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Interview with William J. Perry
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Trask: This is an oral history interview with Dr. William J. Perry, former secretary of defense, taking place in Arlington, Virginia, on October 6, 1998. Participating as interviewers for the OSD Historical Office are Alfred Goldberg and Roger Trask.

Dr. Perry, you may recall that we interviewed you in December 1980 and January 1981 when you were leaving the R&E job. Today we want to begin to talk with you about your work as deputy secretary of defense and secretary of defense between 1993 and 1997. Dr. Goldberg has a preliminary comment or two.

Goldberg: I just want to mention the interviews when you were under secretary of defense (R&E) and how pleased we were with them at the time. Indeed, may I say how pleased I was when you were appointed secretary of defense. As a matter of fact, you were at the top of my short list in 1993, and again in 1994.

Perry: My wife did not share your sense of pleasure about that appointment.

Goldberg: I can understand that. We used to wonder how you kept up the pace as secretary.

Trask: First, I have a very general question. What defense-related activities were you involved in between 1981, when you left the Pentagon, and 1993 when you came back?

Perry: When I left the Pentagon in 1981 I did not feel right about going back into the defense industry, where I had previously been the president of a defense electronics company. That company had subsequently been sold to TRW. Still, I wanted to pursue my interest and background in technology, so I went to work for an investment banking company, Hambrecht and Quist, which specialized in high technology companies. I wanted to maintain my national

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security interests at the same time, and they had no background or interest in that in their business. I became a member of the Center for International Security and Arms Control at Stanford. While there, I gave a number of speeches and wrote a number of papers on national security issues, including a set of papers intended to represent my legacy as under secretary of defense, codifying and distilling some of my ideas about defense research and engineering; in particular, writing about what we called in those days the offset strategy, how technology was used to offset the quantitative advantages of the Soviet forces. I also went on a number of trips with national security connotations. With other members of the Center for International Security at Stanford I made probably six or seven trips to China between 1981 and coming back into government. So I maintained my interest and contacts in China. You may recall that probably the last trip I made as under secretary of defense was quite a long visit to China in September 1980. I maintained that interest and those contacts through the Center for International Security.

I also went for the first time to Russia, then the Soviet Union. This was for the Foreign Policy Research Institute. I had been long interested in the security issues involving the Soviet Union, but had never been there nor met any Soviet officials. Several times between the early '80s and the early '90s, I made visits, first to the Soviet Union and later to Russia. During that time, I developed a professional relationship with several Russian academicians. One was Andrei Kokoshin, who had a senior position in the Soviet Academy of Sciences. By coincidence, at the same time I became deputy secretary of defense in the U.S. he became the deputy minister of defense in Russia. We have maintained that correspondence since then. Those were the principal activities involving national security. I did write some journal articles. There were two most noteworthy, one of which appeared in Foreign Affairs in about 1988,

laying out what I called a defense investment strategy for the '90s. We just called it "A Defense Investment Strategy," although it pointed to the '90s. After Desert Storm I wrote another article that was published in Foreign Affairs called "Desert Storm and Deterrence," which talked about the application in Desert Storm of technology developed for the offset strategy to be used against the Soviet Union. What a profound impact it had on the outcome of that war.

Goldberg: Did you serve in any official capacity as a consultant or adviser for the government?

Perry: Yes, I was on the Defense Science Board. I attended DSB meetings, including the summer sessions. Several other advisory boards I served on were ad hoc rather than standing committees like the Defense Science Board. I served on the Packard Commission and the Scowcroft Commission, which was designed to lay out a future in strategic weapons in response to President Reagan's frustration with his inability to deal with the Soviet ICBM threat. He appointed the Packard Commission in response to a spate of very negative articles in the press about defense acquisition, highlighted by a few notorious articles about \$600 hammers, \$200 toilet seats, and so on. The president did what many presidents do when pressed on an issue like that, they appoint a commission to deal with the problem. Often when presidents do that, they do it just to get the problem out of their hair. If President Reagan had intended to do that, he made a mistake in appointing Dave Packard as chairman, because Packard took the charge very seriously. He was frustrated, because when he was deputy secretary he had tried to institute some acquisition reforms, but had not been there long enough to carry them out. So he figured this was a second chance for him. He recruited me to join him on that commission and to write the section of the commission report that dealt with acquisition reform. So I did, and we called it "A Formula for Action." It became a formula for inaction, because although the

president approved the report in principle, Secretary Weinberger rejected it because he believed that the acquisition system wasn't broken, so it didn't need to be fixed.

Goldberg: He didn't want the commission in the first place.

Perry: No, he didn't, for reasons that I could probably understand, but nevertheless Dave was enormously frustrated at that outcome.

Goldberg: The Packard Commission had some organizational impact, didn't it?

Perry: The Packard Commission dealt with two major problems. One was organizational changes, and the other was the acquisition reform. It had, I think, an important effect on the organizational changes that were manifested in the Goldwater-Nichols bill. I think that it was a profound and important piece of legislation and one that has been carried out in the years since it was implemented, for which I give primary credit to Colin Powell and John Shalikashvili. If you remember, at the time Goldwater-Nichols came out the chairman of the Joint Chiefs of Staff did not want it and thought it was a mistake.

Goldberg: Admiral Crowe wasn't opposed.

Perry: No, but the two who really made it happen were Powell and Shalikashvili. As a result, the organizational issues have been transformed in the decade since. On the other hand, the acquisition system report just went on the shelf. When I became deputy secretary of defense in 1993, my first action was to pull that report off the shelf and use it as a blueprint. In my mind I had committed myself to staying four years in that job. So I not only had twice as long to do it as Dave had, as he was only there for two years, but I had a running start by having the blueprint all laid out.

Goldberg: We asked Packard why he left. He said it was because he had already lost \$20 million and didn't think he wanted to lose any more. I don't think that was the total answer.

Perry: There were probably other reasons as well.

Trask: Did you do any teaching while you were at Stanford with the Center?

Perry: Yes. I was a part-time volunteer member of the Center until 1988 or so. During that time I did occasional lecturing, but not teaching. In 1988 I was asked to become the co-director of the Center. The Center has traditionally had one co-director with a policy background and one with a technical background. The person with the technical background was Sid Drell, a good friend of mine and a fine physicist who resigned and left that position open. They asked me to take it, which meant I had to become a member of the faculty. I did, but I couldn't give up all the things I was doing in the investment banking field, so I went to half-time in my investment banking work and half-time as a faculty member of the staff and became a professor in the School of Engineering. From that point on, yes, I was teaching one or two courses a year in the School of Engineering in addition to pursuing my interest, by then a hobby, in international security.

Goldberg: Were your courses more technical or more policy-oriented?

Perry: I invented the course. It was entitled "The Role of Technology in National Security." I took decisions involving profound technical issues, beginning with the decision to build the atomic bomb and ending with Star Wars, and examined how the policymakers making those decisions compensated for the fact that they didn't have any idea what the underlying technology was nor an independent ability to judge how successful it would be. Apparently it was a matter of how big a chance they were willing to take and partly a matter of what kind of advice they got and how much confidence they had in the person giving the advice. In the case of President Roosevelt's decision to start the Manhattan Project, the persuasive factor in his mind was an intervention from Alfred Einstein. I can imagine what Roosevelt was thinking,

which was “I don’t understand nuclear fission, but I expect that Einstein does, and if he tells me there is a good probability this could work and we ought to embark on a crash program on it, I should accept that judgment.”

Goldberg: Did you do the hydrogen bomb, also?

Perry: Yes. I had guest lecturers come into my class, and on the hydrogen bomb decision I had Edward Teller give the lecture. I should have also invited him in on the Star Wars lecture. Whenever possible I would find people involved with the decision to talk about the issues. Herb York came in and talked about some of the hydrogen bomb decisions. I also had Andrei Kokoshin come in and lecture once. His English is good enough that he gave a 45-minute lecture without notes, and another 45 minutes answering questions. My students were fascinated. This was back in the days of the Soviet Union.

Trask: Were these undergraduate classes?

Perry: Graduate engineers. About one-third of the class were political scientists and historians. The challenge to the professor was to keep the technical content of the course accessible to the political scientists and historians and still hold the interest of the engineers.

Trask: Could you comment on the circumstances of your appointment as deputy secretary of defense in 1993, how that came about and who was involved?

Perry: I was neither wanting nor seeking it. At the time I was at a national security policy meeting in Trinidad. If you have to have such a meeting, Trinidad is a nice place to have it. It was sponsored by the Aspen Institute. Half the people there were sitting senators and representatives and the other half were policy experts. I was invited as a policy expert to speak on the issue of defense conversion, how we and the Soviet Union could convert the large defense enterprise we had built for the Cold War now that the Cold War was over. While I was

at that meeting I got a call from Les Aspin, about January 10, 1993. He asked me to be his deputy and asked me to come back to Washington and talk with him about it. I said I would meet with him on my way back from Trinidad, but I didn't have any real interest in doing the job. As it happened, Senators Sam Nunn and Dick Lugar and David Hamburg, the president of the Carnegie Corporation, which actually sponsored these meetings, were at that same meeting. Those three backed me up in a corner for the rest of that meeting and told me that "no" was the wrong answer to the question. When I got back to Washington, I met with Les, Larry Smith, Rudy De Leon, and other Aspin staff people, for a day and a half. They convinced me that it was the right thing to do. So I accepted it.

Goldberg: How well had you known Aspin before?

Perry: I had known him well, but not closely. I testified many times before that House Armed Services Committee. I knew him as a friend, but not a close friend--mostly as a professional colleague, someone well known in the national security business. He held what I thought was a definitive set of hearings after Desert Storm, trying to articulate lessons learned, to the extent that Congress could do that. While this was an imperfect record of what actually happened in Desert Storm, I thought his hearings and the reports stemming from it were the best description coming out of Congress as to what the real lessons were. In particular, he did an excellent job of writing up the role of technology, particularly the role of weapon systems that I had some responsibility for developing in the late '70s and that were just getting into the force and being used for the first time—the stealth airplanes, laser-guided missiles, the whole set of weapon systems just getting into the inventory.

Goldberg: But you were talking about them in 1980-81.

Perry: Yes. What we had developed as an offset to the Soviet Union's overwhelming numerical superiority was used in a very different context, although still against Soviet weapons. Basically what Aspin wanted to do was use this case to settle once and for all the questions raised a decade before that, primarily by a group called the Reform Caucus. The Caucus's view was that the offset strategy was a terrible idea, and what we ought to do instead was to focus on competing with the Soviets in numbers, setting aside the question of how we could persuade the public to support an army two or three times the existing size. They argued that the technology was a step backward and would introduce a complexity in weapon systems that the military personnel would be unable to operate or maintain. They didn't say it in so many words, but they implied that the military personnel were not capable. Instead, they would say things like, "It would take a Ph.D. to operate the equipment." I thought they were profoundly wrong on two points. The kind of systems being introduced with modern electronics were actually simpler to operate and maintain than the electro-mechanical equipment that they replaced. Those were truly complex systems to operate and maintain. Secondly, we could already see in the early '80s the quality of the U.S. military personnel getting better and better with the introduction of the All Volunteer Force. Indeed, one of the most pleasant surprises for me when I became secretary was to look at the 12-year span between 1981 and 1993 and see how much the quality had improved since the introduction of the All Volunteer Force.

Goldberg: I observed this in the officers also, over the years.

Perry: Indeed. There's an interesting story to be written there; an interesting history of what happened. I would focus it on the Army, because that's where the main drama occurred, but the results were truly dramatic. It was not a close call at all. For someone like myself, who had seen it up close in the late '70s and then saw it again up close in the mid-'90s, it was the

difference between night and day. And, of course, it manifested itself not only in morale, but also in fighting quality. We saw that demonstrated in Desert Storm and Bosnia. I might say we saw it in Haiti, although there was no fighting, but the deployment and execution of the mission was done flawlessly.

Trask: Could I ask, without reference to the events of his term, what you thought at the time of the designation of Aspin as secretary of defense?

Perry: I thought it was a good move. I would not have accepted the deputy position had I not thought it was a good move. I had great admiration for what he had done as chairman of the Armed Services Committee; I had great respect for his intellectual ability and his understanding of defense issues. I had a model before me, and the model was Laird and Packard, which I felt was a successful combination. I felt that with the combination of Aspin and Perry, I could in a sense compensate for the features that he was weakest at. It did not happen that way. My judgment, along with other people's judgment about how well he would do in that job, turned out to be wrong. At the time, I would have preferred Sam Nunn, but I thought Les was a good second choice to stand for that job.

Goldberg: Do you think that the people around him, who he brought with him, had something to do with his problems as secretary?

Perry: I don't think so. I think the people he brought with him were very able people. They had successfully protected him from his managerial weaknesses when he was chairman of the committee, but they were not able to do that when he was given the immensely more difficult job of managing the Pentagon. First of all, it was too big a task, and secondly, that was not their background or experience either.

Goldberg: That's why I asked the question.

Perry: They weren't able to fill in for that. I wasn't able to fill in, and I had spent most of my career as a manager. There is some level of managerial competence that the secretary himself must have.

Goldberg: From discussions with mid-level and some upper-level people, I got the sense that they felt there was a great deal of uncertainty at the top by Aspin and the people around him, that there were things they didn't know and questions they couldn't and didn't answer; that people couldn't get answers from him, in matters on which they presumably had to have answers.

Perry: Decisions festered. Les was unwilling to make them and unwilling to delegate them. My thought that I could help them on that turned out not to work because he was not willing to delegate the decisions where I could have helped.

Goldberg: That's surprising, because secretaries often have done that with the deputies, haven't they?

Perry: That's exactly what Mel Laird did. Mel Laird knew what he didn't know. He made a point of getting somebody like Dave Packard, and made a point of giving him the authority to go out and do what needed to be done.

Goldberg: Even McNamara delegated some things to his deputies.

Perry: I am uncomfortable doing a critique of Les Aspin, because I liked the man enormously. My best objective judgment was that, in retrospect, this was the wrong job for him. He did a brilliant job as chairman of the House Armed Services Committee, but he was moved over into this other job and the managerial demands on him were just beyond him. It was not just his ability, it was his psyche, his spirit.

Goldberg: He had a different way of operating, one that he couldn't change.

Perry: An absolutely different way of operating, yes.

Goldberg: You believed, then, that Nunn would have been an effective secretary?

Perry: I thought at the time that Nunn would have been an effective secretary. I think he would not have had the same problems that Les had relative to the difficulty making decisions. He did not have any more managerial experience in large enterprises than Les had, but I think he would have handled that the way Mel Laird handled it—he would have known what he didn't know and gotten somebody else to do that for him.

Goldberg: He gave the impression then of being a more decisive person, taking positions and staying with them.

Trask: We would like your view of the major aspects of what you did as deputy secretary. What were your major duties, areas of interest, and activities?

Perry: The major thing I did as opposed to what I might, should, or would do, was focus on the two things that Les let me focus on because he wasn't interested in them—reforming the acquisition system and dealing with the enormously complex problem of closing bases. Those were the two primary things I spent my time and energy on. When we meet again I'll be happy to talk to you about those, because I think they were important events, and they both carried over into the job as secretary, although, again, those were jobs I gave to the deputy secretary after I became secretary.