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When I want to avoid a conversation about my work as a political scientist with an airline seatmate or stranger at a party, I sometimes tell them that I study budgeting. This is true, if incomplete, and reliably moves the conversation on to something else. Budgets can certainly be arcane and technical, and may thus be superficially less interesting than other aspects of foreign and defense policy. In fact, they are among its most important elements. As the longtime Comptroller of the Department of Defense, Wilfrid McNeil, put it, “[i]f you are talking about containment, I can tell you whether you can do it or not by whether you can get the dough.”¹ Budgets are where policy commitments are either made real or exposed as hollow rhetoric.

Anand Toprani’s interesting article explains how postwar budget cuts were at the core of the fierce inter-service rivalry that raged between 1945 and 1950. The conflict ostensibly revolved around the roles and missions of each service, especially in a nuclear war, and the Navy’s proposed ‘supercarrier,’ but it was essentially a struggle over scarce resources. By fiscal year 1948, the military budget was lower than it would be at any time from World War II through the present. Toprani points out that as a percentage of GDP, this budget was roughly comparable to recent budgets that have not produced anything close to the inter-service struggle of the late 1940s (682). However, more to the point, it was less than one fifth the size of the fiscal year 2020 budget in real dollars, and was a small fraction of what the country had spent just a few years earlier.² The Truman administration’s belief that larger military budgets threatened the American economy drove these cuts. This concern was rooted in “antiquated conceptions of public finance” but was nonetheless sincerely held by the President, many of his economic advisers, and many other Americans, including Dwight Eisenhower (681-682). At the same time, the leaders of the military services all believed no less sincerely that they would be unable to play their assigned role in American military strategy without more resources. The struggle over the budget thus reflected a genuine and important dilemma at the heart of U.S. national security policy.

The enormous decline in military spending in the immediate postwar years would probably have produced inter-service conflict under the best of circumstances. As Toprani points out, though, the unification of the War and Navy Departments

¹ Wilfred J. McNeil Oral History Interview, by Jerry N. Hess, 19 September 1972, 160, Harry S. Truman Library, Independence, Missouri, <https://www.trumanlibrary.gov/library/oral-histories/mcneilwj> (accessed 24 March 2020). McNeil served as comptroller from 1947 through 1961.

² The fiscal 1948 budget for national defense was \$9.105 billion, or \$133.4 billion in 2020 dollars (Office of Management and Budget, Historical Tables, Tables 3.1 and 10.1, <https://www.whitehouse.gov/omb/historical-tables/>, accessed 22 March 2020). The fiscal 2020 budget approved by Congress is \$738 billion (Joe Gould, “Pentagon Finally Gets Its 2020 Budget from Congress,” *Defense News*, 19 December 2019, <https://www.defensenews.com/congress/2019/12/19/pentagon-finally-gets-its-2020-budget-from-congress/>, accessed 22 March 2020).

and the creation of the Air Force under the National Security Act of 1947 exacerbated the situation. The reorganization required the services to negotiate a single budget under the auspices of the new Secretary of Defense, disrupting previous political arrangements that had worked to the benefit of the Navy (683). Unbound by the norms that had preserved inter-service harmony before World War II, the new Air Force promoted a war plan stressing strategic bombing with atomic weapons. It accorded only minor supporting roles—and implicitly smaller budgets—to the other two services (684-685). The supercarrier is best understood as the Navy's effort to defend its role in atomic warfare and thus its share of the military budget (685-686). The cancellation of this ship in April 1949 led directly to the most visible episode of inter-service conflict, the 'revolt of the admirals,' an unsuccessful Navy effort to overturn the administration's fiscal 1950 budget and rescue the supercarrier during House Armed Services Committee hearings (691-693). The Army was less vocal but Toprani notes that in some respects its share of national resources declined as much as the Navy's did (691-692).

Toprani's focus on inter-service rivalry tells an important story, but the resource constraint that explains it had more far-reaching consequences for American national security policy that are mostly beyond the scope of the article. He notes that the conflicting demands of meeting growing postwar military commitments while cutting the budget pushed policymakers toward greater reliance on air power and nuclear weapons for the defense of Europe (687, 691). This move allowed the United States to maintain only a relatively inexpensive 'tripwire' force there. Though Toprani does not mention it, budget cuts also contributed to the decision to withdraw American forces from Korea in 1949.³ The same fiscal policy concerns prevented the United States from providing enough military aid to reassure its allies. The Mutual Defense Assistance Act, which was signed into law in October 1949, provided only about \$1 billion in aid to the North Atlantic area. The Joint Chiefs of Staff resisted enlarging the program because they believed that it would come at the expense of their own services.⁴ The aid was far less than the \$45 billion that Paul Nitze, then working in the State Department's Policy Planning Staff, recalled British planners estimating as the cost of a force that could hold the Soviets at the Rhine.⁵ The prospect of relying instead on the massive use of atomic weapons after the Red Army overran Western Europe could hardly have been reassuring to the European members of NATO or to the American policymakers who were working most closely with them.

Toprani rightly identifies the internal struggle over NSC 68 and the beginning of the Korean War as the events that resolved the resource issue by abandoning efforts to maintain a balanced budget. He provides a cogent account of the effort by Secretary of State Dean Acheson, Paul Nitze, and others to overcome resistance to greater spending (694-697). While Toprani focuses on opposition within the administration, including from the President himself, he says far less about resistance to greater spending in Congress or in American society more broadly. The defeat of universal military training in 1948 was accompanied by the allocation of greater funds to the Air Force, which was an implicit endorsement of more reliance on air power and nuclear weapons by the conservative Republicans who backed the move.⁶ The defense of Europe was less important to their constituents than it was to those of the mainly Democratic members of Congress who ultimately

³ William Stueck, *The Korean War: An International History* (Princeton: Princeton University Press, 1995), 29.

⁴ Chester Pach, *Arming the Free World: The Origins of United States Military Assistance Programs, 1945-50* (Chapel Hill: University of North Carolina Press), 198-200.

⁵ John Lewis Gaddis and Paul Nitze, "NSC 68 and the Soviet Threat Reconsidered," *International Security* 4:4 (Spring 1980), 171.

⁶ Lynn Eden, "Capitalist Conflict and the State: The Making of United States Military Policy in 1948," in Charles Bright and Susan Harding, eds., *Statemaking and Social Movements* (Ann Arbor: University of Michigan Press, 1985), 233-261.

proved willing to support the greater spending needed for a credible conventional defense.⁷ This source of conflict over American strategy remained important throughout the Cold War.⁸

As Toprani notes, the larger budgets that followed the Korean War ended the inter-service rivalry of the late 1940s. Nevertheless, the period had lasting legacies. Toprani argues that these include the end of the tradeoff between guns and butter, and the military services' domination of the budgeting process in later years (697). These points require some qualification. While subsequent military budgets were indeed financed largely through deficit spending rather than through tax increases or cuts in other programs, the guns-butter tradeoff did not entirely disappear. For instance, opponents of President Lyndon Johnson's Great Society programs used the costs of the Vietnam War to limit the scope of these programs in the late 1960s.⁹ Similarly, the increases in military spending during the 1980s put downward pressure on the rest of the federal budget.¹⁰ The tradeoff between guns and butter was certainly less stark than it had been during the era of balanced budgets, but it did not disappear entirely.

Similarly, while the military services arrived at an equilibrium preserving 'constant shares' of the budget for each one after 1950, they did not entirely dominate the budgeting process from then on (697). Demands to reduce military spending for fiscal policy reasons reemerged under the Eisenhower administration.¹¹ While spending never returned to the low levels prevailing during the late 1940s, it was nevertheless substantially cut back from its Korean War peak. Moreover, the Eisenhower administration's fiscal policy priorities led it to shift American military posture away from reliance on conventional forces and more toward nuclear weapons.¹² These policy changes in the 1940s and 1950s left a lasting legacy within the national security apparatus of both parties. Over the remainder of the Cold War, Republicans tended to shift the budget away from conventional, general purpose forces, and toward strategic forces, including nuclear weapons. Democrats tended to move the budget in the opposite direction.¹³ In short, sustained large budgets did enhance the power of the military services but civilian politics still made a difference for the size and allocation of the Pentagon budget.

Overall, Toprani's article is an excellent contribution to the literature on the political economy of the early Cold War era. It will be useful reading for anyone interested in American defense policy, even those who find budgeting a bit dull.

⁷ Benjamin O. Fordham, "Economic interests, party, and ideology in early Cold War era U.S. foreign policy," *International Organization* 52:2 (Spring 1998): 359-395.

⁸ Fordham, "Economic Interests and Congressional Voting on American Foreign Policy," *Journal of Conflict Resolution* 52:5 (October 2008): 623-640.

⁹ Robert M. Collins, "The Economic Crisis of 1968 and the Waning of the 'American Century,'" *American Historical Review* 101:2 (April 1996): 401-404.

¹⁰ Mark S. Kamlet, David C. Mowery, and Tsai-Tsu Su, "Upsetting National Priorities: The Reagan Administration's Budgetary Strategy," *American Political Science Review* 82:4 (December 1988): 1293-1307.

¹¹ John L. Gaddis, *Strategies of Containment* (New York: Oxford University Press, 1982): 355-356.

¹² Richard A. Aliano, *American Defense Policy from Eisenhower to Kennedy* (Athens: Ohio University Press, 1975): 26-31.

¹³ Benjamin O. Fordham, "Domestic Politics, International Pressure, and the Allocation of American Cold War Military Spending," *Journal of Politics* 64:1 (February 2002): 63-88.

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