

THE WHITE HOUSE TRANSITION PROJECT

The Moody Series on Bipartisan Leadership

In Conjunction with
The Texas Presidential Libraries
and
In Collaboration With
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Baker Institute for Public Policy

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SESSION 1: INTRODUCTION AND INTERVIEW WITH STEPEHN HADLEY

Introductions: Paul D. Miller, Associate Director of the Clements Center for National Security at the University of Texas;

Terry Sullivan, Executive Director, White House Transition Project;

Martha Joynt Kumar, Director, White House Transition Project.

INTERVIEW: Peter D. Feaver interviews Stephen J. Hadley, National Security Advisor, President George W. Bush

Peter Feaver, Professor of Political Science and Public Policy, Duke University and Special Advisor for Strategic Planning and Institutional Reform, 2005-2007, National Security Council.

For conference video: <http://whitehousetransitionproject.org/experts-news/events/national-security-transition/>

AUDIO TRANSCRIPTION

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P R O C E E D I N G S

MR. TERRY SULLIVAN: Good morning and welcome. My name is Terry Sullivan and I'm the executive director of the White House Transition Project, which is one of the institutions sponsoring this event today. Funded by the Moody Foundation of Galveston, Texas, the White House Transition Project focuses on the lessons learned by none other than Lyndon Johnson -- surprise, surprise -- who had undoubtedly one of the more difficult transitions to the presidency in our modern history.

Harry Truman, by comparison, didn't have 70 days, but instead a 20-minute car ride from the Capitol to the White House for his transition. But his ride into history was to assume the transfer of power from a President he knew was already gone. His special time in limbo was surrounded by his political colleagues of 50 years in the place of power, in the White House, getting used to the idea of holding the Office.

Lyndon Johnson, on the other hand, careened through the streets of Dallas from Dealey Plaza to Parkland Hospital, not knowing the fate of his Administration. His special time was spent in a guarded room somewhere in the deep, dark depressions of the hospital with his wife, waiting for a fate no one wanted to learn.

And after listening to hours of phone conversations from that tragic weekend housed in this remarkable archives, and after reading the reams of memos and night reading the President went through that weekend and into the next week, it is clear that when Lyndon Johnson took control of the government, his principal focus that first week was on restoring the process of White House decision-making.

Process is at the heart of what we do at the White House Transition Project as well: building briefing books not on policies, but on how to best manage the principal offices of the White House; to help the president-elect's new team learn their jobs; to realize the common American ambition, that its newly-elected government not stumble its way through its first days.

This cycle, we have sponsored three public events like this conference at each of the Texas presidential libraries. Our first event was at the Bush Center in Dallas, in July. The second is this event on national security issues. And the third focuses on crisis management and will occur in a month at the Bush Library in College Station, and you are all invited.

For each of these events, we are especially appreciative of the assistance provided by our partners here -- Mark Updegrove and his wonderful national archive staff, our partners for almost 20 years; and by our academic colleagues at the host institutions like those at the Clements Center, Will and Paul Miller and their staff, especially Catherine Evans, who made most of our travel arrangements; and at the Strauss Center, Bobby and Steven and their staff, especially Anne Clary, who was here at 7:00 this morning putting these banners up. Thank you all.

I want to thank our staff as well, who carry the burdens of this project

every day, and who were also up here this morning putting this banner up -- and it's heavy; and the staff at our oldest and staunchest partner, at the James Baker Institute at Rice University.

And finally, I want to thank the marvelous folks at the Moody Foundation, especially those who are here today: Jamie Williams and Allan Matthews. And you should all get to meet them.

At this time, it is my pleasure to introduce professor Martha Joynt Kumar, director of the White House Transition Project. (Applause.)

MS. MARTHA JOYNT KUMAR: Good morning. You can see the theme of our conferences has been presidential transitions in a bipartisan setting, and that is because the transition is one area where officials and government institutions have a history of working together in a bipartisan way. It hasn't always been that way, but it certainly has been critical in the national security area to have a sense of bipartisanship. Because when a president comes in, he knows less in that -- or she -- knows less in that area than in any other, and decision-making is much more difficult.

Jim Steinberg in his book has a nice -- a good quote from Kennedy, who said, "If someone comes in to tell me this or that about the minimum wage bill, I leave no hesitation in overruling them, but you always assume that the military and intelligence people have some secret skill not available to ordinary mortals."

And so it is particularly important in the national security area, and I think Mr. Clapper last night was talking about Truman's effort in 1952 to bring together people in the White House, both candidates in the White House, and do it right after the party nominating conventions, doing it before the election.

I'd like to go into it a little more of what happened, because that effort in the long run worked for Adlai Stevenson, but it did not work for Eisenhower -- Truman's good efforts there and his knowledge that you needed to have a good sense before you came in of what was going on both in the world and then within the White House and how it was organized.

Truman wrote Eisenhower and Stevenson in a memo on August 13th, 1952. I'll have -- he was describing what he wanted them to do. "I'll have General Walter Bedell Smith in the Central Intelligence Agency give you a complete briefing on the foreign situation." And then he said, "We will have a luncheon with the cabinet, and after that, if you like, I'll have my entire staff report to you on the situation in the White House, and in that way you will be briefed entirely on what takes place."

Eisenhower did not go along with it. And so he said, "In my current position as standard bearer of the Republican Party and of other Americans who want to bring about a change in the national government," meaning get rid of Truman's policies, "it is my duty to remain free to analyze publicly the policies and acts of the present Administration whenever it appears to me to be proper and in the country's interest. I believe our communications should be only those that are known to all the American people. Consequently, I think it would be unwise and result in

confusion in the public mind if I were to attend the meeting at the White House to which you have invited me."

Truman was not happy. And what he did was he had a handwritten note that he had delivered to Eisenhower. His handwritten notes bypassed the White House system. And he said, "I'm extremely sorry that you have allowed a bunch of screwballs to come between us, and you have made a bad mistake, and I'm hoping it won't injure this great republic."

He made that effort of bringing people in early, and doing both sides, and providing them with information he thought that was required. And it wasn't until 2008 really that you have that loop close, where the President and Josh Bolten, the chief of staff, made sure that the candidates' representatives came into the White House and that they came in early. They came in in July of 2008, and they worked on substantive things like clearances and the memorandum of understanding that would need to exist after the election, before the agency review teams could come in into government institutions to gather information.

So that -- the 2008 transition became a critical one for the future for the transition we have now, that is a very different one because the actions that Bush and Bolten took and others throughout the government resulted in legislation that now is governing the transition.

Their actions resulted in the 2010 legislation that is the Pre-election Presidential Transition Act, and what that does is provide information to people on government services. GSA opens the headquarters, and so now, in this year, the transition in a sense began in August 1st, when GSA opened headquarters on Pennsylvania Avenue with a floor for the Trump and for the Clinton people, and then they began getting information from government agencies. Because the 2016 act -- it was signed in 2016 -- the Ted Kaufman and Mike Leavitt Presidential Transitions Improvements Act has a different framework to it than the early legislation that goes back to 1963. Really what it does is provide government services, and that's what it's interested in.

And after the experience of 2008, where information was the central part of what the government was providing in addition to those services, then you have created a White House Transition Coordinating Council, which Clinton and Bush did by executive order, but in the 2016 legislation it is permanent. And it starts not at the time of the election; it starts six months before the election, so May 6th was the -- May 8th was the time that it started.

And then they also created in the legislation an Agency Transition Directors Council so that the White House Transition Coordinating Council sets the policy and then the Agency Transition Directors Council, which has the 15 cabinet secretaries and the five largest agencies, those representatives come together and work on how are they going to implement it, and then they have small agency groups, too, that then get their direction from a federal transition coordinator, who is Tim Horn at GSA, and Andrew Mayock, who is the deputy director of OMB for

management.

So those pieces of legislation really bring in the kinds of things that the Bush people did. And the other piece of legislation that is important is the 2004 Intelligence Reform and Terrorism Prevention Act. The 9/11 Commission had recommended that they needed to get people in place earlier and because there were so many positions that were still vacant in 2001, and that they have early clearances before the election, and so that the Bush people took into account and made sure that that happened.

A lot has really happened in the transition area, and much of it goes back to the good work that President Bush did and that Josh Bolten did and that Steve Hadley did. Steve Hadley worked early in -- at the end of 2007, he was gathering information for memoranda to provide to the new people that would come in a year later. And President Bush started off in December of 2007 planning the transition and directing that Josh Bolten run it. And that practice ended up being memorialized in those pieces of legislation.

So now we can begin with Steve Hadley and Pete Feaver. (Applause.)

MR. PETER FEAVER: So, welcome. My name is Peter Feaver. I'm a professor of political science and public policy, and I have the great honor and privilege of carrying on a discussion with Steve Hadley. Steve Hadley is a great American. He has served in every Republican administration since Taft, or since Ford. Since Ford.

MR. STEPHEN HADLEY: Since Lincoln. (Laughter.)

MR. FEAVER: And so has watched the transition process through a number of transitions. But he also served most recently as national security advisor in the second term of George W. Bush's presidency. And in that role, I think he became one of the most valued advisors to President Bush not only for his wisdom and his integrity, but also because he was respected on both sides of the aisle. So I've gone -- in the university setting, I've talked to many, many people, most of whom were not supporters of President Bush, and yet every one of them had something positive to say about Steve Hadley.

Now, so welcome, Steve.

MR. HADLEY: I'm not a professor of political science.

MR. FEAVER: Now, Steve, you've had a number of -- served in a number of delicate situations, but perhaps no decision was as controversial as the one to hire Will Inboden at the NSC. I want to give you a chance to publicly recant that decision, if you'd like to.

MR. HADLEY: I have nothing bad to say about Will Inboden, as opposed to so many others of you. No, I'm teasing. Will and Peter were part of a strategic planning cell within the NSC staff. It was an effort to get strategic planning to be part of the White House process. And of course, as is always the case, the urgent pushes out the important. So the only time I could reliably get time to sit down with Peter and Will was on Saturday morning. So Saturday morning was the

strategy session, and the only good thing about -- I mean, they were delightful folks and I enjoyed spending time with them, but it actually marked the fact that I'd gotten through another week more or less successfully.

But they did a wonderful job trying to bring a sense of strategy into what we were doing. And Will actually did something else which was very important. Will was always the advocate for values. He'd always talk about, what are we doing to advance our values in the world? And after a week of often realpolitik, it was important to have Will come in on the weekends and start talking about, you know, remember values. Because we spent a lot of time talking about interests; values are equally important, and Will was always reminding that pursuing our values is very much in our interest. And that's a voice that was very important to have within the council of the administration.

MR. FEATHER: Well, that's enough praise for Will for any -- for several days.

Let's dig right into it. You've watched the transition process, I guess beginning from Ford to Carter, and then every one after that. It may not be obvious to outside observers just what happens in a transition. Can you explain just mechanically what's happening in the transition?

MR. HADLEY: Yeah. Well, as Martha talked about -- Martha is one of the real experts on this. She's put a lot of effort in sort of recording and chronicling the change in this process. In the 1970s, Richard Reeves wrote a biography of John Kennedy which, if memory serves, at one point he's interviewing Kennedy about four months into his tenure as President, and he says, "Mr. President, what is the most remarkable thing you discovered when you became President?" And Kennedy says, "The most remarkable thing I discovered is that I hadn't the faintest idea what this job was about."

And I actually think that's true. I think presidents don't really know what the job of president is until they become President. And in the early days, we gave them no help in doing the transition. So I was part of the transition from President Ford to President Carter, and they went through the -- Bill Hyland, who was then deputy national security advisor for President Ford, went through the NSC staff and asked the entire NSC staff to leave on Inauguration Day. They were done, except for three of us. So there were only three people originally who were going to be held over from Ford to Carter. I was one of those three.

The other thing -- so I came in on Inauguration Day and I went to my safe and opened it up to go through my files, and it was completely empty because under the Presidential Transition Act, all those files are presidential records and they leave. So think about it. Zbigniew Brzezinski comes in as national security advisor. He has a staff of three -- he and himself and David Aaron -- and has no documents whatsoever in the NSC complex to help start making policy under the new administration. That's how we started out.

In the Clinton-Bush transition, one of the things that Sandy Berger and

company did was there began to be briefings for the new team coming in. We got a series of three briefings about al-Qaida, because when we first -- when Condi and I first met Sandy, one of the things he said is, "You've been gone for eight years, and one of the things you're going to learn is you're going to spend a lot of time worrying about terrorism in general and al-Qaida in particular, and you need to know about it." He arranged some briefings -- very helpful and very important.

There also were a series of meetings between the incoming national security advisor and secretary of state of the two administrations to talk about the handover of some of the negotiations that were done. So this process began to have a situation where the outgoing team began to feel a responsibility for the new incoming team.

And as Martha talked about, what -- by 2008, that situation had sort of come full-flower, and what we did was all the senior people from the NSC staff, the senior directors, they did leave because they were very much associated with the policies of the past administration, but everybody else stayed. And there was one person within each directorate designated as acting head of that directorate. And all of those directors were told to make copies of those files that they needed to be able to do their job on January 21, the day after inauguration, so that when the originals of the files left for presidential records, they had what they needed to do to support the new president.

We had a series of briefings. We had a series of memos that would analyze each major issue -- what we found, what we did, how we thought it worked, what was left to be done -- so that the new administration had the benefit of that when going over.

We had a counterterrorism sort of roleplaying exercise to try to introduce the new team to the resources that were available to them if there were a terrorist incident, and of course the various cabinet secretaries were directed to meet with their incoming counterparts and brief them on the ongoing things within their administrations.

And this kind of transition is essential, and it will be essential again because the outgoing administration will hand over to the new administration military operations that are ongoing, intelligence operations that are ongoing, diplomatic missions that are ongoing, and we cannot afford to miss a beat in the transition from the outgoing administration to the incoming administration.

MR. FEATHER: Let's pick up the threat that Martha introduced, the, I would say, delightful exchange between Eisenhower and Truman about "I'm coming to replace you so there's really nothing you can tell me." But also he was making a more subtle point as well, I think, which is that if you tell me something, I can't use it in the political debate, and right now I have to focus on winning. So talk about that tension, particularly maybe in the 2008 transition, where the incoming president -- the eventual successor -- was running against the Bush legacy in many ways, was sharply critical.

How did the politics affect the planning for the transition and maybe even affect how you might have been trying to tidy up things before you could have it over? Can you speak to that aspect?

MR. HADLEY: One of the things we did is -- and Jim Jeffrey is here, and others can check my memory -- but one of the things we did was in the -- you've got to make a separation between the campaign and the transition, and I think you also have to make a separation between the campaign and governing when you're the party in power.

So in terms of the campaign, Condi Rice and I in 2004, for example, and I and my deputy in 2008, were the only two people on the NSC staff who were participating in anything campaign-related. The rest of the staff was kept out of it very consciously, so they would continue to focus on the governance.

Secondly, the new structure, I think, is a very good one because it makes a separation between the campaign staff and the transition staff. And the transition staff is basically focused on preparing the transition, and my reports I get of the initial meetings is that the campaigns -- the transition staffs for both candidates are very professional in adopting this in a very professional way, and in some instances they have met together, and it was close to a model of the kind of serious professional cooperation you would want to see.

MR. FEATHER: Are you describing 2008 or are you saying the present?

MR. HADLEY: I'm saying the reports I have of the present meetings that they have under this new legislation.

So I think one of the things that's important is to separate the campaign process from the transition process. And of course Eisenhower had both of them going in his head, but I think it's important that under this new legislation you keep the two separate.

MR. FEATHER: And as you prepared for 2008, there were some things that could be finished, perhaps, on your watch, some things that should be started but maybe you don't want to start them because that would tie the hands of the incoming, and then there's ones that would be just in the middle of it. So speak to how, as advising the President, you juggle those choices.

MR. CLAPPER: Well, one of the things I started to do about three months, probably in sort of the November timeframe, probably right after the election, is I started keeping a stack on my desk of issues that needed to be decided, whether there was a real question of whether we should decide it or whether we should hold it for the new administration and let them decide it, or at least get their input as to whether they wanted us to decide the issue or leave it for them.

So by the time I had my first meeting with Jim Jones and Tom Donilon, I had a stack of papers about this high, and so I made two copies -- one for Tom and one for Jim Jones. And we sat down and I went through them document by document: This is the issue, this is where it stands, this is the action the President proposed to take; we can take that action, we can leave it for you; you can go talk to

the president-elect and let us know what you think.

And some of them they wanted us to take, some actions they wanted to consult and then have us take the action, and some actions they said leave it for us, we'll handle it. And that way you had this ongoing transition of the issues that were still in play on January 20th.

MR. FEAVER: Did these kinds of interactions begin before the election? So was there outreach to both campaigns, say, during the late summer, early September timeframe, before the election?

MR. HADLEY: During the campaign period, there was one person for each campaign to be the liaison for national security issues. That was more or less observed. Candidate Obama had a way of sort of calling up Condi Rice to talk to her directly, and I got some calls from time to time from John McCain, but there was supposed to be one contact person. For the Obama campaign it was Denis McDonough.

And so if there were things that were going to happen that we were going to do that we thought the candidates need to be aware of from the standpoint of good governance, not so that it could be used in the campaign, we would call them. For example, we had an ongoing war that needed to be -- in terms of the Middle East, in terms of Israelis and -- it was the -- I think the Gaza war with Hamas, if recollection serves, and we were in the process of trying to negotiate a ceasefire. And we would keep the two candidates' contacts advised about how that was progressing, what we were doing. And because this was going to be a conflict they would inherit on their watch after one or the other of them were elected.

MR. FEAVER: Did you see -- either in the '08 or in any of the other transitions you've watched, did you see an example of the problem that Eisenhower flagged, which is "I want to be able to criticize the administration, and if you give me information then my hands are tied?" We saw one example of it maybe in the commander-in-chief forum, where Donald Trump referred to a CIA briefing in the context of the campaign setting. Did you experience any of those issues?

MR. HADLEY: I don't think we did. I didn't think I ever, looking back, had a sense that one or the other of the candidates had taken something provided on good-governance grounds and tried to use it as part of their campaign. We didn't see that. When you get to that point in the campaign process, it begins to dawn on the two campaign staffs that they actually might -- their man or woman might actually become president and they might actually have to deal with these problems. And it has a salutary, sobering effect. And I think my interaction with both campaigns is that they were extremely responsible in this.

MR. FEAVER: So just speak to the other side, maybe even the emotional, psychological side. You're sitting down and meeting with people who have spent the last eight months on national TV saying that you're a bunch of idiots who have wrecked the world, driven the car into the ditch, and we can't let you guys have the keys to the car anymore, and now you're sitting down and giving them the

tour of the car. What does that feel like? From your side, how did that feel like?

MR. HADLEY: Well, I guess part of the first thing is to try to show them you're not an idiot, and I suppose in some sense those memos were a little bit of a cathartic, because we would write and say, "Actually, we're not idiots. We found a difficult situation; here's what we did, here's how we think it went." There's a little bit of a self-justification, I'm sure, part of it.

But look, the -- and I think this was true in 2008 and it'll be true again. The challenges the country faces are enormous, and you are handing over to a new set of people those challenges. And as an American, you want them to succeed. I mean, this is the bottom line: we only have one president at a time. And if that President succeeds, the country succeeds. If that President fails, the country fails. And it's that spirit that you need to have.

So I think all of us on the NSC felt we're sending -- we're handing over some very difficult problems to this incoming team. It is important for the country that they succeed, and our job is to do everything we can to maximize the chance that they will succeed. And I think that's -- at that point in an administration, that's really where you are, and that's where we should be.

MR. FEAVER: Can you point to examples where this improved process that you put in place in '08 seemed to have a beneficial effect in 2009, where you -- where, from your perspective, the handoff went especially smooth and the country benefited as a consequence?

MR. HADLEY: I'm not sure because once you leave, you're sort of out of the deliberations. I think -- I've been told after the fact that the simulated exercise we had and a crisis management exercise was very helpful to the new team to get them oriented in terms of the resources that were available to them to manage the crises. I've heard two reports about the memos we prepared that Martha talked about.

We left -- they were a box full of memos, and we had two copies. One box was to be for the national security advisor, and the other box we had hoped that they would divide up and distribute the memos to the senior directors for the various functional areas in the NSC staff.

One person told me that the memos were very helpful to them. Another person told me that that box that was supposed to be distributed to the -- of memos that was supposed to be distributed to senior directors was never opened and resided unopened under the desk of the deputy national security advisor until he threw them out. So I don't know. I can't really speak to that. Others will have to testify to how useful this material was.

MR. FEAVER: So the press reported in 2000 that when the Bush team came in, there were no W's on the keyboards, that -- I don't know whether that's true or not. But is there pranking that goes on? Do you leave a note inside the desk for your incoming to say, "Nah nah nah, now you're stuck?" Is there any of that that you would be willing to share on live TV?

MR. HADLEY: Well, I -- of course, I couldn't speak to that issue. There is a great tradition of the outgoing President leaving a note for the incoming President, which I think is a terrific transition. One of the problems is you -- if you're involved in these campaigns and your argument is, as always is the case and certainly was the Obama campaign's argument in 2008, and I think in some sense I have to say, not proudly, it was the attitude of the Bush people in 2008 -- that the old guys, they don't get it. They've made mistakes. And boy, if we get in there, we're going to do so much better. Not to coin a phrase, we're going to make America great again.

And you do have a sense of that, and when you get there you begin to almost think, you know, we have turned the page and the page is blank and we get to fill it in. And that is, I think, a conceit, and there is a little bit of a sense of anything but the policies of your predecessor. And I think that creeps into every administration. And I think one of the things that I urge is I think we cannot say enough to the American people what is a dirty little secret that isn't talked about in Washington, that there is more continuity, particularly in foreign policy, between one administration to the next, even if they are different in parties, than anybody talks about.

You do build on what was left to you by your predecessor, and there's a lot of continuity. And you saw that in the Obama administration, which ran against the war in Iraq and ran against a lot of how the Bush administration handled the terrorism portfolio, and yet there is an enormous continuity in the policies between President Bush and President Obama in that area.

Why? Because once you get in the office, once you have that responsibility for taking care of the American people, once you see the daily intelligence, once you get an understanding of the problems, you end up having a lot more sympathy for what your predecessors dealt with than you did during the campaign.

And I guess I would say one other thing. We have lost something very important in our public debate, and that is a presumption of good faith across party lines. And one of the things I try to say to audiences is I have a lot of objections and criticisms of foreign policy of the Obama administration, but one of the things I know is that this administration is filled with people who worked very hard at great personal sacrifice trying to the best of their ability to do what is right for the American people. We can disagree on the policies, but we should accord the administrations, outgoing to the incoming, this presumption of good faith.

Because I know the people in the Obama administration. There's a lot of continuity. There are a lot of relationships that cross party lines in this foreign policy and national security space. And it is true: they are people of goodwill and good faith trying to do the best for the American people. And we've lost that, and it's one of the things that has made our political debate so poisonous.

MR. FEATHER: So let's move to the present. If you were the national security advisor now, looking ahead to transition, you would have two very different,

it strikes me, transition concepts at work. One is preparing for the possibility of President Clinton. She has enormous experience, particularly in this administration, and 90 percent of her team has served in the Obama administration. So that transition has got to be different from Donald Trump's transition, where he's running as an outsider and has not embraced or been embraced by the Republican foreign policy establishment. So that would be a very different transition. Talk through how that would affect what you would do or what you think Obama might be doing.

MR. HADLEY: Well, I was thinking about the because on the one hand, you would say, well, you'd really have to have two different transitions, two different set of briefing books, two different sets of memos: one for somebody who's sort of been part of this policy process for decades, and one for someone who comes very new to it.

I'm not sure that there isn't more commonality between those sets of briefing memos because I think one of the problems we have is there are so many crises, and there has been a tendency for the White House to get more and more into the details of these crises, and to get very much into the tactics.

And it may be that both campaigns really need a set of briefing papers that step back and start talking more about context and history and how we got to where we are and what are our interests in this particular situation and what are we trying to achieve.

Bob Blackwill, who is known to many of you here, has a wonderful phrase. He says, the first thing that gets lost in any interagency meeting of more than three people is any idea of what you're trying to achieve. And I can't tell you how many interagency meetings I was in -- some of them, regrettably, I was presiding over -- where we would get into the details and someone 40 minutes into a 50-minute meeting would say, "So wait a minute, just what are we trying to do here?" And that often gets lost.

And I think maybe what we really need is a set of briefing papers that even for someone like Secretary Clinton, who's steeped in the issues, maybe she needs to be pulled back a little bit and reminded about context and have something that talks about what are really our objectives here. That may be -- so in some sense there may be more convergence in these two sets of briefing papers than we think.

MR. FEATHER: So if you were -- you may have just answered that, but maybe I'll push you a little bit further. If you were to advise the incoming President, whoever he or she might be, on how best to hit the ground running so as to not any momentum, what is the advice you would give? What are the things that they can be doing now that will make them better presidents in January, and how would that advice evolve as they get closer to January?

MR. HADLEY: I think -- and I hope this is something that you're going to talk about today, and regrettably I'm not going to be with you because I've got to go to the Middle East for a week. But I think you actually -- "hit the ground running" is not what we need to urge them to do. I think you need to hit the pause

button, because I think the interagency process we have is not adequate to the challenges we face.

The number of challenges we face and opportunities we face is so broad and so diverse, and yet we're dealing with, as I said last night, an interagency process that was started by Henry Kissinger in the 1960s, and I don't think has changed much. I was here. I worked under Henry Kissinger and his process. It hasn't changed much from what we're doing now. And it has a tendency and it's increased over time, where all the issues get sucked into this White House-centric interagency process. They have almost constant meetings. We're getting much too into the details of the issues, and as a consequence, we don't have enough bandwidth for the country to manage all the national security and foreign policy challenges we have.

And they tend to get to the National Security Council table late in the crisis, and if something gets to you late in the crisis, most of the good options are in the rearview mirror -- certainly options about diplomacy and economic sanctions that take a long time to have an impact. So you get a situation where the President is sometimes presented with you either have to use military force or you can't do anything. That's not a place where the President wants to be.

I think we've got to really re-engineer how we do the interagency process. I think the President's principals need to be working at what we would call the strategic level, trying to understand a problem, trying to set national objectives, set the general outlines of the strategy for dealing with that problem, and then let the implementation and execution be distributed and decentralized. Empower your cabinet secretaries. Empower your ambassadors. And get some of the implementation and execution in their hands. It's not fire and forget; there's got to be accountability, there's got to be reporting.

But we just can't manage it all from this White House-centric process. And I think that is the challenge, and partly it is changing of organizations, partly it's changing the process, but partly it's going to be the President of the United States making clear that that is how the President is going to manage this process.

And so I would say the new administration, whoever it is, needs to hit the pause button, have this kind of conversation, and I would hope over the rest of the day you could generate some concrete suggestions for a new administration as to how they might make this transition from where we are, which I think is unsustainable, to where we have to be.

MR. FEATHER: So we're going to open it for questions, and there'll be someone with a microphone. And I see Jim down here. So while the microphone is coming to Jim and then -- and identify yourself. Let me ask my last question.

You -- there are some things that have to be managed in the White House, and I'm thinking now crises. This is the thing that catches people unawares. I think in the Bush administration, maybe the EP-3 downing in China was one of the earliest crises that wasn't expected but suddenly becomes a preoccupation. How can

the candidates prepare for that moment when they have to grasp an issue that they haven't really been thinking about much? You probably hadn't been spending a lot of time thinking about EP-3s, but now it matters greatly. How do you prepare the incoming president for that kind of 3:00 a.m. call wakeup?

MR. HADLEY: Well, part of it is the new president has to have people who have been there before and who've helped navigate through those crises to help the new president do it. But I think, to your question, the White House is very powerful and you can suck issues into the White House. And I say to people the White House and the NSC has to be self-limiting as to power. And you may remember, I would say our job at the NSC is to support the President for the role he or she plays under our constitutional system. That means prepare the President for a meeting, write the memos, help them plan their trips, help them write their speeches.

Second, to manage the interagency process for those issues of national importance where a number of different agencies have to work together in a coordinated way to achieve our objectives. We need to do that.

And three, you need to advance the President's initiatives, because if his NSC staff or her NSC staff don't advance their initiatives, nobody else is going to do it for them.

But if what -- I would say to the staff if what you're doing does not fall into one of those three buckets, stop. Stop. Let the agencies do it. So you have to be self-limiting in terms of what you're doing.

Secondly, I'm not sure that -- the crises are so many that they're overwhelming the policy process. And I almost think -- and it's something that Phil Zelikow and others ought to talk to. I almost think sometimes you need sort of the crisis management NSC and then the policy and strategy NSC, and you've almost got to have it bifurcated so they're both working in parallel at the same time and they don't absorb each other. Because, as I say many times, if all you do is manage crises, all you're going to get is more crises because you're not putting in place strategies and frameworks that are going to avoid crises down the road. And that's, I think, what we're not spending enough time doing.

But I'm eight years out of date and I may be wrong, but that's my sense.

MR. FEATHER: Let's -- first question from the audience. And identify yourself for the --

MR. JAMES STEINBERG: Jim Steinberg, Syracuse University. Steve, let me just pile on the encomiums first about the extraordinary job that you did during the transition. It was absolutely the model that I think every future leader of a transition should follow, and I know everybody in the incoming team felt that absolutely it was.

MR. HADLEY: Thank you.

MR. STEINBERG: And I have been in a lot of transitions, too, and we heard Admiral Inman's reports about the Carter-Reagan one; I was in that, too, and Admiral Inman was absolutely right: it was a horrible, contentious, damaging

process. And so what you did was really terrific.

I want to ask you about something that I think is one of the most difficult challenges. I thought it was the most difficult challenge of the 2008 transition. And it's not directly national security, although it had huge national security implications, which was the financial crisis.

A lot of things, you can have the conversations: should we wait, can we put it off, should we act now? But this was one where you couldn't. I mean, we were on the verge, which people now sort of forget, of the potential of a meltdown of the entire global financial system with huge consequences that are obvious. And yet, the incumbent president and the incoming president had very different ideas about what the strategy -- there were some overlaps, but there were important differences on TARP, on what should be done, on fiscal stimulus and the like.

And even worse, you had a situation where the markets were living in this world of uncertainty because they had a new president coming in who was not yet president who was kind of following the traditional admonition about not speaking about contemporary policy events before he took office, and yet, the whole world was desperately dependent on what that person was going to do. That's the most acute case that I've lived through, and it was very difficult, I think, for both sides, even though there was a lot of good faith in terms of handling that problem.

There was some of that back in the transition from first President Bush to President Clinton over Somalia and the Balkans.

I'd like to hear a little bit more of your own thoughts about how do you deal with that situation where you can't have two presidents at the same time. They may not agree, and yet they are not the kinds of things, well, so we'll be a little bit further behind, but they're actually happening in real time and are enormously consequential and the world is hanging on the question about where the United States is going to go in terms of dealing with this.

MR. HADLEY: I'm not a great person to ask. I mean, Hank Paulson really ran that, as you know. My impression is that there was in some sense more coordination and continuity than people recognize. Remember, Ben Bernanke transitioned or spans the two administrations, and the first secretary of treasury under President Obama was then in the Fed and was part of the process and was one of the four people making decisions.

I think there was more continuity. I think the real tension in a way isn't the handoff, but I think it happened in 2008, and to the extent I understand the history -- and as I said, I'm no political scientist and no historian -- but you had the same problem in Hoover-Roosevelt transition in the first depression.

Hoover wanted Roosevelt to help him get some policies in place that he felt were required to manage that, and quite frankly, President Bush wanted President Obama to help on the Hill and with Democrats to get in place some of the -- you know the first time we did the TARP it gets turned down. And I think President Bush felt that he did not get the help from President Obama that he would

have liked, the political help, in the same way Hoover got a flat turndown from FDR.

And I think that is actually the hardest part of the transition. To what extent, if you're in the middle of a crisis, do the -- are the two presidents able to coordinate their politics in order to ensure continuity. That is really hard, and I think we had two cases where it didn't happen as well as it might have, as again, I think there was more continuity than a lot of people talk about.

MR. STEINBERG: (Inaudible.)

MR. HADLEY: Yeah.

MR. STEINBERG: But in a situation like that, so, I mean, especially where an incumbent president has strong views and convictions about what the (inaudible) and the incoming has strong views and convictions that don't accord, is it the responsibility of the incumbent to defer to the incoming and to lean in their direction because that's what's going to happen? Or do they fight to the end and hold off 'til the end? "So long as I'm in office I'm going to do what I think is right?"

MR. HADLEY: You know, look, you only have one president at a time, and I think there's a lot in our constitutional system which are -- we're destined to struggle, and I think that's one of those things where you're just destined to struggle. And the new president is not going to mortgage their future by trying to help the incumbent, is not going to bail out the incumbent. On the other hand, the incumbent has their own legacy and is going to reach out and try to get assistance. And they're going to have to work it out case by case between the two of them. And I think it needs to be a direct conversation between the two of them.

MR. FEATHER: Yano (ph), in the background.

QUESTION: Thank you. Yano Papasui (ph) with the Clements Center. Mr. Hadley, I would like to bring you back to the suggestion that you made about strategy formulation separate from implementation. And as you well know, when Henry Kissinger was in this transition period, he came in to govern with the idea that he should focus on grand strategy and national security strategy and not get involved into the cable-clearing business. However, as Peter Rodman noticed in his book, the major problem was that the bureaucracy wasn't quite keen of implementing whatever strategies the White House was designing, so Kissinger ended up very much involved in the implementation.

So how could a President thread that needle and make sure that he focused on the strategic goals, but on the other hand that the bureaucracy actually implements what they are designing in the White House?

MR. HADLEY: I think that's what you have cabinet secretaries for. And people forget that the NSC staff -- the national security advisor is not confirmed by the Senate, does not testify before the Senate. It is a staff function. It's a very high-profile staff function, but it is a staff function to support the President. It is the cabinet secretaries that are confirmed by the Senate that testify before the Congress. It is to their departments that slots and money is allocated. They're the implementers and executors. And the President, I think, has to have cabinet secretaries who are on

board with the President's program, who he has confidence in, and who he or she empowers to implement and execute their program.

And if they don't do it and if they are disloyal, you fire them and you replace them. Many times, the presidents have a tendency of some cabinet secretary is not going in the right direction; the national security advisor and the NSC staff tries to step in in some way and get in the implementation and execution. You can't fix a line management problem by throwing staff at it from the White House.

And so I think what we really need is a situation of cabinet secretaries that the President has confidence in, empowers, but holds accountable. And if they are not implementing the President's policies, you pull them out and you find someone who will. That's my view.

MR. FEAVER: So I think you can see why Steve Hadley became a trusted advisor to so many presidents and respected on both sides of the aisle. I could spend hours listening to him. Heck, I have spent hours listening to you. (Laughter.)

MR. HADLEY: Poor Peter.

MR. FEAVER: But all that remains is for me to thank you again for your service to the country and your service to us this morning. Thank you.

(Applause.)

(Whereupon, the panel discussion was concluded.)

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