armed services use acronyms to render long titles easy to pronounce. At its extreme this has led to the introduction of the ‘TLA’ or Three Letter Acronym to characterise such acronyms. 62 Foucault was one writer who has made the point that documents have a cultural location

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and are influenced by a particular authors subjectivity. 63 Further documents can be re-interpreted to serve different purposes. 64 Khoshkish makes the point that, ‘languages are creative products serving as cultural indicators.’ 65

In terms of understanding government decision-making this has clear relevance. The minutes written by senior members of one service about the efficacy of another’s projects being aware of the political content of such a document, by virtue of where the author sits, is a powerful aid to understanding the rivalries present.

In summary the governmental (bureaucratic) politics model can clearly be embedded in the developments we have discussed in our analysis of repeated games and its association with the evolution of trust and reputation. More fundamentally it offers an alternative conception of rationality and consideration of the politicised nature of knowledge and so opens the possibilities for greater understanding of governmental decision-making.

Having considered the subsequent development of the ideas underpinning Allison’s three models it could be suggested that it is now appropriate to articulate an alternate model. In the 1960s Allison sought to harness embryonic advances in other sciences to explain the problem of explaining decision making processes in political science. Since

62 Discussion with serving army officer, June 1997.
64 For example Ashley’s ‘double reading’ of Machiavelli and Der Derian’s work on sovereignty.
that time ideas have shifted. The models he used, whilst seminal, are no longer as
effective in providing explanatory power as possible alternatives.

Such models help to channel research by determining the most appropriate sources to
use. Rational Actor analysis is supported by public policy pronouncements drafted to
rationalise government and its cohesiveness. The Organisational Process lens is well
served by archive material and observations of the organisations work in practice.
Lastly the Governmental (Bureaucratic) politics model provides a rich analysis that
encourages support for utilising interview and biographical materials.

As a mechanism is it appropriate to value any new model as a means for considering
recent cases? Access to government sources of material is not always possible.
Likewise without the benefits of empirical triangulation between models, it is
impossible to build pictures providing a proper perspective with appropriate insight on
the factors underlying recent policy decisions.

The final section of this chapter seeks to articulate such an alternate framework. Whilst
the ideas underpinning this are drawn in part from other disciplines it is intended that
they be viewed through the eyes of the political scientist. This technique differs from
Allison’s original research method but has chosen his work as a baseline from which to
consider the shift in perspective that can be brought about by using thinking over the
past decades.
IV – ARTICULATING ALTERNATIVES: A UNIFIED FRAMEWORK AND
THE INTRA-GOVERNMENTAL DECISION MODEL

Within a year of the publication of *Essence of Decision* Allison published his final paper
on his lens. In this he sought to merge the organisational process and governmental
(bureaucratic) politics model by rendering organisations as unitary entities players also.

66 It is proposed that subsequent development has made more consistent integration
possible. This final section seeks to build on these developments offering an alternative
framework for consider governmental decision-making processes.

There has been a continuing debate in international relations regarding the level of
analysis appropriate for considering state-to-state relations. 67 The realist paradigm
sought to analyse states as unitary actors. Among the alternatives was Burton’s human
needs framework which sought to see problems from the individual citizens perspective
rather than the aggregate.

Allison’s three models offered lenses which saw in model I the state as the focus of
analysis, then intra-governmental institutional relationships and finally the individual in
charge of the latter. Given that as analysts it is important to understand the dynamics
driving decisions it could be suggested that the artificial barrier, ‘the politics stops at the
water’s edge’ mind-set is inappropriate when proposing a framework. Milner
considered this intellectual dilemma in domestic politics and international relations
noting;

67 The most well known paper was Singer, J D. ‘The level-of-analysis problem in international relations’
‘My claim is that states are not unitary actors; that is, they are not strictly hierarchical but are polyarchic, composed of actors with varying preferences who share power over decision-making.’

Given Allison’s view of the Rational Actor model and Milner’s views it could be suggested that the advantages of a framework which uses intra-state factors as the level of analysis is an appropriate starting point. Further this framework is concerned with bargaining by institutions whose relations are tempered by experience and the belief that they will repeatedly interact with one another in future. These interactions also occur in a dynamic evolving environment.

In short the utility of the concepts of repeated games, trust and reputation on a sample from each of the three models seem essential underpinning for considering the output of government. Furthermore the marshalling of Etzioni’s concept of normative-affective rationality means that we are concerned with the effect of organisations as anchors for facilitating increasingly ‘rational’ judgement from their members.

Organisations have distinct cultures which cause them to act in a particular manner which they see as natural. Therefore when such cultures bargain their distinct agendas will influence their styles of play. Furthermore decisions cannot be explained by trying to work out what the environment was at time (t). Policy-making occurs in a dynamic continuum with decisions preceded by the incremental pursuit of many distinct options. The intra-governmental decision model can be summarised as possessing the following characteristics;
THE INTRA-GOVERNMENTAL DECISION MODEL

I. Basic unit of analysis: The government as an emergent entity from the interactivity of the agencies and agents of which it consists as they evolve dynamically. Government responds to problems in a manner which is based upon a corpus of diverse cultural experiences. As such and because of the conservative nature of bureaucracy solutions tend to be incremental improvements which need to keep in tune with shifts in the political environment created by international and national politics.

II. Organising concepts.

A. Intra-governmental cultures (the polyarchic environment). The government as a collection of disparate bodies and individuals each having evolved distinct cultural characteristics from different historical experiences. The cultures endow their members with distinct behavioural and procedural characteristics which influence their approaches to problems and politics.

B. Formal departments as politically active cultures. Utilising the political metaphor defined by Morgan (1986) government departments use organisational structure, rules and regulations to sustain and advance the influence of their culture relative to that of the others.

C. Trust and Reputation through time. The cultures within government evolve to condition behaviour and preclude activities detrimental to their own interests. In the

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resource allocation process organisations tend to propose measures complementary to another culture environmental niche and so develop co-operation rather than alienation because of the recognition (reputation) that the culture would survive and seek redress at first opportunity. In terms of trust, cultures like animals in conflict seek to share resource cuts rather than risk conflict. The assumption that a culture will survive means that bargaining tends to be of the nature of a dynamic game engendering co-operative strategies which recognises this rather than being of a traditional game-theoretic nature. By game-theoretic is meant value maximising in a one off win or lose game.

D. Policies are objective and resource driven. Government decision-making amongst competing alternatives is driven by available resources and objectives. Cultures within government propound several subjectively derived objectives in which they try to suggest solutions compatible with the global objective which suit their own interests. Resources (never infinite in nature) constrain and prevent certain objectives being fulfilled. Furthermore resources and their interaction with cultures can cause fruitful options to be ignored as they fail to satisfy them.

E. The evolutionary nature of policy making and implementation. Due to the requirement to present credible futures to policy-makers intra-governmental cultures will pursue several often conflicting projects which represent incremental rather than revolutionary improvements over existing techniques or capabilities. The distinct cultures within the formal organisations will seek to replace item X with item X Mark II. Recognising that policy-making itself is dynamic results in behaviour sustaining a
diversity conducive to always being in a position to render a solution. Clearly this minimises risk.

F. Administrative outputs as cultural texts. Departmental documents, memoranda etc. are specific items which give insights into the culture of the formal department under investigation. Furthermore the documents are produced by subjective individuals. The style of map projection used by the Royal Air Force in support of the ability of the F-111 aircraft to fulfil the island basing strategy moved Australia 500 miles West. Clearly it was not in the parochial interest of the Royal Air Force to admit that the aircraft did not have the necessary range given the cultural threat presented by Naval air power and the aircraft carrier.

III. Dominant inference pattern. A state enacting policy does so as the result of bargaining, constrained by evolved intra-governmental cultures and conditioned by past experience. By explaining the nature of repeated bargaining amongst the diverse culture involved this framework aims to illustrate governmental decision-making as a series of reference points as part of a continuum of experience. Experiences condition decisions in an incremental (i.e. evolutionary) manner.

IV. General propositions.

A. Repeated interaction. In this framework the intra-governmental actors do not bargain on the basis of a one-time value maximising basis. Their behaviour and bargaining posture is conditioned by the fact that they know the cultures will exist on a long term basis. Trust looks to future opportunities and reputation effects look
to the past to influence how bargaining parties perceive the other. For example one commentator in the Treasury viewed other government departments as laying siege to their coffers. Likewise the Treasury is mythically renowned amongst other departments for being ignorant of the details of projects knowing only their cost (reputation) to players.

B. *Government as a clash of politically aware cultures.* Specific cultures exist which make up government. The Ministry of Defence in the UK is composed of three distinct subcultures - the three services. Civil servants with experience of service at the Treasury in their careers are regarded as the Treasury’s representatives no matter which department they are in. Culture matters as it conditions responses and patterns of bargaining.

having outlined the central tenets of the intra-governmental decision model the summary is ordered overleaf out below in a format consistent with that of Allison’s summary of his three models in Figure 4.1.

In summary having chosen to apply Allison’s three model framework to research British defence decision-making in the mid 1960s this chapter has consolidated the results. Further we have now articulated an alternative framework for viewing organisational decision making. This recognises the subsequent evolution to the distinct parochialism Allison’s work expected.
The next chapter seeks to apply both the alternative and original methods to a second case-study. That of the British defence review known as “Options for Change”. By testing both frameworks it should be possible to observe their relative merits in terms of bringing understanding to the situation.
Figure 4.1: Summary of the Intra-governmental decision model.

<table>
<thead>
<tr>
<th>The paradigm</th>
<th>Intra-governmental decision model</th>
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<tbody>
<tr>
<td><strong>Basic unit of analysis</strong></td>
<td>The government as an emergent entity from the interactivity of the agencies and agents of which it consists as they evolve dynamically.</td>
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<tr>
<td><strong>Organising concepts</strong></td>
<td>Intra-governmental cultures (the polyarchic environment).</td>
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<td></td>
<td>Formal departments as politically active cultures.</td>
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<td></td>
<td>Trust and reputation through time.</td>
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<td></td>
<td>Policies are objective and resource driven.</td>
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<td></td>
<td>Evolutionary nature of policy-making and implementation.</td>
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<td></td>
<td>Administrative outputs as political texts.</td>
</tr>
<tr>
<td><strong>Dominant inference pattern</strong></td>
<td>Governmental action = incremental responses to a dynamic environment, conditioned by culture through time.</td>
</tr>
<tr>
<td><strong>General propositions</strong></td>
<td>Repeated interactions.</td>
</tr>
<tr>
<td></td>
<td>Government as a clash of politically aware cultures.</td>
</tr>
</tbody>
</table>
It is the objective of this chapter to examine the British government’s Options for Change defence review initiated in 1989. In the first instance the situation will be examined through the intra-governmental decision model outlined in the previous chapter. ¹ Having analysed the review through this framework the remainder of the chapter will view the same evidence through the three lens model devised by Allison. This latter framework is considered in depth in Chapter two and provides the methodology for the examination of the British 1966 Defence Review. ²

The objective of this structure is to test fresh data again the new model, and then the three lenses to compare the insights which they can yield of a situation for which there exists limited information. The intra-governmental model will be tested across the 1989 – 1994 time frame to demonstrate iterative aspects of the Options for Change process.

This case study utilises mainly secondary source data as opposed to earlier analysis. The rationale for this is to test the appropriateness of both the new framework and Allison’s work in being able to describe contemporary situations for which there is less primary source data available. It could be suggested that in this situation the intra-governmental decision model should be able to yield additional insight by virtue of its conception of decision-making as a repeated process through time.

In organisational terms this chapter will firstly consider Options for Change through the intra-governmental decision model. Secondly it will analyse the decisions utilising

¹ See Ch. 4. pp. 168 – 198.
² See Ch. 2. pp. 7 – 36.
Allison’s three lenses - the Rational Actor, Organisational Process and Governmental (Bureaucratic) Politics. The conclusions will consider issues of practice and the virtues of the frameworks used.

I – OPTIONS FOR CHANGE AND THE INTRA-GOVERNMENTAL DECISION MODEL

This first section is concerned with the application of this model to governmental decision-making. It aims to identify the central players relevant to the defence environment, their characteristics and their interactions. This should in turn yield insights as to the policy-making process and explain the nature of the options for change process. The application of the model does not explicitly utilise hypotheses regarding the dominating causes underlying an individual decision. Rather it seeks to observe decision outputs through the continuum of time and cultural interactions.

In terms of viewing Options for Change through the Intra-governmental decision model it is first necessary to identify the polyarchic environment (i.e. the central intra-governmental cultures) under examination. Those cultures relevant to this particular analysis are those of the Foreign Office, Government (that is the political party in office), The Ministry of Defence (2 major cultures and the armed services), and the Treasury which we shall now consider in turn.

The Foreign Office has been characterised as having, ‘strong inherited likes and dislikes.’ ³ It has preferences for the countries it favours dealing with and likewise a set

of those of whom it disapproves. The Foreign Office is relevant to understanding the
defence decision-making environment as it can set the agenda as to what Britain’s
interests should be and whom its allies are at present. This Department of State
represents the historical legacy of Britain’s foreign policy and is a cultural trust
retaining the sum of British experience. This is clearly important as the matching of
resources to commitments has long been a challenge for policy-makers.

In Britain the Government culture is examined as that of the party in power. Because of
the historical development of the parliamentary process, the governing party has control
of information. Further it is generally able to execute policy due to its inherent majority
by virtue of the electoral system. The Government drawn from the Conservative party
enjoyed uninterrupted rule from 1979 through until 1990 with one Prime Minister, a
Conservative successor continuing throughout the Options for Change exercise. In its
preparations for the election victory it had committed itself to offering a manifesto
including, ‘freedom and free markets, limited government and a strong national
defence.’ 4 In terms of succeeding with this agenda it was noted that everything had to
fit in with a strategy to reverse economic decline. 5

In government the Conservatives pursued twin policies of nationalisation of state
companies with tight fiscal control of government expenditure. Experts from industry
were brought in to pursue value for money initiatives within government. 6

5 ibid.
expenditure was constantly reviewed with an aim of reducing the overall costs of government.⁷

The Ministry of Defence consists of two distinct cultures with respect to decisions. On the one hand there is the budget minded culture of peace time accounting, audit and management of limited resources for potentially limitless ends. On the other exists the culture regarding the management mission of the Ministry, to provide for the security of the Nation.⁸ However impinging upon these two main cultures are the four distinct players, the three services and the civil service.

Due to the environments in which they operate and their historical experiences the Army, Royal Navy and Royal Air Force possess distinct views on how defence should be provided. Further they all possess distinctive styles of decision-making. The fourth player, the civil service element is a player due to its continuity of service as opposed to officers that are seconded on limited postings to the Ministry.

Finally, the Treasury due to its responsibility for public expenditure has interests in the activities of all government departments. Because of its small size it could be suggested that its interest is limited to costs of various policies leading to the criticism that the Treasury understands ‘the cost of everything and the value of nothing’. Furthermore the influence which the Treasury exerts over policy plans by departmental ministers means

⁸ These cultures were formally recognised in the 1970s. For a typical commentary of their interaction see *The Guardian*: ‘An officer and a management man’ (09.03.90).
that the Treasury is often viewed as an obstacle. This is highly relevant when considering the resource issue of defence and its constant struggle for finance.

The 1989 Statement on the Defence Estimates published prior to the start of the Options study provides a starting point for understanding the subsequent decision-making activity. The Defence (Security) culture within the Ministry of Defence saw the Soviet Union as its main adversary despite recent arms control initiatives such as the INF Treaty. The White paper noted, ‘We should be under no illusion about this new sense of realism; it is designed to serve Soviet interests, not those of the West.’

The annual appraisal of the White Paper by the House of Commons Defence Committee saw different issues being asked of Ministry officials. The Defence (Management) culture was engaged regarding Treasury inflation estimates and the likelihood of defence spending falling as a percentage of GDP.

The foreign Office culture arguably saw the Soviet Union a little differently due to its representation at negotiations and summits. On author noted also the changing view of the government toward the Soviet Union, ‘For the first time [since 1979], Soviet leaders appear to be genuinely able to influence the defence and foreign affairs debates within Britain.’

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The divergence of the two main cultures within the Ministry of Defence and their relationship with the Treasury, the Foreign Office and Government is fundamental to the decision to undertake the review of policy known as options for change. The Government and Treasury cultures were in alignment viewing public expenditure as something to be reduced in size. However against them were the alignment of the Foreign Office and the Defence cultures incrementally carrying on as they had for the past several years.

The shift by the foreign office culture toward conceiving of a new form of relationship with the Soviet Union left the Defence (Security) culture out of step with developments broadly in the British government. Financial problems related to defence procurement throughout the late 1980s were being dealt with in an incremental manner rather than provoking a review within the organisation.

This effective breakdown in what might be termed the operational cultures of British defence policy enabled the more powerful axis of the Treasury and Government to intervene with a view to establishing resource savings in the Ministry of Defence programme during 1989. From the model’s perspective both of these cultural groups had evolved in an incremental manner responding to the cold war environment. However the responses to radical change were occurring at different velocities. The Foreign Office’s proximity to the ending of the Cold War enabled it to move faster than Defence. The centrality of the Treasury to the Government’s efforts throughout the

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13 The memoirs of Alan Clark suggest the process as being started formally after a meeting at Chequers on Saturday 30th September 1989. One of the earliest indications of this cultural rift can be seen in The Times (23/03/90). ‘MoD faces White Paper dilemma on East bloc changes’.
1980s to minimise expenditure meant that defence was drifting away from general thinking in government about resource allocation and political priorities.

Within the Ministry how did the three distinct service cultures and the civil service react to this event? The 1990 Statement on the Defence Estimates focused upon the Warsaw Pact and the negotiations over the Conventional Forces in Europe Treaty. This Treaty would have deleterious effects to the ability of the services to argue against reductions. The Treaty’s focus upon Land forces, and aircraft whilst excluding Naval forces meant that the services under immediate threat were the Army and Air Force.

The Defence (Management) culture meanwhile was grappling with the Treasury which had reneged upon a commitment allowing the Ministry of Defence to carry forward savings up to the value of 5%. Further the implementation of a new management regime was soaking up their energies.

By early summer the House of Commons Defence Committee completed a major report on the changing security environment. Given the rumours regarding the nature of defence reductions the committee sought to consider the possibilities. In considering the characteristics of future armed forces it is noted that they would be expensive. In order to make this transition in a resource thin environment clearly the Government culture would have to ensure that the services responded to this vision.

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The best example of this can be seen by examination of the House of Commons Defence Committee reports on Options for Change for each of the services. The documents for the Air Force and Navy are slender compared to those of the Army and reserve forces.\(^{17}\) This is an indication of the battle mounted by the army to mitigate its position as the service due to bear the brunt of reductions. Evidence from a highly experienced former Secretary of State for Defence highlighted the problem of delegating change to the services:

“If you put this [Options for Change] entirely into the hands of people whose interests are to keep things as they are and who will look for new things for the services to do - I think the Navy’s latest defence is controlling the drug traffic in the Caribbean.”\(^{18}\)

A formerly senior civil servant at the ministry noted of the services that, ‘when push comes to shove, sailors will want ships, airmen planes, and soldiers regiments - and secondarily tanks.’\(^{19}\) The July 1990 statement regarding the outcome of the Options review was only six pages in length.\(^{20}\)

The Navy and Air Force as capital intensive organisations and technical cultures were able to reshape themselves by the removal of equipment approaching obsolescence. This reaction would have rapid impact on the balance sheet and also protected

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\(^{18}\) op cit. HMSO. HC 320. p. 78. para. 343. Evidence from Lord Healey.

\(^{19}\) Interview. Sir Michael Quinlan (Shrivenham: Royal Military College of Science 07/10/98).

investment in future generations of their ‘decisive weapons’. It could be suggested that in the early 1990s these were nuclear powered submarines for the Royal Navy and the Eurofighter multi-role combat aircraft for the Royal Air Force. From a cultural perspective these weapons represented structures, procedures and values which had been inculcated to generations of service personnel. Therefore these were both symbols of differentiation between them as well as key indicators of the evolutionary nature of their response to the security environment.

For the Army the challenge was to maintain its core, that of the regimental system. Personnel reduction associated with reducing the BAOR commitment to Germany would inevitably threaten regiments. This in turn meant that service energies which might have been directed toward protecting its share of the defence budget were absorbed in protecting secular interests.  

The House of Commons Defence Committee noted from their assessment that at best there was, ‘no coherent overall [security] strategy.’ and at its extreme;

‘even worse would be for the Treasury to dictate the size of the surface fleet... Nothing we have heard in evidence... has dispelled our impression that this is a reasonable description of the methods used [author’s bold].’

In the context of Options for Change it is apparent which symbols hold distinct value for the three services. By definition these provide the bargaining chips and vulnerabilities when competing with each other and external forces such as the

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Treasury. In the context of the model the issue of Trust can be seen in terms that none of the cultures threatened the symbols of the other directly. It would appear that the decision-making process of Options was driven by a Government and Treasury culture able to exploit the divisions within the Ministry to reduce capabilities quantitatively rather than eliminating them entirely.

Having completed the decision-making relevant to the Options review how effective were the services in curbing its implementation? Clearly the service cultures would seek to prevent a further haemorrhage of their budget if not reverse elements of the reductions. The 1992 Statement on the Defence Estimates was in part concerned with the lessons of Britain’s success as part of the United Nations coalition which reversed Iraq’s 1990 invasion of Kuwait. 24

The 1993 Statement on the Defence Estimates introduced a new methodology demonstrating the roles and missions to which force elements were assigned. 25 The 1993 White Paper is important in demonstrating the reconciliation between the Management and Security cultures within the Ministry as well as the three services. The capabilities of the three services were matched to tasks on three tables.

The Army, Navy and Air Force made their position’s increasingly secure by ensuring that their capabilities were assigned to as many tasks as possible in each role. This act in itself made further action by the Treasury and Government operationally as well as

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23 op. cit. HMSO. HC266. p. xii. para. 20.
24 Her Majesty’s Stationery Office. CM1981 Statement on the Defence Estimates 1992 (London: HMSO 1992). Ch. 4. pp. 68 - 79. The White Paper introduced three Defence Roles, 1: Protection of the United Kingdom and dependent territories, 2: Defence of the United Kingdom against a major external threat, and 3: The United Kingdom’s wider security interests. Within these roles were a number of military tasks against which force elements were assigned.
culturally more difficult. In terms of the model this activity demonstrates how politically aware the service cultures are in protecting their position.

The Government began to face criticism that the Options review had gone too far and had left the defence establishment exposed. This made further action in conjunction with the Treasury problematic, especially due to the high profile image enjoyed by the armed forces in the context of the Gulf and the emerging Bosnia commitment. The House of Commons Defence Committee recommendations following examination of the 1993 White Paper noted, ‘the armed forces desperately need a period of financial calm.’

These pressures assisted in enabling a financial settlement for the Ministry for the remainder of the parliament. However in order to reach these expenditure targets whilst not incurring further criticism the Government had to arbitrate between the requirement to avoid criticism from MPs, the Treasury and the Ministry. ‘Front Line First: The Defence cost study’ can be seen as a clear compromise in this direction thus ending the Options review.

In conclusion it could be suggested that the failure of the Defence (Security) culture to adapt to the changing environment left it vulnerable to financial review. The

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26 Her Majesty’s Stationery Office. HC306 House of Commons Session 1992-93 Defence Committee second report: Britain’s army for the 90s: Commitments and resources (London: HMSO 1993). pp. 6 - 7. paras. 671 - 673. Written evidence, pp. 32 - 35. The evidence articulates the over-stretch faced by the army and inability to train effectively.
27 Ibid. p. ix. para. 10.
incremental nature of the cold war security policy can be traced through successive years of Statements on the Defence Estimates.

However the armed services proved highly resilient in defending their fundamental interests. By the publication of the Defence Costs Study all three services were committed to acquiring new generations of decisive weaponry. Furthermore whilst the overall budget for defence contracted between 1989 and 1994 the percentage share by service showed interesting changes as depicted overleaf in figure 5.1. 1992 saw the effective implementation of the Options decisions for the Royal Navy and Royal Air Force. However the Army was able to maintain their share of the budget and at times extend it.

The Treasury culture favouring reduced public expenditure was able to exploit very effectively Ministry confusion in 1989. However once the Security and Management cultures within the Ministry of Defence demonstrated coherence it became subsequently harder to apply extra-ordinary pressure to achieve cost savings.

Figure 5.1: Percentage share of the Defence budget by service, 1989-94.

29 op. cit. HMSO. Cmnd. 2550. Ch. 4. pp. 53 - 66. The White Paper indicated tendering for new nuclear submarines, Army plans to acquire helicopter gunships and new tanks, and the continuing development of Eurofighter for the RAF.
Having considered the Options for Change process using the Intra-governmental decision model the second part of the chapter shall consider this policy shift through the Allison framework using the Rational actor, Organisational process and Governmental (bureaucratic) politics lenses.

The Intra-Governmental Decision model focus upon culture and repeated interactions it could be suggested facilitates an appreciation of the constraints governing the principal actors behaviour. Therefore in situations where data is scarce i.e. in considering recent policy decisions the model offers a greater level of specificity in terms of gauging the parameters for action. The model illustrated the response through time to the challenge of resource scarcity by the service cultures in assigning forces to mission types in order to justify their existence. Further the activities of the Navy and Air Force in dropping many types of combat weaponry in order to protect their core function offer further evidence of their political awareness.
Further, this model did not deploy advance hypotheses in the manner of Allison’s work. Its view of decision-making as a continuum enables a longer perspective to be employed in considering particular decisions from a cultural stand-point.

**OPTIONS FOR CHANGE VIEWED THROUGH THE ALLISON LENSES**

Having considered the Options for Change review through the Intra-governmental decision model the chapter will now consider in Sections 2 – 4 the review through the three lenses of Allison’s framework.

This preliminary examination of Options for Change using Allison’s framework seeks to introduce two hypotheses concerning the decision-making environment which led to a reassessment of Britain’s defence needs in 1989. The choice of only two hypotheses reflects the importance of what was articulated at the time as being the central reasons underlining the policy-shift.  

Allison in his own work utilised hypotheses only for the application of the Rational Actor model in considering the Cuban Missile Crisis. In the earlier study of the Healey Review in this thesis the hypotheses were applied uniformly to all three models given the wide availability of data to guide the analysis.

Options for Change is as recent to this study as the Cuban crisis was to Allison. It could be suggested that problems of triangulation would have led Allison to rely more heavily on published sources and therefore relatively less informed about factors relevant to
models II & III in a manner which can be rigorously cited. In this analysis of Options for Change problems of documentation have conditioned the analysis to utilising hypotheses likewise for only the Rational Actor model.

II – OPTIONS FOR CHANGE AND THE RATIONAL ACTOR MODEL

The rational actor lens introduces the perspective of a unitary British government making choices regarding its defence requirements on the basis of selecting the optimal course among competing choices.  

The first hypothesis ‘international security’ considers the review as the resultant of perceptions that a radical transformation of the international environment was occurring. Many official publications suggested that the increased warning time for Western Europe derived from arms control agreements enabled defence rationalisation. The second ‘economic necessity’ posits the alternate view that rather than security needs it was economic considerations that drove the decision process.

HYPOTHESIS ONE: ‘INTERNATIONAL SECURITY’

In the period following the Second World War, British security concerns have fluctuated between what Darby had described as ‘the old beats of Empire rather than the gray realities of Germany and the Rhine.’  

With commitments ranging from supporting NATO to ensuring the orderly transition of power in colonial possessions, British security policy has it could be suggested been of an essentially reactive nature.

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30 op. cit. HMSO. CM 1022-I (1990). p. 44. Para. 404. This statement was indicative of the economic hypothesis as being the central determinant of policy. The international security hypothesis gains credence from government citation in ibid. p. 9. Para. 110.

These commitments were reflected in the force structures maintained by the armed forces to meet any contingency ranging from low intensity operations such as those in the Malayan ‘emergency’ to high intensity conflicts like Korea.

The mechanism by which Britain maintained this capability was a system of bases to which troops and materials could be flown or shipped in time of crisis. One of its largest and most important strategic bases was that in Egypt. This protected the Suez canal. This base facilitated control of both shipping in transit to India, and oil from the Middle East. It also secured air transport to the Far East.  

The 1956 débâcle in Egypt following the nationalisation of the Suez canal, and subsequent Anglo-French efforts to depose the Egyptian regime under President Nasser, resulted in a crisis of confidence for the British political system. The subsequent loss of Egypt hastened the British retreat from a imperial role. Subsequent governments sought to redefine Britain’s security policy so as to orientate it away from colonial adventures towards the NATO alliance and Europe. The 1968 annual Statement on Defence declared that efforts would ‘in future be concentrated mainly in Europe and the North Atlantic area.’ This followed a rational review of defence options detailed in Chapter 3.

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Once the shift towards a European defense posture emerged, with the basing system largely disbanded, force structures of the armed services were altered. The 1960s saw the cancellation of the Royal Navy project to build a new generation of large carriers. The Royal Air Force lost half its air transportation fleet in the next decade. It could be suggested that given the Royal Air Force view of air transportation being a concern of second order the loss would not have had the traumatic effect which the CVA-01 cancellation had upon the Royal Navy. Both of these capabilities were essential to maintain a global intervention strategy.  

The 1970s were characterised by civil disturbances and low intensity crises in Northern Ireland, Cyprus and the Arabian Peninsula. The tempo of withdrawal from the Persian Gulf was hastened. This despite the wishes of the United States who would rather have had forces deployed in the Middle East against the communist threat.

The most demanding test for the armed forces post-1945 arose in the decision to reverse the Argentinean invasion of the Falkland Islands. Political moves to reduce the Royal Navy’s surface fleet were planned but not fully implemented before this conflict. The British Army of the Rhine continued its sedate garrison role against a threat that had not yet materialised. The government continued its policy of maintaining a nuclear deterrent force, composed mainly of submarine based missiles despite pressure from the opposition and domestic pressure groups. 

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35 The CVA-01 aircraft carrier project was deleted in the 1966 Defence White Paper. For a detailed discussion see chapter 2.

36 The British nuclear deterrent was carried first by the V-bomber force in the 1950s. Following the 1962 Nassau agreement with the United States, Britain received the Polaris submarine based missile. The 1980s saw an agreement which led to the purchase of the Trident missile currently entering service with the Royal Navy.
Rather than losing a major conventional conflict, it could be suggested that the 1990 review of British defence policy stemmed from the willingness of the Soviet Union to de-militarise its cold war competition with the western world. To best consider this critical factor the hypothesis will consider in turn nuclear and conventional arms control developments which influenced the shift in British policy.

In the field of nuclear arms control there had been levels of tacit co-operation between parties in the past, for example although the United States never ratified SALT II accord, it did stand by its provisions for strategic arms.  However the significant changes to the security environment were the Intermediate Nuclear Forces agreement (INF) and the successor to the Mutual and Balanced Force Reduction talks, the Conventional Forces in Europe treaty (CFE).

The INF Treaty. addressed a problem which had resulted from a previous arms control agreement known as SALT. Its provisions both enabled and proved a catalyst for the development of a new generation of nuclear weaponry. The Soviet deployment of mobile, highly accurate missiles proved of considerable concern to the NATO alliance. NATO members feared that this deployment undermined deterrence. At worst it left them vulnerable to a surprise decapitation strike aimed at their political leadership.

37 SALT and its successor SALT II were nuclear arms control acronyms standing for Strategic Arms Limitation Talks.
38 Its full title is The Treaty between the United States of America and the Union of Soviet Socialist Republics on the elimination of their intermediate range and short range missiles.
The United States, keen to allay these fears planned to deploy the neutron bomb. However, these weapons caused great public anxiety in Europe. Their withdrawal was forced both by public concerns, and from political leaders, who realised these weapons undermined rather than reinforced deterrence.

In response NATO adopted a two-track approach, whereby it would develop the next generation INF, the Ground Launched Cruise Missile, whilst simultaneously negotiating limits of such future weapons, in return for reductions in the current Soviet holdings of INF missiles. If the talks preceded beyond December 1983 then the US would deploy these new INF weapons.

The European governments attempt to generate positive public opinion for the deployment of these weapons led to a period of political turmoil. The depiction of the SS-20 threat had a perverse effect in raising public anxiety about all nuclear weapons not only Soviet ones. In 1981 President Reagan announced the zero-option. NATO would not deploy any new INF if the USSR eliminated all its older and some newer theater missiles. US Secretary of State Haig noted that this proposal was intended to ‘take the high ground in propaganda, without real expectation that the Soviet Union would ever accept this outcome.’ A week later the USSR made a counter-proposal suggesting staged reductions west of the Ural mountains.

39 The neutron bomb was a US developed enhanced radiation weapon which had much greater effects upon people with reduced, albeit still significant, destructive potential.
40 The deployment involved 572 weapons, including 108 Pershing II, and 464 cruise missiles.
The rational actor model as applied here illuminates the issue of states as unitary actors making choices regarding arms control postures aiming to maximise their individual security.

The negotiations commenced with significant reluctance on the part of the United States. They were against cancellation of the deployment of Pershing II which caused great concern to the Soviet Union. This fact alone was enough to reduce the chances of any positive outcome. However, it could be suggested that one key event changed the attitude of the US, making it more willing to negotiate constructively.

Once European states had gained enough support for the stationing of the new INF forces, the superpower summit at Reykjavik, Iceland saw two superpowers come close to an accord without the United States consulting its NATO allies. The USSR had come to Iceland with concrete proposals to eliminate INF motivated it seems by a wish to reduce the burden of the arms race on the Soviet economy.

The US was surprised by this. The Soviet moves towards the United States position virtually bargained away INF without European input. The British were apparently furious to hear this, having endured substantial domestic opposition to facilitate the cruise missile deployment, and updating the strategic deterrent.

The INF Treaty was unique. It was the first accord which actively involved the dismantling of nuclear weapons. Verification procedures were settled, and future production of such weapons was banned. However the INF process resulted in a rift in
transatlantic relations. NATO publications attempted to limit this by reinterpreting the culture of the USA and explaining the nature of the American psyche. 42

From the rational actor perspective the early difficulties and failures of nuclear arms control can be traced to the individual state based cost-benefit calculus. Unilateral disarmament from any individual state’s point of view did not enhance their security. Choosing a level of arms to which all could agree was not possible either until the mid 1980s. At this point changes in the security environment enabled the rational consideration of the broad costs of the nuclear posture enabled states to successfully negotiate Treaties such as INF which combined reductions in weapons with confidence building measures.

The speed with which this nuclear armaments treaty was concluded can be seen in sharp contrast to the much thornier issue of conventional arms control. In 1968 the NATO ministerial conference proposed negotiations on conventional force levels with the USSR. Three key factors drove this effort. Firstly, there was a perception that a reduction in military confrontation could allow a reduction in defence expenditure.

The 1967 Harmel report for NATO expressly forbade further cuts in forces by members pending the start of MBFR. Unilateral reductions adversely affected the chances of reaching a common negotiation position. Secondly the West wished to regain the initiative from the USSR who had recently proposed the formation of the CSCE. 43

43 The CSCE was the Conference on Security and Co-operation in Europe. Its recent successor is the OSCE or Organisation for Security and Co-operation in Europe.
Third, the talks were seen as a way of relieving domestic pressure in the US to unilaterally reduce forces. The negotiations acted as a brake on any timetable for disengagement. In 1971 a member of the US congress proposed an amendment to the draft laws. The Mansfield amendment was defeated in part because the USSR announced its intention to participate in the MBFR talks. This served as a catalyst to the commencement of MBFR negotiations.

Problems became apparent shortly after negotiations opened. The UK and West Germany wanted Soviet nuclear forces included but not NATO ones. The Soviet Union disagreed. It wanting ground and air forces included. Whereas NATO only wanted army manpower to be considered. In the context of the Rational Actor model this indicates the value maximising aspirations of all parties. The Soviet Union wanted an agreement which protected their advantage, numbers of soldiers. NATO states sought to protect their superiority in quality of combat aircraft.

The ceilings issue was resolved by setting manpower limits of 900,000 on NATO ground and air forces and 700,000 ceiling on Soviet ground forces. Another problem was that of definition. What did "balanced" in MBFR actually mean? Did it refer to quantity or quality?

The Soviet Union introduced another proposal. In this foreign forces would be included under the ceilings. Excess numbers would be gradually returned to their home state. This created obvious problems for NATO e.g. the difference in distance between the West German border and the USSR, and the West German Border and North America
was 4,300 miles in the Soviet Union's favour. Other problems emerged such as the nature of verification, especially difficult in the case of mobile nuclear missile forces as compared to static silos, was noted by one observer:

‘Counting troops and arms in the territory of the other party can become a charade - as was the case in summer 1980, when allied intelligence staffs lost track of the Soviet 6th armoured division - which had been declared withdrawn from the Wittenberg region of East Germany to the Soviet Union since October 1979.’

Also problematic was how should the geography of the area be related to force balances, put simply does the terrain favour attack or defence? Should the manpower ceilings be altered accordingly? In sum should the reductions be symmetrical (equal) or asymmetrical? When the talks began to stagnate over technical issues, NATO played its trump negotiating card. This "option 3" involved the direct offer to have NATO withdraw 1,000 US nuclear weapons in return for the withdrawal of one Soviet tank army.

In effect NATO broke its own negotiation rules, by including nuclear weapons. The talks degenerated from this point into various proposals and counter-proposals. However several one-off withdrawals were made before the talks lapsed into mediocrity with the end of détente and the start of the second cold war with the invasion of Afghanistan. It could be suggested that the Soviet Union mindful of its conventional superiority could not rationally contemplate its reduction for fear of jeopardising its own security.

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In summary the MBFR talks were a failure. Although neither party achieved tangible results they did facilitate contact and exchanges of positions for both sides. They also established a basis for the CFE process. The process highlighted the difficulty that verification posed in the realm of conventional arms control. As summed up by Ambassador Blackwill of the US delegation, ‘the good news is that we now have permanent check-points; the bad news is that nobody goes through them.’

A by-product was the quelling of demands in the US for force reductions. As noted by one writer, defeat of the Mansfield amendment eased pressure for unilateral withdrawals of US servicemen and ‘significantly decreased the likelihood of an accord.’

The key difference in assessing the CFE and MBFR was it could be suggested in the intentions of the participants. The NATO call for negotiations at Halifax, Canada and the USSR’s Budapest address, coupled with the distinct thaw in superpower confrontation, engendered a climate for meaningful discussions to take place. The guiding aims of the CFE talks were to ‘eliminate disparities prejudiced to stability and security, and to eliminate as a matter of priority the capability to launch surprise attack and to initiate large-scale offensive action.’

Further, the talks avoided the problem which had dogged the MBFR process, that of manpower, deciding instead to focus upon key forms of equipment which could be

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45 Alexander, M. ‘MBFR - Verification is the key’ in NATO Review Vol. 34 No. 3. (1986). p. 10.
monitored, and counted more easily, within four zones comprising the Atlantic-to-the-Urals. CFE talks also took place at a time of general progress in arms control. The CSCE Stockholm Accord was nearing fruition, placing tighter controls on military movements, and the INF Treaty was in its final stages.\(^{48}\)

This indicated a common interest between Europe, the US and the Soviet Union to curb the military excesses of East-West confrontation. From a technical standpoint, advanced satellites were available to both superpowers. This made the possibility of verification in both nuclear and conventional agreements more practical. From the Rational Actor perspective the environment enabled arms control in a situation in which all participants could benefit.

The negotiations were rapid in comparison to the MBFR process. The Soviet Union made early concessions. With the fall of the Berlin Wall in 1989 one writer noted that these concessions ‘dried up.’\(^{49}\) The Warsaw Treaty Organisation negotiating team became increasingly independently minded, leading to the Soviet military representatives taking over negotiations \textit{de facto}. From the Rational Actor perspective the Soviet Union as a value-maximising state did not wish to see its negotiating power diluted.

Further the impending break-up of the Union was making CFE problematic for Russia. The sufficiency rules placing limits on equipment holdings per country were based on the Eastern Blocs continued existence and not a newly independent Russia.

The US were prepared to drop aircraft from the talks, as they had proven a sticking point due to definition problems in order to move the process on. The European members were not prepared to accept this. There were further problems concerning forces which the Soviet Union had re-designated as naval units thus they were not covered by CFE.

Rather than a malevolent move, this was perceived as being an attempt to squeeze every concession possible from the treaty. The Soviet Union as a rational value-maximising actor sought to maximise its own security in this bargaining situation.

By limiting equipment in geographical regions, along with stringent verification procedures, and an element of disarmament (the level of which has been a source of disagreement between observers/participants), the agreement provided for the security of all the participants. One observer noted that, ‘in many ways the CFE treaty is a combined peace treaty for WW II and for the cold war.’ 50 The previous quotation is of particular relevance to the international security hypothesis.

Having illustrated the security environment in which the UK has operated since the end of the Second World War - the gradual shift towards Europe as the focus of its security concerns, the arms control agreements coupled with the break-up due to nationalist pressures of the Warsaw Pact and Soviet Union, all facilitated a fundamental reassessment.

50 ibid. p. 93.
The 1990 statement on the Defence estimates was released some five months following
the collapse of the Berlin Wall. Given the lag time in its annual preparation the one-
page introduction provides the greatest amount of information regarding the new
environment. The key concerns noted were that the CFE accord was not at this time
signed, and of course the fact that the Soviet Union still possessed all of its equipment,
although the Warsaw Treaty Organisation was falling into obsolescence.

The day of the Secretary of State for Defence’s statement initiating formally the Options
for Change review coincided with the release of the House of Commons Defence
Committee report assessing the state of the international security environment, bearing
the acronym DIRE.

In its compilation the Committee conducted visits throughout Europe calling upon
several expert witnesses including current and former Defence Secretary’s King and
Healey, senior service heads, and members of the academic community. The report
summarised the arms control events of the late 1980s succinctly, and considered
possible future threats. However its impact can be summed up by its key sentence, ‘As
a military alliance the Warsaw Pact is effectively defunct [original emphasis].’

51 op. cit. HMSO, Cm1022 - I.
52 op. cit. HMSO, Hc320. The Committee Chairman, Michael Mates attributed the title of the report to
one of his clerks in an address to the Royal United Services Institute (Vol. 35. No. 3. (Autumn 1990) p.
72).
The same day, the Secretary of State for Defence delivered a statement on Options for Change. 54 The statement was an interim report prior to the autumn statement on defence, and therefore was not specific in its intent insofar as many of the questions fielded to the Minister were from Members of Parliament whose constituencies had a stake in particular defence contracts and establishments.

Within a week, a brief interlude occurred as Iraq annexed Kuwait, leading to an international response in which Britain sent a force of some 40,000 personnel to the Middle East who eventually fought to liberate Kuwait. In November at a Heads of State meeting of the CSCE set out a plan to assist the newly independent states of central Europe carry out democratic elections, noting in their communiqué that, ‘the era of confrontation and division of Europe has ended. We declare that henceforth our relations will be founded on respect and co-operation.’ 55

In July 1991 following completion of CFE, the Minister for Defence noted, ‘The key international developments on which Options for Change were founded have been generally fulfilled... The government has a clear strategy for future defence policy.’ 56

To summarise, the first argument concerning the emergence of the options for change review, has been as a result of the drastic changes wrought in the international environment at the end of the 1980s. Changing international security considerations

54 *Hansard* 25th July 1990 pp. 468 - 486. The phrase ‘Options for change’ was first used officially by Secretary of State for Defence Tom King on the 6th February 1990.
viewed through from the rational actor perspective were fundamental in facilitating a shift in the United Kingdom’s defence posture.

The thaw in relations between East and West resulted in arms control agreements which could be practically verified and were of equal value to both parties. Given that Britain had gravitated towards a continental strategy defending Europe, as it relinquished control over its dominions, the arms controls efforts culminating in INF and CFE, allied with the demise of the Soviet Union facilitated a government re-think as to how it should organise its defence. The second hypothesis, economic necessity shall look at the need for options for change as resulting from a differing set of circumstances.

HYPOTHESIS TWO: ‘ECONOMIC NECESSITY’

The second hypothesis concerning the decision to embark on the options for change review in 1990 can be summed up by the writings of Cicero a little over two thousand years ago in his statement, ‘The sinews of war are infinite money.’ 57 It could be suggested that little has changed since that time. From this hypothesis we will use the Rational Actor model to assess the Options for Change review as being the outcome of economic priorities rather than environmental changes in international security.

The international system as we know it today, is founded on the right of sovereignty as recognised by other states, giving each absolute jurisdiction within its recognised boundaries. The raising of armed forces has guaranteed both the maintenance of those

boundaries against external threats, but in some countries also acted in a manner to preserve the state from domestic challenges.

However, the armed forces have an opportunity cost. By having skilled people removed from the economy, scientists engaged in defence research, and monies spent on military hardware, these assets cannot be used elsewhere. In time of clear security threats this is, by and large accepted by society. It could be suggested however that in periods of peace, when threats are of a distant nature, and economic needs are pressing there arises a temptation to reduce the size of one of the largest sectors of government expenditure. This is indicative of the Rational Actor seeking to maximise value from the resources of the State in order to maximise their security.

The United States during the Suez crisis of 1956 engineered a crash in the value of Sterling through international financial markets. This was done to pressure the British to cease their activities in Egypt. The series of defence reviews during the mid 1960s resulted from various economic crises which forced the government of the day to reconsider spending. As noted by Keohane, ‘The devaluation of the pound sterling in 1967 obliged the government to accept that Britain was no longer a world power.’ Further the OPEC decision to rise oil prices influenced the public expenditure round and the defence review of 1974, with the Chancellor seeking a 4.5% reduction in GNP as a whole within twelve months.

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For Britain the government of the early 1980s faced an international security environment which posed many challenges. The cold war confrontation between the superpowers entered a second phase. Following the Soviet invasion of Afghanistan the Reagan administration entered office committed to a major build-up of US defences to protect both itself and its allies. NATO members were committed to increasing their defence budgets by three percent a year in real terms (i.e. above the rate of inflation).

The Secretary of State for Defence John Nott, was recruited to government from merchant banking. His 1981 review noted that it was ‘incumbent upon the government to ensure that resources are spent to the very best effect in terms of security.’ Greenwood rationalised Nott’s skills learnt as a merchant banker to the outputs of the review.

He [Greenwood] saw the decision to withdraw from service one quarter of the Royal Navy’s surface fleet as removing a strategic anomaly. Given Britain’s focus upon Europe this seemed logical and would lower the amount of capital tied in assets. Greenwood noted that the aim of the review ‘was for rationalisation of the business.’ This measure was however over taken by events in the South Atlantic, following the Argentine invasion of the Falklands.

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64 ibid. p. 45.
The mid 1980s saw a consumer led boom in the domestic economy which took political pressure off of the Ministry of Defence. Nott’s successor Michael Heseltine pushed for efficiency savings in the ministry. He especially targeted defence equipment procurement by recruiting Peter Levine from industry. Further the Ministry sought to stretch procurement programmes, and delay deploying new equipment to keep the costs low within the overall budget.

Greenwood suggests that, ‘what they were doing at the Ministry of Defence was muddling through and calling it management.’ Further although the three percent target was not met in real terms there was a gradual increase in the budget, which coupled to the governments pursuit of low inflation saw more money available than a decade earlier in 1975 when the defence budget of a little over five percent of GNP was eroded by inflation of over twenty percent.

However their were problems. The governments economic strategy involved keeping control of public expenditure, and gradually in the years following the Falklands conflict, a series of optimistic forecasts from the Treasury for inflation started to create a funding gap, between the resources allocated to defence, and those needed. This was identified by Greenwood and indeed he presented in testimony to the House of Commons Defence Committee. His figures are illustrated in the Figure 5.2 below:

Figure 5.2: Illustration of the Ministry of Defence funding gap 1984 - 1989.

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65 *ibid.* p. 56.
Towards the end of the decade the British economy started to enter recession. The first warning came from the stock market crash in autumn 1987. Following this economic growth began to slow, with full economic recession commencing in the first quarter of 1990. The Treasury noted that the cause rather than external, ‘followed a period of unsustainably fast growth during the late 1980s.’

The problems with managing the defence budget could be characterised as the growing disparity between defence needs and funding. This was exacerbated by the onset of an economic down turn. In terms of the Rational Actor it could be suggested that a re-assessment of defence needs was well over-due due to solely economic reasons. Reductions in defence could free resources for the private sector to stimulate the economy.

At the beginning of 1990 the funding gap issue was addressed in a report to the Commons Committee on Public Accounts. The report identified the slippage of nine

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projects that were now over two years behind schedule, further it identified five projects whose costs had increased over 25% those projected, one of which by 183%. 69

The annual Defence Committee examination of the Defence Estimates saw the Secretary of State defending the inflation planning figures which had eroded the defence budget in the previous year. 70 The August of 1990 saw an inflation figure of ten percent - presenting a serious erosion of the defence budget, which would have to have been addressed by some form of review. 71

Several commentators posited that a review of defence requirements for financial reasons was overdue thereby validating the ‘economic necessity’ hypothesis. Baylis writing on the economic challenges for British defence policy in 1989 noted that;

‘major cuts in defence will become necessary unless there are increases in defence spending... One of the key questions for the future, therefore, is whether the Defence Secretary will undertake a major review before the next election in 1991 or 1992.’ 72

Sabin noted that, ‘Even if high inflation had not put paid to the plan to stabilise British defence spending at its 1988 level, a financially driven defence review could not have been avoided much longer.’ 73

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This second hypothesis has posited that the decision to engage in a review of defence requirements was the resultant of economic demands. From a Rational Actor perspective the value-maximising state sought to reduce expenditure on defence to support economic development. Specifically this was attributable to the funding gap which had emerged in the Ministry of Defence on the one hand, and the performance of the British economy on the other.

The problems with procurement projects identified by the Commons in early 1990 demonstrated rationally that there had to be some re-evaluation of defence needs. Given the increasing cost of each new generation of military equipment it was inevitable that the cost of re-equipping the armed services would come at the expense of numbers of personnel.

This first part of the analysis of Options for Change using Allison’s framework has considered the decision-making during Options for Change as resulting from the rational choice made by the United Kingdom, reacting to the environment.

It is my intention to now turn to the second lens through which the decision to embark on a defence review emerged, that of the organisational process model. This perspective shall examine the decision to start the options for change review as the result of governmental activity.
III - OPTIONS FOR CHANGE: THE ORGANISATIONAL PROCESS MODEL

The second of Allison’s three lenses seeks to explain decisions as the outcome of inter-departmental activity within government. 74 Simply put how are major decisions regarding the shape of defence policy influenced by organisational structure and processes? This analysis of the period preceding the ‘Options’ review aims to identify the relevant Ministry’s, specialist departments and the political oversight bodies behind the various reports as well the standard operating procedures which lead to the policy outputs.

Given the secrecy surrounding British defence processes and the recent nature of the Options exercise the analysis will be limited in scope due to the availability of materials. Rather than offering hypotheses this analysis will seek to define the procedures which would lead to organisational outputs which we recognise as policy it intends to concentrate on the public expenditure process and those documents available.

In December 1989 the senior civil servant wrote of the Ministry of Defence in its 25th year of existence as being, ‘a large and complex organisation. It spends £20 billion a year, employs half a million people, and is one of the largest landowners in the country.’ 75 It describes its role as being, ‘a Department of State responsible for the formulation and execution of defence policy.’ 76 Further it is a unique organisation insofar as it comprises both military staff on secondment, dedicated civil servants, and its political masters.

In order that these disparate interest groups can be understood by one another the Ministry publishes charts showing the comparisons between rank structure in the forces and the civil service, in order that everyone is aware of their position in the hierarchy. The political leadership of the Ministry encompasses five posts, the Secretary of State for Defence, Ministers of State, and Parliamentary Under Secretary’s of State for the Armed Forces and Procurement.

The Ministry is as indicated previously responsible for planning defence needs, and executing policy. It must however justify its expenditure both to the Treasury (in order to obtain its yearly budget) and to parliamentary scrutiny.

In order to plan defence requirements information is required. The Ministry of Defence houses its Defence Intelligence Staff. This organisation’s staff provide the Ministry with a threat assessment from which to allocate resources on the basis of political need. The assessment itself generates a certain amount of controversy as it looks beyond the ten year long term costing cycle to consider the environment in the long term. McIntosh cites discussions with on the one hand the Chief of Defence Intelligence who ‘can think of one case where capabilities were exaggerated’ and a Permanent Under Secretary who perceived threat assessment ‘to be over-estimated most of the time.’

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76 ibid. p. 3.
78 In January 1990 these posts were held by the Rt. Hon Tom King MP, Hon. Archibald Hamilton, the Earl of Arran, the Hon. Alan Clark MP, and Michael Neubert MP.
The threat assessment, and therefore the Defence Intelligence Staff hold a powerful organisational niche in the defence planning environment. The assessment cannot be challenged due to the expertise which is not possessed elsewhere. An excerpt from a television interview with a former director of the Defence Intelligence Staff, Sir Richard Armitage provides an insight into the primacy of the Staff:

Interviewer: ‘Surely, a Minister has a right to challenge a threat assessment if he sees fit, and indeed if he has sufficient knowledge to be able to do so?’

Sir Richard: ‘I think you’ve hit the nail on the head. The Ministers don’t have access to the detailed research that goes on, for example in the DIS, and it would be a very bold Minister indeed who ignored the advice of people like myself on expert matters like that.’

McIntosh concludes, ‘DIS is a secret world in a secretive Ministry.’ Another department within the ministry of note is the Office of Management and Budget, created by reforms in the mid 1980s. This office is responsible for the allocation of resources as well as financial matters, and is therefore of relevance to the policy makers.

Her Majesty’s Treasury possesses one of the smallest staffs of a Whitehall Ministry, and among the oldest. It describes its function as ‘to help ministers formulate and implement their economic policies.’ Its central authority is derived from its position as guardian of the finances from spending requirements. This responsibility in turn profoundly defines the culture of the Treasury, as noted by Pliatzky, ‘The Treasury sees

81 ibid. p. 93.
itself as a small beleaguered citadel of financial prudence, surrounded by spendthrift predators and surviving only by its wits and by tireless vigilance.’ 84

This responsibility is exercised in the annual public expenditure round commences in July each year, with a statement from the Treasury secretary on the state of the economy. Departments such as the Ministry of Defence, having already prepared well ahead of time, submit their requests for the following years funding. 85 A period of bargaining follows, with any outstanding problems dealt with in a ‘star chamber’ that autumn prior to the autumn statement in the House of Commons. 86 Early the following year the Government publishes its expenditure plans for the next two years, for example in January 1989 the plans for 1989-1990, 1990-1991, and 1991-1992 were published. 87

Assuming that the defence budget survives the public expenditure round relatively intact, the finishing touches can be placed to the annual Statement on the Defence Estimates. This document is known also as the Defence White Paper. This provides the House of Commons with statistical information on the Ministry’s activities as well as the unclassified summary of the threat assessment, and details concerning the composition of the armed forces, and procurement projects underway.

This document provides the basis in part for the House of Commons Defence Committee established in 1979 to exercise its function as an over-sight body, with its

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85 op. cit. Browning. Ch. 9. The Public Expenditure Survey ‘spans more than twelve months, because one round begins before the previous round is brought to a conclusion’ p. 220.
annual statement on the defence white paper. The Committee is composed on the basis of the result of the previous election, therefore the government will always have a majority on the Committee.

Its aim is to engender a sense of accountability in its home department, as the Committee can call the Minister or civil servants before it to give evidence. The effectiveness of the Defence Committee was demonstrated in its inquiry into the Westland affair, where the emphasis upon impartial analysis rather than adversarial politics transferred to another forum led to some valuable insights.

However, the Committee suffers from an Achilles heel in terms of access to information. Classified information of a certain level is made available only with permission of the Secretary of State - however, how does one request access to information that one cannot know about? The Committee is to an extent hostage to the Ministry which feeds it with witnesses and papers to work from.

However there is a perception that the Committee provides a greater measure of accountability, the Chairman noting, ‘that we have got their attention.’ A contrary view however is provided by a former special advisor to the Secretary of State for Defence, ‘I think its own perception of its influence is at times exaggerated.’

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A further legislative barrier for the Ministry is the Public Accounts Committee. This Committee is significant due to the fact that it receives reports from the National Audit Office and is responsible financially for the body rather than the Treasury. It is to all intents and purposes purposes independent, although staffed by civil servants. Further as McIntosh notes, the Chairman of the Public Accounts Committee is virtually always a former senior minister, which assists in lending the committee a certain gravitas.  

Having described the major organisations that would be involved in defence planning, the Ministry of Defence and the Treasury, the bodies within that have influence upon policy such as the Defence Intelligence Staff, and Parliamentary oversight bodies such as the Public Accounts and Defence committees, and the National Audit Office, it is my intention to suggest the impact which these bodies operating routines had on the decision to pursue Options for Change.

Given that governmental organisations often have their roles duplicated, or delegated in a manner which whilst perfectly nonsensical administratively, is perfectly understandable politically, conflicts are bound to arise in examining organisational outputs. Bruce-Gardyne observed, ‘British civil servants are territorial animals, and nothing arouses such passions round the [Whitehall] village as trespass.’

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90 *op. cit.* McIntosh. pp. 55 - 56. In 1990 the Chairman was the Rt. Hon. Robert Sheldon MP.
91 *op. cit.* Bruce-Gardyne. Ch. 4. p. 62. Bruce-Gardyne was formerly an Economic Secretary to the Treasury from 1981 to 1983.
In the late 1980s as the public finances tightened due to the impending recession, and the Soviet threat began to diminish in stature, a certain amount of evidence can be observed of departmental politicking between the Ministry of Defence and its ‘rivals’.

McDonald cites a situation where the Defence and Public Accounts Committee were both examining problems with procurement in 1989. The Defence Committee wanted access to the Accounts Committees evidence to assist their own investigation, but were denied. 92 As an example of organisational process both committees were following their own procedures without regard for activities conducted by the other, thus duplicating effort.

The Ministry’s involvement in an international naval programme was withdrawn in 1989, but sources the following year observed, ‘The participation in the NATO frigate replacement 90 was axed last year by the Treasury, not the defence ministry.’ 93

Clearly, given the identification of the funding gap in the mid 1980s, and the changing international environment, plus domestic economic retrenchment, it seems that the Ministry of Defence was facing a series of challenges to its budget, given the management problems of its major projects. Simpson noted that the Ministry could in the past point to the Soviet threat, as perceived by the Defence Intelligence Staff, and justify projects through the Treasury. The fall of the Berlin Wall however, had removed this certainty. 94

92 op. cit. McDonald. p. 16.
The Treasury by the start of 1990 was already advancing plans for the public expenditure through until 1992-93. Given the start of the recession, the government had added to public spending £2.2, £7.9, and £11.6 billion respectively for the years 1991, 1992, and 1993. Clearly there were problems which needed to be addressed.

To consider the organisational process paradigm as the key influence behind the Options for change review, what can be said tentatively, given the release of few documents, about its impact? It has been demonstrated that the planning cycles of both the Ministry and the Treasury, particularly with regard to factoring in a projected figure for inflationary pressures, can lead to severe difficulties as were experienced throughout the 1980.

Departmental politics offered the Treasury an opportunity to seek reductions in the defence budget given the poor project management exercised by the Ministry, coupled with the changing environment in Central and Eastern Europe. The parliamentary oversight committees facilitated reports which highlighted the Ministry’s problems, exposing the organisation to the budgetary predators.

One issue which whilst hypothetical, given the lack of evidence, but of interest to this analysis, is the role of the political figures in the Ministry. Was initiating the review, a means for individuals to wrest the initiative from the Ministry of Defence? In order to consider this it is appropriate to consider the final analytical lens, that of governmental (bureaucratic) politics.

IV - OPTIONS FOR CHANGE AND THE GOVERNMENTAL
(BUREAUCRATIC) POLITICS MODEL

This final examination of the decision making process leading to the Options for Change review considers the bargaining process between the political figures, astride the administrative Departments of State. It could be suggested that there are difficulties in applying this framework to such a recent event. 96 Memoirs of the principal participants are both few and brief in their discussion of relatively recent government business. 97

Essentially there are two elements to consider in this analysis of the decision making process which led to the review - interactions between political figures within the Ministry of Defence, and broader interaction with the cabinet and Prime Minister.

An important part of this process is the manner in which factions within the organisations represented by Ministers make their views heard. These action channels, because of a lack of public information are not considered within the confines of this report.

A Ministerial reshuffle on the 24th July 1989 saw the appointment of a new team of ministers to the Ministry of Defence. Tom King, (the Secretary of State), had worked previously with Alan Clark (Minister for Defence Procurement) during the 1980s at the Department of Employment. Alan Clark suggested in his Diaries that his relationship

with King was somewhat less than satisfactory. 98 A journalist friend of Clark’s noted
that, ‘Mixing Alan Clark and Tom King could be the only mistake of the reshuffle.’ 99

The previous Secretary of State for Defence George Younger had enjoyed very good
relations with the Prime Minister. 100 He had been able to broker a deal with the
Treasury to obtain clarity as to the budget for defence in the late 1980s and establish a
carry-over for funds saved through cost cutting. It could be suggested that possibly his
replacement by a weaker figure lacking Younger’s presence enabled the Chancellor to
strip away the carry-over facility bringing forward the requirement for a review of
defence policy.

Given Clark’s role in procurement, the area in which decisions are made first, when
considering change in defence expenditure, his participation in a review would be
inevitable. Already he had written a twenty-year projection of defence requirements in
1984. 101 This coupled with the impression that his position in Procurement at the
Ministry of Defence would be his last chance to succeed in politics, by obtaining a
senior ministerial post, suggested a willingness to take risks.

His opportunity came, according to his recollections at a seminar at Chequers
concerning developments in the CFE conventional forces negotiations. Apparently, by
breaking precedents he requested in September 1989 that he be able to write a paper on

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98 Clark, A. Diaries (London: Weidenfield & Nicholson 1993). Upon King’s promotion to Secretary of
State for Northern Ireland Clark noted, ‘He always loses in Cabinet... This, and his testy manner with
100 op. cit. Thatcher. Ch. 25. p. 756. Upon his leaving the PM noted that, ‘George’s departure was
something of a blow. I valued his common sense, trusted his judgement and relied on his loyalty’.
‘equipment requirements over the next five years.’ There then started a series of political manoeuvres. The Treasury team of Chancellor Lawson and Secretary Lamont were keen on cuts in defence expenditure (which would assist them in their goal of lowering overall public expenditure).

However, why did the Prime Minister not charge the Secretary of State for Defence with the task of writing a review? It is a well known fact that Prime Ministers regardless of their political persuasion enjoy creating creative tension between their ministers.

Furthermore the Prime Minister was in her third term as leader with a commanding majority in the House of Commons. This dominance led to a leadership style which was suggested by her Chancellor Lawson, ‘as disagreeably strident, excessively authoritarian, and unbearably bossy.’ The 1986 Westland affair had caused the Prime Minister to believe that, ‘her colleagues were troublesome and her courtiers were loyal.’ These characteristics possibly led the Prime Minister to come to a conclusion on policy issues based on instinct, and then support people who supported them. This it could be suggested was the motivation behind sanctioning formally Clark’s ‘shadow study’.

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103 *op. cit.* Lawson. Ch. 79. p. 1001.
104 *ibid.* Ch. 54. p. 680. This Defence Industry controversy led to the resignation of the then Secretary of State for Defence, Michael Heseltine, who had a pivotal role in the effort to remove the Prime Minister, Margaret Thatcher, in 1990.
Having completed the shadow study by December, the official study prepared by the senior civil servant at the Ministry of Defence was completed shortly after. At a Departmental meeting Clark recollects that the shadow study received much attention the Secretary of State noting that, ‘we have all got to ensure that this does not get into the hands of the Prime Minister.’ Unfortunately for Clark he had already passed it onto No. 10 Downing Street.

Throughout 1990 Clark’s memoirs suggest that his report was smothered by the Secretary of State who sought to take control over proceedings. The Ministry of Defence’s official effort was created by two staffs, one under the leadership of Sir David Craig, Chief of the Defence Staff. The second, a team from the Office of Management and Budget led by the Second Permanent Under Secretary. Both teams reported directly to the Secretary of State. The two staffs provided respectively a strategic analysis, and economic assessment.

The Secretary of State for Defence in turn, reported to a Cabinet Committee (one of the Misc. series) consisting of the Prime Minister, and the Secretary’s of State for Defence, Foreign Affairs, and the Chancellor of the Exchequer. The small numbers involved highlighted the fact that the government had been embarrassed during the 1981 review and wanted no repeat of the event.


\[106\] The Times (23.03.90), ‘MoD faces White paper dilemma on East bloc changes’ See also op. cit. HMSO. HC45. p. 31. para. 1331.

\[107\] Daily Telegraph (22.03.90), ‘Secret defence review to consider forces cuts after E Europe upheaval’.
The start of the British Commitment to Kuwait and Saudi Arabia gave, in Clark’s words, ‘the AF [Armed Forces] side of the department a renewed raison d’être.’ This meant that procurement issues would take second place to the task at hand, ending albeit temporarily the pressure on finances. In the meanwhile a leadership challenge from within the Conservative party led to a change of Prime Minister.

What can be inferred from this case study about government activity? Clearly the personalities, their aspirations (Alan Clark for example), and belief systems (the Prime Ministers) all impact on decision-making, shattering rudely the myth of the cool, rationalised debate over policy options within the framework of collective responsibility. In the case of the commencement of the Options process personalities were key in the breakdown within and between the Ministry of Defence and the Treasury.

The Governmental (Bureaucratic) Politics model has limited utility other than as an organising device for material in this instance. The nature of collective responsibility in the British Cabinet system means that the only events we can observe are those released in biographies or press reports. Compared to the Intra-Governmental Decision model it is not possible, without dynamic trust and reputation issues, to adequately interpret the Options for Change process.

**CONCLUSIONS**

In summary this application paper has sought to show the utility of the Intra-Governmental Decision model vis-à-vis the Allison framework in a contemporary context.

situation. The primary advantage of the Allison framework appears to be as a mechanism for organising a wealth of information into readily assimilated parts within a coherent whole.

- The Rational Actor Model facilitates an examination of defence policy making as arising from the state considering courses of action, their costs and alternatives.

- The Organisational Process Model hints at the interaction between organisations which both adds a second layer of richness to the picture, and simultaneously demonstrating the operation of government.

- The Governmental (Bureaucratic) Politics model shows the process of bargaining between the figures at the pinnacle of their respective agencies in government.

The three models are complimentary, as having read an interpretation of each, when applied to the 1990 defence review, the reader is left with a sophisticated understanding of the situation. This may have not been possible using merely the traditional classical model.

A further benefit of the three model approach is the opportunities for validating information through the triangulation approach. By considering the situation from different perspectives and levels of analysis, the researcher can check materials to filter as best is as subjectively possible, the biases of the participants. In the final model, an
examination of the political biographies of the participants showed a general recognition of the nature of the Prime Ministers mental processes.

In contrast the intra-governmental decision model offers the analyst the ability to construct a plausible understanding of a policy-making situation with relatively little data. Its view of decision-making is as a continuum of repeated interactions between distinct cultures through time. This enabled the identification of key dynamics of the Options for Change and gives an indication of possible conditions for predicting future reviews.

Further by avoiding applying distinct hypotheses to the model in the manner of Allison it is possible to creatively consider the probable weightings assigned to interactions in a sophisticated manner, due to awareness of the boundaries of behaviour which constrain the main cultures. As a sense-making device the hypothesis, even as a straw man to be later refuted is, it could be suggested, an important tool in understanding decision making.

Whilst the alternative model does not focus upon the role of individuals it still demonstrates considerable utility. The cultural context of organisations are assumed to rapidly consume ministers. Whilst retaining some characteristics distinct from the culture a degree of degree of mental institutionalisation is likely to occur.

The overall methodology of this thesis has aimed to test Allison without pre-judging the methodology against an original empirical case study, British defence policy in the mid
1960s. Following this the methodology was reevaluated, shortcomings identified, and the Intra-Governmental Decision model was proposed. Next the new model was tested against fresh empirical data (The Options for Change process) followed by Allison’s lenses. This enabled us to rate the new versus old model.

However in order to establish the Intra-governmental decision model’s appropriateness the next chapter will apply it to the mid 1960s case study considered earlier. The objective of this is to assess its potential as an explanatory tool compared to the analysis using Allison’s three models.
CHAPTER SIX: THE 1966 DEFENCE REVIEW II

In Chapter Three the three lens framework devised by Allison was tested against primary materials from the mid 1960s. The objective was to seek to test the methodologies continued explanatory power and understand better the dynamics behind the 1966 British Defence Review.

Amongst the lessons learned was the clear issue of decision-making representing a continuum in which organisational rivals conduct repeated interactions. For example the process of obtaining the budget for annual expenditure was a form of ritualised conflict. Allison’s framework however was limited in its ability to contemplate these issues given its application of rationality. Its reliance upon the then state-of-the-art economic based rationality and one shot use of game theory meant that understanding of issues over any significant period of time required an alternative framework through which to understand significant policy decisions.

Chapter Four proposed an alternative framework called the Intra-Governmental Decision Model. This framework sought to take advantage of developments in the social science philosophy underpinning Allison and wield them into a model whose characteristics were limited in a positive sense. This limitation was intended to enhance both the model’s utility and ease of understanding.

Chapter Five applied the Intra-Governmental Decision Model against secondary source material from a recent strategic shift in British defence policy known as Options for

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1 See Ch. 3. pp. 37 – 167.
Change. ³ This second case has much less data available in the public domain. Thus while it provided a solid test of the robustness of the model this was limited by the data. It did provide some prediction.

The objective of this Chapter is to test the Intra-Governmental Decision Model against the more comprehensive data derived from extensive research of the mid 1960s. This aims firstly to test the appropriateness of the new framework and seek greater understanding of its operation. It also provides further insights into the strategic policy-making process of Britain’s defence during this period. It could be suggested that although Allison’s work was applied to a crisis situation, the dynamics highlighted in his lens are appropriate to test against the decision making surrounding British defence reviews. For the bureaucracies and individuals involved these were anything but routine events.

When viewed as part of a continuum the 1966 Defence Review can be seen to hold few surprises. Prior to 1964 the culture of British defence policy lay in the separate hands of the three services who controlled both the management and security agenda. In this the services trusted one another’s moves based on their understanding of the reputation (i.e. longevity) of the others conditioning the extremes of bargaining behaviour. The efforts of Mountbatten to push a unified Ministry of Defence changed the situation and signalled new types of future inter-service conflicts.

³ See Ch. 4. pp. 199 – 245.
The Ministry itself had as its objective the centralisation of the defence effort. Through such apparently insignificant acts as compiling the three service estimates into one paper for the House of Commons it signalled the new culture’s objectives; Management of defence in peacetime which it saw as fundamental. The services still presented three distinct cultural perspectives on these issues.

The Army provided a means for fulfilling commitments in distant regions. The Royal Navy saw security as the outcome of capital ships organised into task forces able to intervene to protect British interests. The Royal Air Force conceived security as derived from the deterrent effect of a large force of manned bomber aircraft.

The formation of the Ministry did not of itself weld these disparate cultures together. Not only was the building effectively partitioned into three for the services, but the attitude of each service to its civilian administrators was different. The Navy had always relied on civilian administrators to look after their needs as they focused on being at sea. The Air Force were quick to realise the benefits of civilian administrators at the highest level incorporating them into the administrative management process. The Army on the other hand was somewhat reticent preferring to have its basic administration handled by soldiers in uniform. 4

The operational background described earlier to contextualise the application of Allison’s framework can be viewed as inexorably leading to open conflict between the Navy and Air Force cultures. In terms of the Intra-governmental decision model the

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4 Interview. Sir Michael Quinlan (Shrivenham: Royal Military College of Science 07/10/98).
dominant inference pattern of incremental responses through time was challenged by externally imposed factors which removed temporarily the equilibrium struck by the services in terms of trust and reputation. The 1964 reorganisation happened shortly before a general election changed the decision-makers.

The new Secretary of State for Defence was presented with an opportunity to drive major change through this new organisation by emphasising the role of the hitherto marginalised management culture. This was especially acute given the Cabinet interest in minimalising unnecessary public expenditure.

As with the analysis of the ‘options’ case study the preconditions for a defence review were met. The service cultures were busily implementing their incremental strategies for organisational development. Two of the services were in the process of acquiring new generations of equipment to fulfil the requirements of the services. The third (Army) had succeeded in maintaining the delicate balance between the competing interests of its regimental constituents.

The Defence (Security) culture was out of step with the Foreign Office whilst the Government and Treasury were acting in synchronisation on their objectives. The Prime Ministers experience as an economist in the civil service as well as the over-riding objective of managing a deteriorating economic situation meant that the Treasury was fundamentally in tune with the political culture in office.
This disjunction between the strategic-conceptual and operational reality of the British
defence policy context left the organisation open to an imposed initiative, a policy
review. In order to understand properly the 1966 Defence White Paper it is necessary to
start from the earlier decisions of the Wilson administration to curb public expenditure.

5 In this model decisions do not occur out of this but are deeply embedded in its
historical view.

The government culture was preoccupied with finding a means to stimulate economic
growth by reducing public expenditure. This was the basis of their electoral success as
was their commitment to social welfare in preference to traditional power orientated
foreign policy. The Treasury culture was concerned with containing public expenditure
since time immemorial. 6 The alignment of these two cultures in the autumn of 1964
left defence with a need to reconcile its desires with clear financial targets.

The service cultures were pulling in different directions. The Ministry of Defence was
constrained in its capacity to contain the services. The most important part of the
Ministry for the services was the Secretary of State’s office which was responsible for
recommending to cabinet the resultant of their negotiations. The Secretary of State was
also weak in that he was reliant on Prime Ministerial patronage and the latter was
committed to a new approach to foreign policy. When viewed through the intra-
governmental decision model this situation is indicative of the general proposition of
decisions being the effect of the clash of politically aware cultures within government
battling to survive and grow whenever possible.

At stake for the services were the programmes they had previously pursued independently and would now compete against for the limited available funds. The Navy’s new carrier and Air Force’s manned bomber were fundamental to the cultures. More than just modern equipment’s these programmes symbolised the *raison d’être* of the two services culture.

The use of these weapons were enshrined in the RAF’s case of doctrine from Trenchard in the Second World War. For the Navy Corbett through Mahan and practice had indicated that the aircraft carrier was essential to a future Navy’s ability to project power. The evolutionary nature of policy-making within the services was signalled by their reliance upon new generations of equipment serving culturally enshrined idea.

The TSR-2 aircraft and CVA-01 aircraft carrier did possess new technological capabilities. The TSR-2 possessed both a new airframe and engine with state-of-the-art electronic systems. The CVA-01 was revolutionary in having its control centre, or island, positioned toward the centre of the deck. This increased the available desk space by 15%, allowing fully armed and fuelled aircraft to taxi around it in safety, away from potentially dangerous launch and recovery operations. These projects both represented high technology solutions. In the medium term they were low cultural risks to each service. As evolutionary support to existing cultures these programmes were ideal.

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Furthermore in the manner of Kuhn’s theory of paradigms these equipment’s represented clear career paths for their adherents and their way of life. Any threat to these programme was therefore a personal threat also.

For the Army the problem was different. The Army tradition of fighting small wars in far-away locations was still a fact of life in the early 1960s. The equivalent to the Navy and Air Force’s capital ship for the Army was its regimental system. The spirit and identity captured by this cultural phenomenon was crucial to the Army. The threat implicit in an expenditure battle would be lost regiments or from the Army’s perspective apocalyptic amalgamations.

The defence (management) culture in the Ministry was catalysed by the idea of centralisation. The efforts of McNamara with the United States defence establishment was seen as the model to adopt. Different messages emanating from the Defence (security) culture as opposed to others represented an opportunity for the central Ministry of Defence to accumulate power and influence.

For the service cultures the early realisation that there would be little political arbitration between these conflicting programmes brought them into direct confrontation. Trust and reputation effects with regard to programmes would not work with the new centrally planned approach to procurement. The three cultures therefore fell back on their respective brain-trusts to articulate the reasoning for their own rather than the overall benefits of completing various programmes.

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8 For example the confrontation with Indonesia. See the Appendix in *op. cit.* Stanhope (1979).
With hindsight and analysis from a Intra-Governmental perspective The island basing and amphibious task force strategies were entirely logical mechanisms adapted by service cultures to defend their traditional interests. The economic situation meant that these strategies were not sustainable means to determine the sequence of procurement but rather the continuation of each capability. In this situation the emotive nature of the minutes described previously can be fully understood.

During the battle to advocate individual strategies to the senior decision-makers the attitude of the service cultures towards one another polarised. An interview with a former Permanent Under Secretary illustrated this by;

‘In a genuine mistake, soon detected and rectified, an officer in the Air Staff based certain calculations about the capabilities of land-based air power on a figure some hundreds of miles too short for the distance between the Indian Ocean island of Aldabra - then under consideration for development as an air base - and a hypothetical operational area on the mainland of Africa. The episode... was indignantly seized upon by the Naval Staff as evidence of Air Force duplicity.’

This tension was further illustrated in an interview with a former naval officer who witnessed this and claimed it as a deliberate strategy on the part of the Air Staff to prove the validity of their concept. It could be suggested that this vignette yields an important insight into the use of strategy in peacetime. The Defence (security) culture finds strategy as a historical means of curtailing debate on the efficacy of particular procurement plans and force structures.

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9 See Chapter 2. pp. 77 - 83.
10 Interview. Sir Michael Quinlan (Shrivenham: Royal Military College of Science 07/10/98).
During this battle the Army stood to one side. Its most senior officer became Chief of the Defence Staff. The Army to all intents and purposes was a bystander to the conflict between the Royal Navy & Royal Air Force. For the Army there were no major procurement projects to defend. For their culture the threat was to the micro-cultures established through the regimental system.

Energies which could have combined together to exploit the fighting between the Navy and Air Force were absorbed in mounting disparate campaigns to protect individual regiments. The most famous in this period was the ‘save the Argylls’ campaign. This situation emerged once more in Options for Change as the Staffordshire regiment fought to preserve its identity.\(^{11}\)

The cancellation of the TSR-2 was weathered by the Air Force. They had already obtained a commitment for the US F-111A aircraft. The importance to culture of an evolutionary policy is highlighted by this act that it was unimportant who supplied the manned bomber as long as the RAF owned, manned, and flew it.

The same situation occurred to the Navy Staff when the idea of purchasing United States surplus aircraft carriers was considered. However the CVA-01 project was seen as impregnable once the Air Force had lost their case. Cultural myopia saw the project in the context of good Admiralty relations with government and industry.

\(^{11}\) This phenomenon is discussed in considerable depth in \emph{op. cit.} Strachan (1997).
The cancellation was a blow to the Navy who were also told to desist from future aircraft carrier planning. Viewing defence policy through time however yields the insight that organisations are resilient in defending their core beliefs. The existence of aircraft carriers in the late 1990s, following their disguise as Through-Deck-Cruisers and the current discussion of their replacement is sufficient proof.

The change in strategy itself from an East-of-Suez to a continental European commitment had different implications when seen through the lens of the intra-governmental model. Peacetime strategy serves cultural ends as a means of defending certain beliefs and structures.

The choice represented by the decisions of 1966 were to give pragmatic cultures a means of reorganising to protect their interests in a different environment. Viewing defence policy as a continuum the services all maintained and enhanced their core beliefs - aircraft, aircraft carriers, tanks and the regimental system.

Despite any tactical myopia the Defence (security) culture as embodied by the services was sufficiently politically aware to understand at the eleventh hour the need to bend in the financial wind. Given the nature of British defence commitments it could be suggested when viewing decisions of the time through the eyes of the evolutionary lens that the Treasury and governmental cultures can never be synchronised for long periods of time. The challenges toward the end of the 1960s meant that fundamental abilities were un-threatened. To extend the analysis further this synchronisation at the time of the Nott Review produced a result that was undone by the Falklands War. The Treasury
and Government were unable to fully recover from this until an agreed policy, the Options for Change review opportunity emerged.

This analysis has sought to use the material utilised in chapter two to consider the 1966 defence review from the perspective of the intra-governmental model. It has identified politically aware cultures with regard to defence in the United Kingdom. It has shown the nature of repeated interactions as games between them so as to identify the cultural pre-conditions necessary for a policy review to be effective.

We could argue that considerations of culture and evolutionary policy-making renders more understandable the manoeuvrings of the Navy and Air Force over procurement programmes in the mid 1960s compared to Allison’s three lens approach. The model identifies why they were selected, defended and their relevance to the service culture.

The government culture which aimed to minimise public expenditure in the mid 1960s represents the opponent for the feudal defence cultures. Their inability to present a coherent entity on defence strategy left them vulnerable to reorganisation. The stakes for the Navy and Air Force enable us to understand the rift in relations between them that is almost maintained to this day.

In terms of implementation the ability of service cultures to frustrate their management is clearly exemplified in the case of the aircraft carrier. The cancellation of CVA-01 was meant to end Britain’s aircraft carrier capability. Service interests in maintaining

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the presence of carriers for the Navy led to successful lobbying efforts which resulted in such vessels still in Royal Navy service in the late 1990s.

The model also provides us with greater insights into the incremental response by government to the economic environment. By choosing to control public expenditure the government culture reinforced Treasury’s methods grounded in its historical practice.

In summary this chapter has considered the 1966 Defence Review from an alternative perspective. This framework considers policy as a continuum where distinct politically aware cultures interact on a repeated basis. The next and final chapter pulls the threads of this study together and suggests the programme which will advance this research further.
CHAPTER SEVEN: CONCLUSIONS

At the outset of the thesis it was suggested that its objectives were to test and develop the models in a manner useful to view decision-making in British defence policy when only public domain material is available. Whilst being pioneering Allison’s framework is found wanting, but not in terms of its internal consistency. Rather and not unreasonably many of its underlying precepts have changed or been refuted with the passage of time. ¹

In practice whilst effective at dealing with older case-studies for which documentation and other resources were available, its explanatory power in contemporary decision-making situations is of less utility.

The Intra-Governmental Decision model has been proposed as an alternative. In terms of understanding decisions by nation-states there can be no dispute that the appropriate level of analysis is that of intra-governmental interactions. Where the alternative framework differs is that it suggests, in line with developments in organisational behaviour, that by focusing upon the process leading to the emergence of cultures for departments of state that we can yield greater insights into their formal and unwritten rules governing decisions.

Repeated game theory and the ideas of trust and reputation provide a robust mechanism for understanding the emergent behaviour of cultures with regard to each another in a complex organisation like the public sector. The reputation of cultures for surviving

¹ See Ch. 3. pp. 168 – 198.
public expenditure reductions has led to trust between them as to how each will react that facilitates co-operation between partners or opponents because they operate in the full knowledge of future deals to be struck which curbs excessively aggressive behaviour.

Allison’s framework arguably provides an outstanding contribution for sifting historical materials to compile a representation of an event. Official policy statements form the core of the rational actor model with their accent upon a coherent and lucid account. The organisational process model provides a channel for archival access to documents from the relevant ministry’s or organisations. These materials enable an understanding of the administrative processes at work and implementation issues. The final governmental (bureaucratic) politics model provides a framework for careful examination of participants memoirs and interviews.

In contrast the Intra-Governmental Decision model seeks to provide a greater understanding of public decision making processes of a contemporary nature. Typically these situations are characterised by lack of access to documentation and the actors view due to issues of bureaucratic secrecy and personal sensitivity.

The way we have approached each model’s application to both of the case-studies has been designed to yield both some important insights into defence decision-making processes and develop a definable methodology for comparing Allison’s model with our new model. Despite the quarter century between both cases, and different political
parties being in power, clear characteristics can be observed from the interactions of the main cultures.

The main empirical lessons for the scholar of British defence policy can be characterised as follows;

Firstly and perhaps most importantly when considering British defence policy, unless the Political, Treasury and Defence (Management) cultures are in alignment with an unclear policy emanating from the Defence (Security) culture reductions in defence resources are extremely difficult to achieve.

In both the 1960s and 1980s defence reviews were not contemplated just because the defence budget was facing management difficulties. Reviews could only be conducted when shifts in the defence environment left policy-makers in the Ministry security culture uncertain of the direction they needed to go in.

Secondly an understanding of the shifts in formal organisation have failed to undermine the power of the three services to maintain their own distinct cultures and their influence within the Ministry of Defence. Despite the efforts of Healey and his contemporaries the services have made their voice heard and more importantly protected their share of the defence budget. Analysts such as Broadbent have charted the share of budget by
service. A composite analysis of these has found that despite shifts at the margins each service received approximately 28% of the defence budget between 1949 and 1994.  

Thirdly, the role of strategy in peacetime (i.e. a situation short of general war) appears to serve as protection for the core attributes of the particular culture. Strategy draws on the historical experience of the culture to disarm external critics and challengers for its resources. Further the articulation of strategy supports the acquisition of equipment that in turn protects the central mission of the culture thereby preserving the dominant values of the service.

From these case-studies it could be suggested that analysts are presented with a greater appreciation of strategic defence decision-making due to its treatment as a repeated activity between the cultures. However it is possible to define from the nature of these interactions the characteristics of Britain’s strategic culture?

Katzenstein has proposed an alternative conception of national security policy derived from the notion that, ‘security interests are defined by actors who respond to cultural factors.’  

Britain’s geographical position as an island close to a large continent is one influence upon its emergence as a balance between hostile combatants on the mainland.

The geographical factor coupled with the development of maritime commerce It could be suggested led inexorably to two strategic schools of thought. One conception

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favoured mobility and the use of the sea to deliver small packets of force to areas of conflict. The other saw security in terms of stability on mainland Europe.

Both of these schools have held sway at different times in history to meet the perceived needs for British security. However it could be asserted that both strategies have been limited in the means employed and its application. Britain has fought with Allies since before the final victory against Napoleon at Waterloo. Political control is another important factor in the development of Britain’s strategic culture. Since the formation of the modern British army after the English civil war there has been no repetition on mainland Britain of a military challenge to civil rule despite insurrections elsewhere such as the Irish situation and the Currah mutiny for example.

To summarise the originality of this thesis has been concerned with the application of the Allison framework to new data on British defence policy and the development, in the light of practice, of an alternative model. Chapter Two proposed and discussed Allison’s three lenses. Chapter Three applied them to original archival material from the mid 1960s and interviewed former officials.

Having applied Allison comparatively Chapter Four sought to reconsider the methodology having applied it cleanly in order to avoid pre-judging the limitations of the model. From the analyse of philosophical developments the Intra-Governmental Decision model was articulated. Chapter Five applies firstly the new model, then Allison’s lenses to the British Options for Change review.

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Chapter Six then applies the new model to the mid 1960s review. By now we have considered new data with the older model, then new data with both the new model and old one, and finally the new model with old data. In this way it has been possible to validate the utility of the models and apply them consistently in a manner avoiding contamination of the results and lessons learned. This final Chapter has provided the empirical conclusions to the study of British defence policy.

In terms of the methodological conclusions it could be suggested that the utility of the Intra-Governmental Decision model has been tentatively established. Problems with scarcity of information, which permeate consideration of contemporary problems, are at the heart of the new model along with its focus using elements of repeated game theory and trust and reputation effects.

Further research to validate the limits of the model’s application are obviously required. Its generic applicability to organisational decision model could have utility in the traditional international relations realm i.e. explaining state decision making. Unlike Allison’s framework it is possible, due to its generic nature, that the Intra-Governmental Decision model may have no variants. Further developments may lead to modification but the tenets of the model it seems could be universally applicable.

Further it may have utility in areas of the discipline such as international business and economics for analysing the behaviour of firms through time. Corporate strategy like
state based strategies are often articulated officially in a coherent manner. 4 This method would probably be useful in terms of highlighting contemporary actions by reference to the development of processes through time.

Such research to broaden the application of the model in the defence areas or to apply it to international business and economics looking at strategic decision making will form the backbone of any future research agenda.

4 Johnson, G & Scholes, K. Exploring corporate strategy, 3rd edition (Hemel Hempstead: Prentice Hall 1993). Any of the cases within this text tend to treat the corporation as a monolithic decision taker.
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