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Matloff: This is an oral history interview with Mr. David Packard, held in Washington, D.C., on November 9, 1987, at 10:00 a.m. The interview is being recorded on tape and a copy of the transcript will be sent to Mr. Packard for his review. Representing the OSD Historical Office are Drs. Alfred Goldberg and Maurice Matloff.

Matloff: Mr. Packard, we shall focus in the interview particularly on your service as Deputy Secretary of Defense from January 24, 1969, to December 13, 1971. We would also like to discuss your role on the President's Blue Ribbon Commission on Defense Management in 1985-86. First, on the background of your appointment as Deputy Secretary of Defense, what were the circumstances of your appointment? Who recommended you and how long and well had you known President Nixon and Secretary of Defense Laird?

Packard: I had known Nixon for a number of years but only casually. I didn't know him well and I had no interest in coming to Washington. I met Mel Laird some years ago when he was on a committee of the House concerned about education. I had been Chairman of the Board of Trustees of Stanford University and along with some other people who were interested in private universities I met with Mel in the early 1960s. I don't recall that I saw or talked to him in the interim, but in the fall of 1968, after the election, he called me and said that he wanted assistance in identifying people who could help him in the Defense Department. I got together some names. I got a call from him when I was duck hunting with my son on my ranch one weekend. He wanted me to come to Washington and talk with him. I agreed and I went. He had a suite in the Hotel Carlton, and we visited for a while. Finally he asked me to be his deputy--which came as a complete surprise to me. I told him that I thought I would have a very difficult problem because of my Hewlett-Packard stock

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ownership. I doubted that I could do it but I was intrigued with the idea. I met with a number of people who were familiar with the Washington scene and eventually decided to do it.

Matloff: Did you receive any directives or instructions, either written or oral, from the President or Mr. Laird?

Packard: No.

Matloff: Were you briefed by your predecessor, Mr. Nitze?

Packard: Yes. One of the things I was particularly concerned about was whether Mel had an understanding with the President that he could select his own people and not have to take political appointees. I told him that the only condition under which I would be willing to accept the job was if we had a free hand to pick the people that we wanted. He assured me that he did, and the President backed him up pretty well on that commitment.

Matloff: Did you find the transition from the industrial world to becoming an executive official in the federal bureaucracy difficult?

Packard: I have often thought about that, because it was an entirely new world for me. I had been involved in a few things in Washington over the years. During World War II I dealt with the military in procurement on some things that our company was making. The first time I came back to Washington was in 1942. I was on an industry advisory committee during the war. I was also a member of the Business Council, which had a number of committees that were advising the various Cabinet officers. I served on some of those committees; one was at the Treasury Department. We met with Joe Fowler and President Johnson from time to time, so I had informal contacts, but nothing in terms of being on the power group and inside the organization.

Matloff: What in your background proved useful in your new capacity?

Packard: I have been primarily interested in management. That was my profession, in a sense. I was an engineer and did a lot of engineering and development work, but I also spent considerable time developing management policies for our company, which turned out to be very successful. I thought that some of my management ideas were good and that we could apply some of them to the Defense Department.

Matloff: How did you conceive your role as Deputy Secretary of Defense? as the inside man? the alter ego? the chief administrator? the manager of resources?

Packard: Mel and I had an understanding. We never wrote it down. He was very familiar with the Congress, and had a lot of friends on the Hill. He knew all about congressional relations, and liked publicity and news conferences more than I. He indicated that I'd have a free hand to run the day-to-day affairs of the Department, particularly the research and development and procurement--that whole range of activities.

Goldberg: To jump ahead for a moment--what were the circumstances of your departure from the job?

Packard: In order to handle the fact that I owned Hewlett-Packard stock I used a special two-year trust at that time in which I could put my stock and have it handled by a trustee--in this case the Bank of America. In order to satisfy the Congress, I had to agree not only to give away all of the dividends from the stock during my term in the Department, but also any appreciation in the stock during that time. In the third year the stock began to appreciate considerably and it got to the point where I would have to give away about 20 million dollars worth of stock. I decided that was enough. That was the reason I had to get out. I might note that 20 million dollars then would be over 100 million dollars today and that was a big price to pay for three years in the Defense Department.

Matloff: Were you and Mr. Laird satisfied with the state of the Defense Department when you took over, or did you find weaknesses in its structure and working relations, particularly in the areas which interested you?

Packard: There was a great deal of resentment about the McNamara regime, primarily by the military. I had read a good deal about his work and it looked from the outside as though he was doing a good job, but I had heard a lot of criticism toward the end of his regime. I had a philosophy of management that people should all work together as a team. One of the first things I did when I got there was call on all the Joint Chiefs in their offices, to indicate that I was anxious to work with them. I heard much criticism from them about how things had gone. Adm. Moorer once said that the Navy didn't even know what was in its budget until it was sent over to the White House, and they heard by news report. I decided that that was not the right way to manage that kind of an operation. I tried diligently throughout my tenure to give all the people a chance to have a hearing and have their views taken into consideration. That was, I think, a big change in the approach.

Matloff: Were you the one who brought in the phrase "participatory management?"

Packard: That was Mel's phrase. My term, and the one that is commonly used, is "management by objective." That means trying to get all the people in the organization to agree on a set of objectives and let them each work with some flexibility toward the achievement of those objectives. I did believe very strongly that if the people who are going to be asked to implement a decision, participate in making that decision they are much more likely to do a good job implementing it than if the decision is simply dictated to them. It was just a matter of luck that we both had a common view of management philosophy.

Goldberg: He came out of Congress and congressional committees, so he knew about participatory management from his own experience.

Matloff: It sounds like it was a happy meshing of approaches on both your parts. What changes did you and he make in the planning, programming, and budgeting system, as well as in the systems analysis that had been introduced in the previous administration?

Packard: We made one fundamental change. The previous experience had been to allow the services to put together their desired list of procurement items and budgets for the coming year without any fiscal guidance or restraints. Then the Secretary, with the Systems Analysis people and the other people in his organization, would put together what they thought was a good budget, which was always much below the services' level. Then McNamara and his people would take public credit for reducing the budget from what the Chiefs wanted down to some other figure. I thought that that was the wrong way to do it. So probably one of the most important things we did was to get the service chiefs together and say, "Look gentlemen, this is all the money we're going to have," and ask them to work together to plan a budget that would be within those general constraints. That was a very good contribution because we got good cooperation from the services in doing that. They didn't always get what they wanted, and weren't always happy about what we did, but the fact that I tried very hard to make sure that their case had been heard, before we made a decision, carried a good deal of weight in getting a much better attitude in the Department than existed before.

Goldberg: Given the cuts in budgets during this period, and given the problems that made for the military, did it in any way exacerbate the interservice rivalry and competition, which is characteristic, of course, over the years?

Packard: There was obviously interservice rivalry, and it was still strong when I was there. For example, we were working at that time on ballistic missile defense, and the Army had a program that had been generally agreed to. The Navy wanted part of the action so it went to Congress and proposed some kind of crazy idea of putting

missiles on ships offshore. So we had some problems like that. But we didn't have any serious problem with it because we did our best to get these people together and we got pretty good cooperation. After I had been there a while, I asked the Joint Chiefs to come out and go hunting with me at my ranch in California every year. We would spend a weekend hunting together and that helped to make a good relationship. We could talk about things informally. The budget pressures at that time were dictated by the President and by Mel. What President Nixon wanted to do was reduce the level of military spending so that there could be more spending on domestic programs. That was his basic guidance. Then, of course, we had the Vietnam situation, which complicated the whole problem.

Matloff: What about the role of the Office of Systems Analysis, as well as of the ISA? It's been said that Systems Analysis was given a lower profile and ISA was shunted aside. Is that a fair characterization, and if so, why?

Packard: There had been a good deal of criticism of Systems Analysis by the Congress, particularly by Mendel Rivers in the House Armed Services Committee. He was almost rabid about the subject. I didn't really have a very good feel about what the problem was until I got in the middle of it. It came in part from the fact that McNamara relied on the Systems Analysis people really to make the decision on the budget rather than getting the services involved. I thought that that was wrong, but at the same time I felt that we needed some capability to analyze what the service people had done. So we kept the Systems Analysis group and I worked very closely with these people. But we had to keep them from thinking that they were the final determinants of the activity. Ivan Selin, the head of Systems Analysis when I was there, was a very bright person, but he was exacerbated at people on the Hill. I had a problem keeping that matter straightened out. We did keep Systems Analysis, and the people there did a very good job for me while I was there.

Matloff: What about with ISA, do you recall any change?

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Packard: The ISA situation was an entirely different matter. I had not anticipated that I would be involved in a lot of international problems, but as the Defense member on the Under Secretaries Committee for the National Security Council, I found myself in the middle of all those discussions. I met with Kissinger several times a week almost the whole time I was there. In a sense, I guess it was partly my fault, but I got very much intrigued with that area and found that I sympathized quite closely with what Henry Kissinger was trying to do, with some exceptions. I developed a good working relationship with Elliot Richardson and Alexis Johnson at State, and they simply preferred to work with me rather than with the ISA people. Warren Nutter, who was brought in as head of ISA, was a very capable person. He was very well versed in this area, but he didn't have the best ability in the world to work with other people. They were not purposefully put aside. It was just a matter of a personality situation. If anything, it was partly my fault because I became intrigued and spent more time than I thought I would in the beginning.

Goldberg: What about Secretary Laird's relationship with Kissinger?

Packard: That's a very interesting issue. Secretary Laird had a very close relationship with the President. They had known each other for a long time, and he was an important part of the campaign. During the first few months I was there, Mel talked with the President on the phone almost every day, and had very good communication with him. The problem that developed resulted from the fact that Mel felt very strongly that we should get out of Vietnam as quickly as possible, and I concurred, too. After spending a little time on the subject, I concluded that the only possible solution was to turn the responsibility over to the Vietnamese and for us to get out. If they couldn't take care of the situation, we should just forget about it. I asked for a meeting with Henry Kissinger and Secretary of State William Rogers. I tried to make the point that if you want to negotiate with someone, the best leverage you have is to try to convey the idea that you don't really care how the

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negotiations come out, and that if they don't like what you're doing, you will go ahead and do something else anyway. Then you have a little leverage. Bill Rogers said, "We think that if we can sit down with these people, we can negotiate a settlement." I think I said, "Bill, you're crazy." So we started the Vietnamization program and put that on a very high priority. The Nixon doctrine was consistent with our getting out of Vietnam. I had looked at the situation over there and I had concluded that it was possible, that the South Vietnamese were making some progress, and that we should push that very hard. When the Security Council or the President would decide on a certain number of troop reduction, Mel would push it further and faster than Henry Kissinger wanted to push it. Several times Henry called up and wanted to know whether I couldn't get my boss under control. As a matter of fact, I was quite supportive of what Mel wanted to do. That was really what was behind all of that fuss and there was no reason why it should have been so exacerbated.

Matloff: You said before that you agreed with Mr. Kissinger "with some exceptions." Was this one of those?

Packard. Yes.

Matloff: Do any others come to mind?

Packard: I did not place as high a confidence in the negotiations as he did, but that is not my forte. That was, I think, the only major difference I had. We were involved in all kinds of issues, and I had the feeling that I sided with Kissinger probably more often than the State Department people did. But I don't have any record to prove that.

Matloff: What role, if any, did you play in establishing new functional Defense agencies, such as the Defense Investigative Service, Defense Mapping Agency, Office of Net Assessment, and the Defense Security Assistance Agency? Was a need felt for more functional Defense agencies?

Packard: I didn't consider those agencies to be terribly important in the larger scheme of things. There were pressures all over the Department for people to get more independence on this, that, and the other thing, and I don't remember any particular issues that came out of it.

Matloff: How about the need for a second Deputy? After you left, Congress passed legislation creating a second Deputy Secretary of Defense position, which Mr. Laird supported very strongly. Were you involved in any way with that before you left?

Packard: That recommendation came out of the Blue Ribbon Commission headed by Fitzhugh. We had worked closely with him, and a lot of the things that they looked at we were already working on. Their recommendation was that the Deputy's job should be divided into three parts, with one person responsible for procurement, one for military affairs and actions, and a third for administration and whatever was left over. I didn't agree with that division, and I suspect that this is one of the problems that anybody who is in the office has with recommendations on the outside. I didn't see any great difficulty in handling all the procurement activity and these things relating to Kissinger. I didn't see any particular reason for that to be split up.

Goldberg: Things have certainly changed since then as far as the acquisition function is concerned.

Packard: I think that there was some logic to those recommendations. As a matter of fact, we proposed legislation to set up a second Deputy and split the position into two parts. I remember testifying before Senator Stennis. Admiral Rickover was just ahead of me. I had gotten to know him very well, and I wanted to learn what I could about his ideas on management. He made a strong case of there being too many Secretaries up there already and we shouldn't have any more; he shot us down.

Goldberg: That's been the Navy position over the years; they always say that. They would be happy to do away with OSD.

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Packard: That was really what the problem was. We agreed at that time that the job should be divided into two, but we didn't get much support on the Hill.

Goldberg: Laird didn't do anything about it. Of course, he was on his way out by then, October 1972.

Matloff: Actually, there has only been one second Deputy, Ellsworth.

Packard: We picked that same theme up again on this 1985 Commission, and actually did get the legislation. I think this recent experience indicates that it is very difficult to make a major change in the middle of a term. A person who has been working in this position develops his own way of doing things and tries his best to do a good job. He will not be very enthusiastic about splitting it up and giving up some of his authority. I've concluded after seeing the experience we've had recently that the only time this can be done is at the beginning of a new administration. If you get started off right and have those responsibilities properly defined in the beginning, it can and should work. But don't change horses in the middle of the stream.

Matloff: In the case of Mr. Laird, how often did you meet with him? Was this a very close relationship?

Packard: Mel and I met quite often. We had lunch together almost always when both of us were there. We had a staff meeting on Monday morning with all the Chiefs and Secretaries together to discuss the issues of the day. We had a very good relationship with the Joint Chiefs, I thought. I felt very comfortable with them. General Wheeler was the Chairman when I was first there, and I considered him to be a real gentleman and was very impressed with his ability and sincerity. We had a question about whether Tom Moorer would be too much to handle, but he did a good job and we got to be very good friends. We had a good relationship.

Matloff: Did you meet with some of the Assistant Secretaries more than with others?

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Packard: Yes. I had more dealings with Johnny Foster, because I was responsible for all the research and development activity. Also, that was an area which was in my own field of experience and I was very much interested in it. So I spent a lot of time with him. I spent a lot of time with Barry Shillito and Bob Moot, the Comptroller. I found Moot to be a very capable person. I spent time with Ivan Selin and with his successor, Gardner Tucker, who also was a very capable person.

Matloff: Did you prefer dealing with the Joint Chiefs as a corporate body, or with the Chairmen, Wheeler and Moorer?

Packard: Both. We dealt with them as a corporate body. We had some issues early on because we changed the theory of the ABM program, which started out to be a nationwide defense. When we looked at it, we decided it was impossible to do that. On the other hand, we concluded that it would be possible, but just barely, to make it work properly for the defense of special areas. We decided to change its orientation to support the defense of the National Command Center in Washington and the Minuteman fields. That was a decision in which we had to get support from the Joint Chiefs. We couldn't support it publicly, if they didn't agree with it. The only person we had trouble with was Gen. Westmoreland. He finally came around, but very reluctantly, because he thought we ought to be able to defend the nation. I told him that we couldn't do that, so we might as well accept that fact. So I did deal with the Joint Chiefs and had to get their support on a lot of things. We dealt with them in terms of the Vietnam situation. They had ideas about how to do things. Bud Zumwalt, for example, had some ideas on the Navy.

Matloff: This raises a question. Did you ever have any trouble getting information, either from the Joint Chiefs or from the military services?

Packard: I didn't feel that I had trouble getting information except in this respect: that the information flowing from the people doing the work to the people on top in the services gets badly distorted. You're never sure whether what the men at the

top are telling you is right or wrong. That was a very important problem. The reason I became aware of that very quickly was that there were two or three procurement programs that were in trouble, and I decided the best thing to do was go out and take a look at things myself. I had enough experience to be able to get a feeling about what was wrong and what wasn't. Quite often what I saw when I went out there was quite a bit different from what I was told by the people topside. I don't think they purposefully tried to deceive me, but that they didn't get the right information.

Goldberg: We had similar remarks by McNamara, in which he said that Systems Analysis and other groups within OSD that he used were for the purpose of getting him information from down below rather than having to accept everything that came from up top.

Packard: That was a real problem. I'll give you just one example. We had a big issue about whether we should have light-weight fighters in the Air Force. That argument had proponents on both sides and it was impossible to make sense of what the problem was. I decided that the best thing to do was to get some pilots from Vietnam to come in and discuss it with me. I told the Air Force that I wanted to talk to them without anyone sitting in with me. That was quite a problem, but they finally agreed to do it, and in discussing the issue with the pilots I learned a lot more about the real problem than I would have otherwise. It turned out that there were some real issues. In the case of the Vietnam situation, you had to have a long range because of the logistics problem, and you had to have a longer range with the capability of fighting for a few minutes and getting back and could not do that with a light-weight fighter. On the other hand, if you were fighting over your own territory you could be much more effective with a lightweight fighter. So I found that I got a much better feeling of the problem by talking to the men who were involved in it.

Matloff: How did you and Mr. Laird persuade the JCS with reference first, to Vietnamization, and secondly, to the all-volunteer force? I would imagine there was some heartburn and some misgivings on their part.

Packard: Vietnamization was a problem in the sense that I don't think the services ever fully accepted that the Vietnamese could do the job as well as the American services could. We had a number of issues where they just didn't think the South Vietnamese could carry out the action; on the other hand, there were some cases where the South Vietnamese undertook an action under the proper conditions and did very well at it. So there was a problem there. There were some more serious problems in the service involvement. There was practically no value in having the carrier-based air action in Vietnam. That was a complete waste of effort, but I did not realize it at the time. That was simply because the Navy had to have part of the action and it wasn't very well coordinated with the other services. There were some real problems in the coordination of our own forces and in the proper utilization of our forces in Vietnam, which I didn't fully recognize at the time. Looking back on it, if I had known as much as I do now I think I could have done a little better in turning that around. We didn't do it very well.

Goldberg: It is a long-standing problem.

Packard: Yes, I know.

Matloff: In the literature, there is some reference to the fact that the argument was used that in order to modernize and build up American forces we had to get them out of Vietnam, in justifying Vietnamization to the JCS. Does that sound familiar to you?

Packard: No. After having spent some time there, I concluded that even though we were looking at lower budgets, we should be able to get more military capability by using more modern technology. That was a continuing problem because the professional military people were not all that enthusiastic about using the latest

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technology. Take the case where we went back to using battleships again--an absolutely foolish mistake.

Matloff: With reference to the all-volunteer force, were there any problems in dealing with the JCS in getting them to move along that line?

Packard: I think that all the services were concerned about the all-volunteer force, but that was something that Mel strongly supported. The President also supported it. We had a good man, Roger Kelley in Manpower, who was a friend of mine from the Caterpillar Tractor Co., whom we got to work on the manpower. The services were doubtful about it and not very enthusiastic. I guess that the general atmosphere was such that there was a lot of public support for it, the President and Mel were supportive, and the Chiefs were not in any position to object very strongly.

Goldberg: What was your position?

Packard: That was an issue on which I didn't feel very confident to take a very strong position one way or the other. I basically supported Mel. I thought that there was a good chance of attracting good people, if it were done properly. If we got the services to emphasize the advantages and opportunities for young people, we should be able to attract good people. At the same time, I recognized that it would be difficult to get the quality of people that we wanted.

Goldberg: How do you see it in retrospect?

Packard: I think that it has turned out very well, all in all, for two reasons. In the current administration, Cap Weinberger, has done a very good job building up the strength, morale, the esprit de corps of the military forces. That in itself tends to attract more young people. They see this not as a place to get away from it all but an opportunity for service. The other thing is that our economy has not been able to provide jobs for all of the young people that are coming of age, and so this has provided a good opportunity for a lot of young people. Those two factors have made the all volunteer force a very successful program.

Matloff: How did you and Secretary of Defense Laird see the role of the service secretaries? Zuckert, who served under McNamara, has termed his position as "group vice president." Did you and Mr. Laird see the roles of the service secretaries in that capacity?

Packard: In the first place, we had a good close working relationship with the service secretaries. We selected all of them. Generally speaking, we worked with them to decide what their policies should be, what we wanted to do, and then let them do it. I had a good rapport with Bob Seamans of the Air Force; he was an engineer. In his case, we had a number of important programs--the F-15 was going to start, the B-1, AWACS, and other things--and we worked closely with Bob to get a general agreement on what the overall program was going to be and then expected him to work with his people to get the job done. In the case of the Army, Stan Resor was more thoroughly involved in Vietnam than the others, because there were more Army people there and they had problems with ammunition and all those things. We worked very closely with him and he handled the details. Secretaries of the Navy John Chafee and John Warner were the two people about whom we were pressured a little bit because of their political involvement, to give them a job. They were the only two people that we appointed because of the political pressure. They both turned out to be very good people. We had a good relationship with the service chiefs and, in general, we expected them to work with us to develop the overall plans and objectives and then be responsible for implementing them. I suppose a group vice president is one way of looking at it; I never thought of it that way, particularly.

Matloff: In dealing with the White House, how did you and Mr. Laird handle the contacts with the Defense Department? Were certain individuals designated as the points of contact between the White House staff and assistants?

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Packard: Mel was smart enough to know there was going to be a problem so he instructed every one in the Department to take no instructions from the White House without his or my approval. It didn't always work that way, but it was a very good thing. The White House has a great propensity to call up and because it is the White House people think it is an order from on high.

Goldberg: Congressmen and Senators do the same thing, as do their staffs.

Packard: Mel had been around long enough to know about that, so he issued an edict that was generally followed. We didn't have any very serious problems with the White House, but there were times that requests came through we had to turn down.

Matloff: Did you have any direct dealings with the President during the period you were Deputy Secretary?

Packard: When Mel wasn't there, I attended the Cabinet meetings, and I felt that I had a good rapport with the President. He seemed to be generally supportive of the things I was doing, but I didn't feel I had a close personal relationship with him.

Matloff: Did you have to go through Kissinger, the Assistant for National Security Affairs, to get to at him, or did you go directly?

Packard: Ordinarily, on any issue that had to do with the National Security Council I would normally go through Kissinger. He had a good rule. If we had an issue that was to go before the President, he tried to come up with an agreed set of options. He also made it clear that if any of us didn't agree with any of the options, we were free to present our case to the President directly. I don't recall any instances in that connection that were really important, but, for example, on major military actions that we thought the President ought to know about, such as the Cambodian situation, Gen. Wheeler and I briefed him personally and laid out all the options for him. Just the three of us were there. We had that kind of a relationship with him on some of the key issues.

Matloff: By the Cambodian situation are you referring to the incursion in May 1970? Were you in on that question?

Packard: Yes, I was in on that one. I briefed the President with the options and I agreed with the one he chose. We got a lot of flak from a lot of people on that, but I supported it.

Matloff: Had you and Mr. Laird been consulted on the bombing of the North Vietnamese sanctuaries soon after you came into office?

Packard: We knew all about that, sure.

Matloff: In dealing with Congress, on what issues did you find its members most sensitive?

Packard: There were several issues on which we had a great deal of controversy. The ABM issue was one of the most controversial because there were a lot of people who were opposed to it on ideological grounds. They thought that the assured destruction philosophy was the right one and they didn't think that the ABM system would work. They were just emotionally and intellectually opposed to that idea. Then, also, there were a lot of people in the Congress that were divided on the Vietnam issue. I think the majority thought we ought to get out. I remember a number of times testifying before the Fulbright Committee and explaining that we were moving in that direction as fast as we could and they thought we should move faster. I had a little trouble with Fulbright in the early hearings on the ABM, but I got into a good working relationship as we went on. I thought that we had a good relationship with the people on the Hill, at least after the first year or so.

Matloff: Were there problems when there was a difference of position between yourself and Mr. Laird on one hand and the JCS on the other?

Packard: I didn't really sense any problems like that. We usually agreed among ourselves what our position was going to be. There were some cases, like the Navy going up and trying to sell a different ABM system, but that was so ridiculous that it

didn't amount to very much. On most other issues we had pretty well agreed to a position. There may have been some where they tried to override us, but not very many.

Goldberg: Laird was in a position to smooth the way on a lot of these things because of his good connections, wasn't he?

Packard: He had a good sense of how to deal with the Congress, and he also had the confidence of the military people because they had worked with him over a long period of time. I didn't sense that we had any great difficulty with the military people trying to override us. I did have a little trouble with some of the contractors going up on the Hill and trying to override me. In one case, I had made a decision about a missile procurement and the Ford aerospace people objected to it and went to Congress to try to get my position reversed. I told them that if that was the way they were going to play, they wouldn't get any more business. The next day I got a call from Henry Ford asking to see me and and I told him the same thing. We didn't have any more trouble.

Matloff: How did you and the Secretary deal with the congressional determination to cut defense costs?

Packard: At the time we were sympathetic with the attempts to cut defense costs. My own view was that we should do the best we could to increase our capability by means of technology, and I think we got good support from Congress on those efforts. One time I tried to put a presentation together that was not talking about the size, but the capability of our forces. If we do that, then we can probably get more capability at lower cost.

Matloff: Did the agreement to substantial cuts in conventional forces help in your dealings with the Congress over the budget?

Packard: Here again, our efforts to move people out of Vietnam more rapidly than had been done was a positive thing. I went back and looked at the record some time

afterwards. When I first came, our casualties were in the range of two to three hundred a week. When I left, they were one or two a week. So I thought that somehow we had made a little progress.

Matloff: In general, were you satisfied with Defense's share of the budget?

Packard: One of the first studies that we made for the benefit of the National Security Council was to try to offer some judgment about how the federal resources should be divided between the defense and domestic issues, and so forth. This was done at the request of the President, and I think our people in Defense probably had as large an input to that position as anyone. The general conclusion was that we should be able to manage the federal government with less money for defense and more money for domestic programs. At that time the attitude of the country was pretty strongly anti-military, and I think the military people recognized that they were under enough pressure and criticism around the country that it wouldn't be wise for them to take a strong view then. I don't recall any serious problem in that regard.

Goldberg: By contrast with the McNamara period, you and Secretary Laird obviously gave the services a much larger role in the budget. How much of a review did you conduct of the services' requests and how substantial were the changes that you made in their budget requests?

Packard: We reviewed the services' requests very thoroughly. There were some items, for example, basic housekeeping things, that we didn't pay a lot of attention to. But all of the major procurement elements and the major expenditures we reviewed very carefully. Even though we had given the services some guidance ahead of time, they always came up with a little bit more than we wanted them to. Then there were always some last minute pressures from the White House or OMB to get some last minute dollars out of the budget. Generally speaking, I would have to make the decision. On things that were serious, I usually talked them over with Mel,

but most of the time I didn't have to; he took my judgment on it. If I decided that I was going to cut a particular item out for a service, I tried always to make it a point to bring the service people in and review it with them and tell them ahead of time what I was doing. I felt that we got good support. They didn't like it very well, but they did like the fact that at least I gave them a fair hearing. I felt that went quite a way to keeping a good rapport with the service people.

Goldberg: So there was always a certain amount of juggling as far as the service budgets were concerned. It is inevitable; in some instances a great deal more than at other times. McNamara did a great deal more of it, presumably, than you all did, if only because there was a lot more money involved, and a lot more free play for it.

Packard: I think the big difference is that he did it independently of the services and presented them with a fact accomplished, and we tried to do it in participation with them.

Matloff: In connection with the acquisition and procurement of new weapons systems, this period led to the establishment of the Defense Systems Acquisition Review Council (DSARC) in May 1969. How did that come about, and what role did you play?

Packard: It turned out that one of the problems that I saw was that everyone wanted to be in on everything. This was particularly in relation to major research and development and procurement programs. Johnny Foster was head of DDR&E and he was very influential in certain parts of it. Then Barry Shillito had to fight about logistics support, and the Systems Analysis people were on the sidelines. I tried to set up a procedure where not everybody was involved in every part of the decision. I made a little chart indicating who was responsible for certain parts of the program. In order to provide a mechanism that would be able to review the programs and again to give the services a chance to present their case, we set up a group which was originally intended to be very small and provide a method of

learning how to deal with this problem. Our hope was that once that was done we could stop and cut the DSARC out. I didn't realize that most of these bureaucratic processes have no terminal facilities. You can always get them started, but there's no way of getting them stopped. They keep getting bigger and bigger. Now it has gotten into a completely unwieldy committee that is probably worth absolutely nothing. The Chairman of the Joint Chiefs was involved in some of the important command and control problems; that was an area where we wanted his input. We tried to limit the involvement of the people who really should be involved in the various issues, and set up a mechanism so that you can begin to learn how to do that without all thinking they have to do everything. We just got it started and I thought it was working fairly well when I was there. Bill Clements carried it on, but I think it has badly deteriorated since. In the work of the Blue Ribbon Commission in the 1980's, we made some recommendations which were intended basically to change that whole procedure for determining what weapons should be put into research and development and procurement. This was to give the Chairman a larger voice in the mechanism, to give the unified commanders in the field a larger voice in the decisions through the Vice Chairman of the Joint Chiefs and the new Assistant Secretary for Procurement. Those three people would be the group that would make the final determination. Instead of that, they kept the old DSARC going, and added this thing, too, so it got completely screwed up from what we intended.

Matloff: Did you delegate more responsibility to the military departments to manage development and procurement programs?

Packard: No, it was not intended to do that. It was intended to provide better guidance for the services. To get back to my earlier comment about management by objectives, I wanted to see if we could agree on what the objectives of the program should be, and that should be done at a high level with the DSARC and responsible service people involved. Once those objectives were established, you would

minimize the involvement. To do this we set up some general milestone checks. We would only check them at this point and that point and let them go in between. That was the general philosophy of it, but it didn't get implemented quite the way that I hoped it would.

Matloff: On the new strategic weapons systems, which you and the Secretary advocated, the B-1 bomber, the cruise missiles, and the Trident nuclear submarine--what were your positions on those, and did you have problems persuading Congress to go along?

Packard: The B-1 was an issue that we spent quite a bit of time on, and we worked with Bob Seamans on it. The problem was to decide whether supersonic capability was needed for the entire flight or whether some modification could be used. We came up with what we thought was the best option. One of the things in particular we wanted to do was not to put too many new things on it. We tried to use some of the existing avionics. I recall we got fairly good support from Congress on that program. The Trident submarine is a very interesting issue. The issue was how large should the submarine be, and that would be determined by how large the missile would be. I decided to find out how big the missile was going to be before we worried about submarines. Rickover was unhappy about that decision, but a lot of people thought it was a good decision. Shortly before I left, we were about to get into the arms control negotiations. The President asked me to come over and give him some recommendations on anything that we might do that would be important before the arms control negotiations were underway. Among other things, I told him that it was important to go ahead with the Trident submarine. So he sent word back that he wanted that done. I called Adm. Rickover to my office and told him that the President wanted us to go ahead with the Trident program. Rickover said that he would work with me on it, if I promised that I wouldn't let Bob Moot, or Johnny Foster, or the others in on the discussions. As a result of that request by the

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President, I reversed my position and decided we would go ahead with the big submarine and also go ahead full speed with the large long range missile. Unfortunately, after I left, they went ahead with the big submarine and then went back to the short range missile and ended up with a very bad decision on the whole program. My original analysis, I think, was the right way to do it, but, looking back on it, I think that it was a good thing we did get started at that time, because it has given us some capability now that we wouldn't have had, even though it has been screwed up in the way the missile has been designed.

Goldberg: Your recommendation to the President was a political one, basically, whereas your previous one had been a technological one.

Packard: That's correct. By that time I realized that some issues around here had to be decided on a political basis.

Matloff: Did this affect your backing of the cruise missiles?

Packard: The cruise missile hadn't gotten to be a big issue at that time. That developed afterwards. We had been working on various kinds of missiles, but they were short range. The cruise missile was finally put in the program, providing the capability of good control of the course and identification of the target. But that came after I was there.

Matloff: Can you recall a typical day in your life as Deputy Secretary?

Packard: I never looked at the record very much, but usually got to the office at 8:00 and got home at 6:00 or 7:00. Two or three times a week there was a dinner party to go to. Fortunately, Mel liked to go to those, and I didn't have to go to all of them. I usually spent part of the weekend on work, but took a few days off now and then to get back to California for a little vacation. It was a time-consuming job, but I didn't find it much different from what I was used to, working 12 to 14 hours for the company that I started.

Matloff: What do you regard as your major achievements as Deputy Secretary of Defense?

Packard: It would be rather presumptuous to say that I had any, but I do think that our contribution to the management philosophy was useful. We got a better rapport between the services and the Office of the Secretary. That was an improvement over McNamara's approach. The other contribution was the prototype program. That was a program we can talk about the next time.

Matloff: Thank you very much.