

**CONVERSATION WITH FORMER SECRETARIES OF DEFENSE
AND NATIONAL SECURITY ADVISORS**

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CONVERSATION WITH FORMER SECRETARIES OF DEFENSE AND NATIONAL SECURITY ADVISORS

A group of former U.S. Secretaries of Defense and National Security Advisors gathered at the RAND Corporation in Santa Monica, Calif., on April 13, 2005 for a panel discussion on national security issues to help mark the opening of the nonprofit research organization's new headquarters.

Participants in the event included:

- Robert S. McNamara, Secretary of Defense from 1961-68.
- Harold Brown, Secretary of Defense from 1977-81.
- Frank C. Carlucci, National Security Advisor from 1986-87, Secretary of Defense from 1987-1989.
- Brent Scowcroft, National Security Advisor from 1975-77 and 1989-92.

The event was moderated by RAND President and CEO James A. Thomson.

Opening remarks by Ann McLaughlin Korologos, Chairman, RAND Corporation Board of Trustees:

I am thrilled to welcome everyone tonight to this beautiful building in an extraordinary setting. Those of us who spend our time on the East Coast or in Europe, forget how open the sky is in Southern California. When we come here we are reminded that you can look out these windows and see to the horizon and beyond. But RAND has always known that.

For nearly 60 years, this institution's vision has taken it beyond the horizon, scaling heights that it could never have imagined when it began its existence, in a hangar at Douglas Aircraft. This evening is the first in a series of events that we're convening to celebrate the dedication of RAND's new headquarters, and to honor the achievements the building symbolizes. For while the building may be new, and the facilities clearly are state of the art, the core values of this institution have not changed. Everyone in this building remains dedicated to a common mission, to help improve policy and decision making, through research and analysis of the highest quality.

The theme of our dedication program is "RAND Building on a Legacy." Tonight's event focuses on what is probably the premiere tenet of that legacy: RAND's work on issues related to America's defense. To help us both reflect on the past and look to the future, we are very honored to have with us a group of individuals, indeed all great public servants, who have been the custodians of our national defense. Before I introduce the panel, please join me first in thanking the two trustees who developed the concept of these events and served as co-chairmen, and I'd like to ask them to stand -- Phil Lader and Bruce Karatz -- please. Thank you. It's come a long way, fellas, since that first meeting. Thank you.

George Clemenceau, who was prime minister of France in the years leading up to and during World War I, once said, with rather great memory, I think, by all of us, "War is much too serious a matter to be entrusted to the military." America's founding fathers agreed and created a system

that put civilians in charge. Henry Knox was the United States' first Secretary of Defense. And then actually it was called Secretary of War. Since his service in George Washington's cabinet, a remarkable group of leaders has overseen our country's defense and national security, both in wartime and in peacetime. We are honored to have three former defense and two national security advisors with us tonight.

Now, if you could Jim, you might think he's one of the group, because I know three and two usually makes five. But one of our four panelists has the distinction of having served in both capacities. Together they have faced challenges and ordeals that most of us can only imagine. But they have also born witness to some of this country's greatest triumphs. We have asked them to come together to give us their perspectives on the issues that we face today, and to use their collective experience to provide insights on the challenges ahead.

So, first I'd like to introduce Robert McNamara, who was Secretary of Defense from 1961 to 1968, serving Presidents Kennedy and Johnson. Some would say that Secretary McNamara actually made RAND the institution it is today, since it was his legendary "whiz kids" -- many of whom came from RAND -- who brought this institution so much world attention. After leaving the Pentagon, Secretary McNamara served as President of the World Bank. He is the author of several books, and has served on the boards of several corporations.

And next, I'd like to introduce Harold Brown, who was Secretary of Defense in the Carter administration, serving from 1977 to 1981. He brought years of defense experience to his post, having served as Defense Director of Research and Engineering, and Secretary of the Air Force under Robert McNamara. Secretary Brown was the first scientist to head the Pentagon. For eight years, he was President of the California Institute of Technology. And RAND is proud to have him presently on our Board of Trustees.

Next, Frank Carlucci, also a member of RAND's Board of Trustees. Frank was Casper Weinberger's Deputy Secretary from 1981 to 1983, and succeeded him as Secretary of Defense, serving from 1987 to 1989 under President Regan. He began his career in Washington at the State Department, and prior to joining the Defense Department he was Deputy Director of OMB, and under Secretary of Health, Education and Welfare. He also served as National Security Advisor to President Regan. And he is Chairman Emeritus of the Carlyle Group.

Brent Scowcroft served as National Security Advisor to both Presidents Ford and to President George Herbert Walker Bush. His 29-year military career began with graduation from West Point, where he was also a professor of Russian history. And throughout his career he has combined his military expertise with the perspective of a historian. He was head of the Political Science Department at the Air Force Academy, and also served as a Special Assistant to the Director of the Joint Chiefs of Staff, and Military Assistant to President Nixon. Brent is President and Founder of the Scowcroft Group and he is also a former RAND Trustee.

To guide this evening's discussion now, I would like to turn the microphone, and the program, over to our moderator, Jim Thomson, who is President and CEO of the RAND Corporation. Jim has been President of RAND since 1989. He has been a capable, and indeed, a truly visionary leader of the institution. Please join me in welcoming our speakers and Jim as well. Thank you.

James Thomson, President and CEO, RAND Corporation:

Thanks very much, Ann. My role as moderator tonight is really to stimulate the conversation, and to ensure that it moves along. The plan is that I will moderate and lead the discussion, or steer the discussion, for about the first two-thirds. And then the last third we're going to open the floor to the audience. We'll have microphones. This is being taped for C-SPAN, so it is important if you have a question that we get you on the mike when we get to that point.

But before I do that, I wouldn't normally be here on this particular evening, the 13th of April, because it's my wife's birthday, and I want to say "happy birthday" to Darlene, wherever she is -- I see her. I don't need to add anything to what Ann told you about these distinguished individuals who are on the platform here. My plan is to throw a couple of questions out maybe each time, to one or two of them, and then let's see where it goes. And then when we've worn that one out we'll move on to another one.

I want to start with General Scowcroft and ask him to address the issue which is on everybody's minds these days, and that is the situation in Iraq. There have been signs, General Scowcroft, that things are moving in the right direction, after lots of concern. We've had elections. The government is slow to form, but it's moving ahead. The insurgency may or may not be dying down; we can't be sure. What's your view, though, not necessarily of the current situation, but where we're going to have to find ourselves in Iraq and where we ought to be going?

General Scowcroft:

I'm somewhat more optimistic than I was in previous years about what's happening. I think the election was, while not perfect, it could have been much worse. And I think that was a successful first chapter in what's likely to be a very long book. I think one of the things that we're seeing now is whether or not the Iraqis can bring themselves to think of themselves as Iraqis first, and as Shiites, Sunnis and Kurds second. That's a hard thing to do. And that's what they're struggling with now.

I think the security situation is probably getting better. I don't think it's going to end because now that the terrorists -- and I don't want to say Al Qaeda, it's broader than that now. But now that they don't have Afghanistan the way they used ... I think that Iraq is, in fact, a training ground for their tactics to blood their people and so on and so forth. So I think that's likely to continue. The Iraqi army is performing reasonably well. There's a long way to go. And when you live as long as I have you keep thinking of historic analogies, and I go back to Vietnam. And we trained the Vietnamese army, and it worked pretty well until things really got tough. And when they were out in the highlands at the end of a long line, it didn't work. So, the Iraqi military, first of all, has to be disciplined, has to be prepared to fight. And secondly, they have to be willing to listen to a civil government. All of these things have to happen. But I think it looks better now than it's looked before.

Thomson:

Secretary Brown, how do you think about the...?

Secretary Brown:

It looked better than it did six months ago. And the elections are a piece of it. The Iraqis, however, need to see some results from the elections. They are seeing the beginning of a political result. We're not sure how that's going to play out. But a government will be formed. And they probably will write a constitution, although it may be delayed. But they also need to see security improvement. And apparently there is some security improvement. The principal security concern is less the Al Qaeda type terrorists, than it is, I think, the remains of the last regime and its root in the Sunni community. But they need to see that improve. They do need to see themselves living better as well. And that is going to come slowly. I mean, the failure to have a coordinated military, political, economic plan before the war started, is still damaging. The negative results of that still exist.

If you compare it with Vietnam, there are some things that are better and some things that are more difficult in some ways. Better in that you don't have the mass of a population, in this case, agreeing with the people who are trying to take over. That's pretty clear. And that was much more problematic, I think, in Vietnam. On the other hand, you do have neighboring countries, in this case, which want an increasing piece of the action -- not only the Iranians who, obviously, want to have more influence, at least in the Shiite community, but also the Sunnis in Saudi Arabia, Jordan, so forth; and the Turks who are concerned about the possibility of an independent Kurdish state. We don't know how that's going to play out. And there are a lot of steep hills ahead. And yet, things are better than they were six months ago.

Thomson:

The American people, the polls indicate, would like to see their young men and women come home. And there has been leaking out of Washington that there's thinking of reductions in the presence there. I wonder if any of the four of you want to comment on the duration you foresee for the need for a significant American military presence in Iraq.

Brown:

Unpredictable, at this point. Jim, let me make, if I may, another point. You know the Bush administration came into office saying they weren't going to have anything to do with nation building. We're in, in a big way in Iraq, and I think Iraq illustrates the difficulties one encounters when you go into another culture, try and change it. And we went in and made mistake after mistake. We've got the A-Team in there now. We're behaving in a much more sophisticated manner. And I think, as my two colleagues have said, the path ahead is looking a little clearer.

Thomson:

Please...

Brown:

I think it depends on whether we, as a country want to stay until we're pretty confident that if we take our hands off the kid on the bicycle, the bicycle is going to do what's right, or whether as soon as we plausibly can, we're out of there. And I don't think we've really decided that. Because you know, there are two elements of democracy, at least to me, that are the most difficult to learn. And the first one is, you can't have your way completely -- on anything. You've got to give up some of the things that you want in order to get people to agree with you. And secondly, following the rules is more important than running the game. And not many societies have either one of these. People think that their ideas are the best; that they're the ones who have to run it. That's learned behavior. And how long it will take I don't think any of us knows.

Thomson:

Good. Okay. Well, if we can stay with Iraq, but I'd like to push us a little bit down into its implications now, for the Department of Defense, and touch on a few issues. The war, and the ongoing struggle of the insurgents, has put the American military under a significant amount of strain. And I'm referring in particular to the men and women in the field, their families, and the like. And we've been operating now for a little over 30 years, with an all-volunteer military force. And a lot of people have been concerned that the implications of this war, with these extended and repeated deployments overseas, plus the fact that so much of this is also falling on the National Guard, that this combination of things is going to have an affect on recruiting and retention for the all-volunteer force. And we follow that closely here. And, in fact, I've been surprised by what I've been told by our people about how little affect it's had so far. The biggest affect so far has been on recruiting for the National Guard, which is down, but now the signs are beginning to emerge that the Army, at least, is having problems recruiting. So far the quality of the forces that's being brought in is good. But we have people who say that as these signs mount, people like the recently retired Vice Chief of the Army say we can't rule out the possibility of bringing back the draft. People here, who tell me that's a terrible idea, that we don't have to... we need to fix this through incentives for recruiting and retention. Two secretaries here, one of whom led the DOD when we had an era of conscription, and one who led the DOD when the all-volunteer force was just getting started. And I thought it would be interesting to hear their thoughts about this topic, ask you, Secretary McNamara, if you might begin, and then ask Secretary Brown to follow.

Secretary McNamara:

Let me say, ladies and gentlemen, that I tried to persuade Jim I shouldn't be here... because I'm going to be the skunk at the tea party. I think the two most important security problems we face do not include Iraq, although I very much agree with what's been said about it. The two most important problems are proliferation of weapons of mass destruction, and a totally disastrous fiscal situation in this country that is bound to weaken our security. And the necessity, therefore, to reconsider the defense budget, this is a third rail, I know that. But so is... so is a draft. I can't

conceive today, politically, a draft being put forward by either party. I really don't think it's necessary. I think there are other ways to deal with the problem. I would certainly increase incentives. But in any event, I don't believe a draft is politically feasible, and I don't think it's even worth discussing the issue. It is worth ... it is worth discussing, how we meet the personnel goals. And hopefully later we'll talk about this issue of security, economic security in the U.S. and the defense budget, and so on.

And frankly, I would like to see the personnel goals for the future force structure increased. I don't think we're planning on a large enough force structure. And you say, how in the hell are you going to increase the force structure when you can't even recruit for the present laid plans. You do it by changing the incentives. I think it could be done. I don't think we've even begun to move. Now, one of the incentives, of course, is to move toward greater acceptance in our society today of that wonderful line in President Kennedy's inaugural address, in which he said, "Ask not what your country can do for you. Ask what you can do for your country." I don't think that is a fundamental factor affecting many actions of our people today. I think if presidents begin to stress that, that in combination with the economic and other incentives, education and so on, that could be put out for military service, would overcome this shortage. In any event that's what... I would not think of bringing the draft.

Thomson:

Harold?

Brown:

The early all-volunteer force had its problems. And I think they were problems that were created, in substantial measure, not entirely, but substantial measure, by the economic situation which made other alternatives for young people seem more attractive. And by poor compensation and poor living conditions in the military. If you look at the situation now, during the subsequent 25 years, a professional all-volunteer force, highly trained, reasonably well compensated -- not always very well housed -- was really a shining star in the Defense Department. It was really one of its major strengths. The Iraq war, preceded by a series of substantial deployments, largely directed at nation buildings... in fact, they occurred every 18 months and lasted for several years. And some failed, some were sort of successful—Somalia, Haiti, the various pieces of Yugoslavia. And now Afghanistan and Iraq have clearly stressed the force badly, both the active duty and the reserves, with multiple tours, with uncertainty as to how long the tours would be. Clearly that discourages and "de-incentivizes" -- I'm sorry to use that kind of a word -- a large portion of the force. Not all, but some of them love it; they thrive on it. But many do not.

We need somehow to solve that problem, and it has to be solved by some combination of three things. First, a restructuring of the force, altering the reserve and active duty components in a way that I don't really ... have not thought through, and increasing the size of the force -- not necessarily by much, you know, not by a factor of two, but maybe by a factor of 10, 15 percent for the Army and Marines, who are the ones we're talking about. Third, increasing the incentives, and whether they are compensation, education, improved housing, a clearer support

structure of a regimental type, for example, so that when people are deployed their families are taken care of. And finally, a reconsideration of how many of these deployments, how many of these military interventions, stabilizations and reconstruction, really make sense. If you do those four things, you can manage this. And because the number of people that you're talking about adding is rather modest, compared with the three million or so young men and women who reach majority every age, it is really, as I think all of us agree, silly to talk about a draft. And the only people who mention it are not mentioning it for structural or military or foreign policy reasons, it's purely a political ploy. They know it doesn't make any sense. And the idea of socializing people and bringing people together as the draft actually did during the 1950s, doesn't work when only one out of 20 people gets drafted. I mean, if you want to bring cohesion to a generation, that is not the way to do it. On the other hand, the thought that sacrifice, including economic sacrifice, should be more broadly spread, as I think Bob had suggested, makes a lot of sense.

Thomson:

Frank, would you like to comment on that?

Secretary Carlucci:

Well, as Harold said, the only arguments that make any sense for the draft are the social arguments. And militarily, it makes no sense at all. There's a lot of talk about technology in our military, but the real key to our success in the military has been the quality and training of our people. You can't let that erode. Studies, that we did, show that the draft would end up being more expensive than the all-volunteer army. I agree with the point that's been made, Harold made, that we need a modest increase in strength. But, Harold, as you well know, we have to equip those troops. And where we're falling behind is reconstituting the force. We're not ... It's the procurement accounts that are falling short right now. And so, you can't just say we're going to add another 30,000 troops. You have to say: How are we going to train and equip them? And that has budget implications.

Thomson:

Well, we might turn a little bit more... We're not going to get a chalkboard out here and work the budget out in detail, but we might turn to another phase of the program and budget life in the Department, which is related, in part, to the wars in Afghanistan and Iraq. And that's what Secretary Rumsfeld calls "transformation of the military." And this is a term, for those of you who don't follow this closely, which has become sort of a catchall phrase in the Pentagon, so that there's a lost meaning. But the Secretary has some pretty clear ideas. And I think the simplest way to think about it is he wants to use information -- the fact that you can collect and react on the basis of information -- to substitute for a lot of the heavy and the heft in Army so armor, fire power and so forth, can be replaced by superior knowledge and superior use of that knowledge so you change the way you fight. In a private letter I wrote the Secretary, that someone got in the newspapers, I told him that our work here suggests that the "heavy-ing" out ... that the transformation of the Army, might rely only on light vehicles and light armor. Because we're going to have all this situational awareness, it might be dangerous if you don't have it. In other

words, if you don't get the information, you could be in serious trouble. So I was going to ask you, Frank, you follow this, especially Army programs, closely, what you can say about transformation and its affects on programs and budgets, and whether we should move.

Carlucci:

Well, the first point that needs to be made is that Don is surely right in trying to transform our military establishment from a Cold War model to one that can deal with the emerging threats. And this principally relates to the Army and how the Army fights. I would emphasize a point that I've already made, that the technology can take you only so far if you don't have the quality of the soldier. And we need to maintain the quality in training of our military people, above all. Technology is important, can be brought into the military establishment. It's not a panacea. We saw where it can be done in Afghanistan, where you had B-52s doing close air support with people on horseback calling them in. You see the limits of technology in Iraq, with the roadside bombs and how you deal with house-to-house fighting. So, we need to have a balanced approach to technology. I am very concerned about the FSC, the Future Combat System, which is the big gamble the Army is taking. It's practically the whole Army budget, betting on a system of systems, which already had to be reconfigured once and keeps moving to the right. A lot of the technology we're talking about is untried technology. You've got to be very careful that you don't stretch the technology too far. It may just not work. And, as I say, we could have a big procurement problem ahead, in the Army. Your information technology is only as good as the information that goes into it. So, I think we need to approach this in a very balanced and measured way.

Thomson:

Secretary McNamara, this gets us to the larger issue of the program and the Defense ...

McNamara:

Well, Number 1, I don't know enough about the details of the Defense programs today, including transformation, to speak with any authority on it. But, I do know something about how a Defense program should be structured and what its objective should be. And the objective should be, to support our foreign policy. So the first the thing you do is you lay out the foreign policy. The second point should be -- it should be threat based. I don't see our present Defense program as being threat based. Transformation begins to move in that direction, or at least so it seems to me. So I'm strongly in favor of it, on the grounds of principle. Now whether the particular approach we're talking about is the right one, the proper balance between information and technology, and so on, I don't know. But I do know, or at least I believe, that the program for Fiscal 2005, the current Fiscal Year, which provides a budget of \$13 billion dollars for three strike fighters is just totally wrong. That's not threat based. That's not transformation. That's establishing the past and freezing it. And it also includes, by the way, an additional billion-seven for that Osprey -- you know, the vertical takeoff and landing. This is absurd. Hell, the damn thing doesn't work. And if it did work, we don't need to spend \$2 billion dollars on it. So the program is, I think, basically wrong in principle and transformation is needed. Now whether the transformation program is the right one, I'm not prepared to say.

Brown:

Gee, this takes me back 40 years...

[LAUGHTER]

McNamara:

Right on. By the way, I don't ask RAND to comment. I think RAND would support that.

Brown:

You know, I'd crawl a little bit with your thought that it ought to be threat based, because even in its own terms, threat basing, when you're talking about programs, has to look out 30 years.

McNamara:

Surely. Surely.

Brown:

And, if you look out 30 years, that pushes you a little bit toward at least some mixture of capability based programs, because...

McNamara:

I'll do a mixture, but not 90 percent.

Brown:

Okay, I agree. And in fact, it seems to me that that is the issue about transformation...

McNamara:

Exactly. Exactly.

Brown:

...that Jim Thomson raises. There's no question in my mind, that if you have battlefield awareness, if you have the information about where everybody is and which way they're going, and what they're capable of, and if you have precision munitions, you can win the conflict. The problem is, that may not degrade gracefully if you start to lose the information. And that is why you need that mixture of some of the traditional forces. And the question ... In fact, that's a historic RAND achievement, the Hitch and Mckean book which had such big effect in the early 60s, had as one of its conclusions that you almost always are better off with some mixture. The

question is what mixture, and that's the key to the problem. And there you have to ask yourself, what's the threat going to be; how much do the various things cost; and what's your judgment about what the mixture of threats is going to be.

Thomson:

I'm going to move us a little beyond the DOD, but not too far. The confirmation for the new Director of National Intelligence was just held yesterday for John Negroponte. This is sort of the lead item in a major reform of intelligence. And it's no secret that the Secretary of Defense, and indeed, more than the Secretary, with very deeply within the Department, opposed this creation of this post. Secretary Carlucci, you've served on both sides of this topic. You were Secretary of Defense. You were Deputy Director of Central Intelligence. And I wonder if you might give us your thoughts on this, and then I'm going to ask for General Scowcroft.

Carlucci:

Well, I testified against the creation of a Director of National Intelligence. I thought it was fixing the wrong problem and would be adding a layer. I also thought it would be disruptive to the process. You pay a high price for any reorganization. In government, it takes years to sort out the job descriptions and the various roles of people. The problem arose between, when in the legislation, the combat support agencies were going to be put under the control of the Director of National Intelligence, and those of us who are familiar with those agencies, namely the former Secretaries of Defense, argued that that would be disruptive to our troops in the field -- that they need that combat support on a daily basis. Moreover, it fixes the wrong problem. The problem was between the CIA and the FBI; and maybe even in the structure of the FBI, which does not have the kind of culture that enables them to gather domestic intelligence. I don't know that a DNI is the right fix for that. Certainly there's going to be a real shakedown period. I will comment that John Negroponte, who I know rather well, is a fine choice to fix this system which I don't think should have been brought into being.

Thomson:

Well, Brent, until recently you were the Chairman of the President's Foreign Intelligence Advisory Board, and you, during this period of tumult in the intelligence community, were revered as well and had your recommendations. And I wonder if you might comment on this reform and the new Director?

Scowcroft:

I think that it was time for something to happen. You know, in 1947 we set up the CIA, we set up the Department of Defense. Both of them were agglomerations of independent groups which we put under a head. The early Secretaries of Defense were very weak. And the DCI was very weak. Over time, defense has grown, the power of the Secretary has increased, until now, while he can't do everything an ordinary secretary of a department can do, he's pretty much the boss. That has not happened in the intelligence community. The DCI is responsible for everything. He doesn't control very much of anything. And several things have changed. We've always had

the split in this country between foreign intelligence and domestic intelligence, or foreign intelligence, domestically collected -- that is, other than crime intelligence. During the Cold War it didn't matter very much because most of the activity was overseas. The CIA did most of it. It wasn't a problem. Now, after 9/11, it's a huge problem. You've got to transfer your intelligence from one agency to another, across bureaucracy. That's hard in any case. It's doubly hard when the bureaucracies are the CIA and the FBI. That's the first problem.

The second problem is that for most of the time since these were created, the big guy, the 800-pound gorilla, has always been the Defense Department. It had, by far, the greatest demands on intelligence. So when a crisis comes, you give everything to Defense. We now have Homeland Security, and if it ever gets organized, it will have its ... it will be as dependent on intelligence as the Defense Department is for its mission. All right, who's going to allocate between those two? It's very hard. It's very hard to do. Now, I think ... the problem we have right now is that these two models, a strong DNI or the community we have now, were fought out in the Congress. The Senate bill was a strong DNI, with budget authority over the community, with personnel authority, and so on. The House version was a much weaker DNI. Those are very different ways to do it. The end of the congressional session came. They wanted to have a bill, so they melded those two, consequently the language is so fuzzy, compromising between strong and weak, that its interpretation is very, very difficult. I agree with Frank. I think the team that had been appointed, John Negroponte, is strong, tough. He's a very good man. He's not intelligence oriented. But his Deputy, Mike Hayden, who was Director of the National Security Agency, knows the community very well, is a very good guy. I think if it can be done, and I don't know if it can be done, but if it can, this is a good team to do it.

Brown:

But Brent, the problem, as you said, the biggest problem, is the CIA-FBI link, and neither bill did really very much to deal with the FBI.

Scowcroft:

Well, the Senate bill did it. The Senate bill did it better. But unfortunately ... and that is the biggest problem. And when I was in a group, we recommended a stronger DCI, before. And it was so that he could control this intelligence flow across FBI and CIA. Unfortunately, both the 9/11 Commission and the WMD Commission have just ignored the FBI. And that is really the harder problem.

Brown:

It's too hot. That is too hot to handle. It's too hot.

Scowcroft:

Well, but to have it work, to have the intelligence community work, you've got to have one man that has authority over intelligence, whether it's foreign intelligence or domestic intelligence.

McNamara:

And one man does. It's the President.

Scowcroft:

Aw... And he's been left out of all of this.

McNamara:

You're absolutely right. You're absolutely right. But the problem with the FBI and the CIA goes back 50 years.

Scowcroft:

Of course it does.

McNamara:

It's no different today than it was during the Kennedy administration. And only the President can resolve it.

Scowcroft:

But the President can't run it. And what happens is there's always an advocate for defense intelligence. The Secretary of Defense demands it, and so on. The President is the ultimate user of intelligence. And there's nobody that defends the Presidency for intelligence. So we have a problem and all of our assets ...

Carlucci:

Wait a minute. You were National Security Advisor. What did you do?

[LAUGHTER]

Scowcroft:

That's why I'm arguing.

[LAUGHTER]

McNamara:

But the President, the President, the President... You know, in 1960, most of you weren't born then, but...

Scowcroft:

Thank you. Thank you, Bob.

McNamara:

One of the major issues in the election was the missile gap. And when I came in I thought -- with RAND's help by the way -- thought that I really had to address the missile gap. The allegation was that Eisenhower had let the Soviets acquire missile superiority. And when I looked into it, it wasn't true at all. We had four independent intelligence agencies in the Defense Department. So the first thing I did was throw them together. And it was a brutal process. But ... but ... they worked. And today, I think the Defense Intelligence Agency, which is that combination, is very affective.

Carlucci:

Well...

[LAUGHTER]

Carlucci:

Let's hope it is

McNamara:

Well, you know it's not perfect, Frank, but it's a hell of a lot better than it was in 1960 when the Air Force believed ...

Carlucci:

There's a lot less service bias. There's a lot less service bias.

Scowcroft:

I grant you that.

McNamara:

And I think, Harold, this could be done. The President has to do it. It isn't easy, I understand that. But there's no other solution.

Scowcroft:

I agree.

Thomson:

Let's turn to the issue, Bob, that you raised before about proliferation, and you might talk a bit about that. The North Koreans have told us -- at least they say they have nuclear weapons. The Iranians have a nuclear program. They deny that they're intending to build them, but I think intelligence agencies are saying they think they are intending to build them. There remains a lot of nuclear material in the former Soviet Union, especially Russia, which is potentially convertible into a nuclear capability if it gets loose. What should we do about this apparent march tour of nations to acquire nuclear weapons, and the danger that not only might they, but others, get a hold of them?

McNamara:

My first answer is we should make it our Number 1 security problem. I don't see any other problem that's as serious as this. Look at North Korea today. I believe they have nuclear weapons. I'm not sure anything we do will persuade them to give them up. But I don't think we should stand here, or sit here, and do nothing about it -- which in effect, we are. I suspect that Iran is moving in the direction. With respect to North Korea, I don't think there's any military solution. Brent and others, Harold, and Frank, can speak to it better than I, but I can't conceive of attacking North Korea, even if we knew where the nuclear facilities were -- and I'm not sure we do. But they have, in a sense, two thousand, or several thousand artillery pieces as close to Seoul and our troops, as Dulles airport is to Washington, DC. And if we attack North Korea, those artillery pieces are going to be destroying Seoul and destroying our troops. It's inconceivable to me we have a military option.

In the case of Iran, we've got to increase our forces. I'm sure of that, but President Bush said the military option is not off the table with respect to Iran. I don't know how in the heck today, we could go into Iran militarily. It would be a very, very serious problem. So, mostly with respect to North Korea and Iran, I think we have to do something different than we're doing. We've got to put more weight on diplomacy in my belief. Now, secondly, I'm very sorry Bill Perry isn't here today, because he made a remarkable statement at the National Academy of Sciences in Washington, in August. He said, and I think these are almost his exact words: "There's a greater than 50 percent probability of a nuclear detonation on US soil within the decade." Now, you don't have to agree with that. I don't know how he got the 50 percent or whatever. And don't know whether it's 10 percent or 40 percent or 80 percent. But I do know that this is a very, very serious problem. Graham Allison wrote a book, I think it's called "Nuclear Terrorism," that came out a couple of months after Perry's statement, in which he made essentially the same statement. As I say, you have to argue about the degree of probability, but it's a very, very serious danger. I don't think we're at all organized to deal with that effectively. So I put nuclear proliferation ... And if you wish we can go into a long list of actions I think we should take. We certainly ought to stop nations such as Iran from the nuclear cycle ... from enriching uranium and processing plutonium, otherwise taking advantage of the Nuclear Proliferation Treaty, which permits non-nuclear powers to do that for civilian power sharing. There are a whole series of other actions we should take. We're not taking them. And this is going to be our most serious, in my respect, security problem for the next several years.

Thomson:

Brent, do you want to comment on that?

Scowcroft:

Yeah. Well, I agree. I agree. It's a very serious problem. And I think there are two broad aspects to it. The first is control of the nuclear materials that we have now, the sort of Nunn Lugar kinds of programs to secure the vast arsenals that the Russians have which is very, very poorly controlled. The second is the development of new nuclear powers. And Bob mentions we ought to stop Iran from enriching uranium. Well, that is a huge problem. I think this administration has made great strides in the last few months. It was ... originally when the British and French started to negotiate with Iran about their uranium enrichment plans, we said, well, go ahead, but we don't think it'll work and we think it's a kind of dumb idea. Now we have gotten behind the British and the French, and we've said we support them and we're hoping that the British and the French will agree that if the Iranians aren't reasonable, they will ... the Europeans will join us in some sanctions. How much chance is there that it will work? I don't know. It's probably less than 50/50 because, as Bob says, the Nuclear Proliferation Treaty permits Iran to enrich uranium -- as long as it's for peaceful purposes. They say it's for peaceful purposes, but who knows, because once you have the fissile material, making a weapon is a much simpler process. Interestingly enough, the panel which recommended to the UN Secretary General, how to improve the operation in the Security Council, dealt with this issue. And they proposed that no countries be allowed to ... no new country be allowed to enrich uranium or to reprocess spent fuel rods to produce plutonium. Instead, that the IAEA, International Atomic Energy Agency, would guarantee a fuel supply for power reactors, to any state in good standing with the IAEA -- would guarantee the supply of nuclear fuel, and would supervise the taking back of the spent fuel rods. That, I think, would be a big step forward. Because, interesting enough, right behind Iran is Brazil.

McNamara:

Absolutely.

Scowcroft:

And Brazil is saying, we think there's money in enriching uranium; we've got a lot of natural uranium; it's legal; we want to enrich uranium. And the danger is that this will cascade and pretty soon we'll have 40 countries on the verge of the capability for nuclear weapons, so it's a very serious problem.

McNamara:

May I add...?

Thomson:

Go ahead. Go ahead.

McNamara:

May I add just one word? Brent alluded to, in effect, the Nunn-Lugar Program. About a month after Bill Perry made his statement in Washington, I was on a panel with Sam Nunn in Aspen, Colorado. And he said, that in effect, the Nunn-Lugar Program, which is designed to prevent production of fissile materials, secure the storage of existing materials, and secure transfers. But the Nunn-Lugar Program, which has made much progress in those directions, was under-financed by a billion dollars a year. It was under-financed. So I said, how much? He said, a billion. Now with the current Defense budget, excluding Afghan and Iraq, of about four hundred billion a year, I can't imagine anything in the margin more important than spending a billion dollars on strengthening the Nunn-Lugar Program. We ought to do that. We aren't.

Thomson:

Harold, do you want to...?

Brown:

I think all those statements are true. And I think it would be very, very good if we could somehow get international agreement on an IAEA control of all fissionable material.

McNamara:

Absolutely.

Brown:

Whether the US would agree to have its fissionable material so controlled is a question in my mind. But, fundamental to whether countries decide to take the step to go to nuclear weapons, is their own judgment as to whether that will improve their security or not. They do it because they think it will. They may be wrong. And perhaps an approach would be to try to persuade them that their overall security -- military, economic and all the rest -- is actually better if they don't have nuclear weapons. Now, that takes diplomacy. And whether it can be done with Iran, let alone North Korea, is a big, big question. We certainly can't do it alone -- that is, the US certainly cannot make a persuasive case by itself.

Scowcroft:

Let me ask you a question. North Korea and Iraq, and our behavior toward both of them, if you're Iran sitting back looking at it, would you think it better to have nuclear weapons, or better not to?

Brown:

Certainly vis-à-vis the United States, you would feel safer if you had nuclear weapons because Saddam Hussein didn't have them, and look what happened to him. Now, if they look ahead at a somewhat longer perspective, which they're unlikely to do, they may not feel the same way -- because especially, well, take the case of Iran. I mean, just as if North Korea successfully deploys nuclear weapons and gets away with it, say, Japan is likely to follow. And I'm not sure that North Korea is then safer. If Iran adds nuclear weapons to its arsenal, well they already have Israel to worry about, but they could very well have Turkey to worry about. They could very well have Saudi Arabia to worry about. It seems to me that you can solve this problem, that is the incentive to have nuclear weapons, only on a regional basis, in each of these cases.

McNamara:

If I may add to that, I very much agree in what Harold is saying. In certain circumstances, some form of guarantee of security is required. I don't think there's any way to deal with this North Korean issue without some form of security guarantee. Now that's going to be difficult. We say we won't even talk to North Korea; we're going to do it through the Group of Six. And North Korea won't accept the Group of Six security guarantee. They're going to demand it be a US guarantee, independent of the Group of Six. We've got to think about how we would feel if we were North Korea. We've got to think how we would feel if we were Iran. You have to think about Pakistan and India, for example. Two different Secretaries of State sent me to India to persuade them not to go ahead with nuclear weapons. I obviously failed.

[LAUGHTER]

But there were basic security issues. So we have to try to put ourselves in the position of the nation that doesn't have nuclear weapons and just thinking about it. And look at it from their point of view. We haven't done nearly enough of that. There's no way to solve North Korea and Iran without doing that.

Thomson:

Okay. We might turn back to this issue of planning for defense, and the issue of the threat. I might ask Secretary Carlucci a question about how we should be thinking about future threats that this country may have to deal with from a defense perspective, and moreover, whether defense is the right way to think about the problem, actually. But if you go, as I'm sure you do, to the Pentagon, occasionally, you will have encountered the acronym, GWOT. And which sort of starts off every briefing -- Global War on Terrorism. And it's clearly dominating the thinking in the Department of Defense today. So, Frank, what do you think about how much that should be guiding our thinking about the future? And, is the Defense Department the right place to be thinking about something that's as big as a quote, war?

Carlucci:

Well, every member of this panel participated in the Cold War, where we had a horrible threat, but it was at least a stable threat, and you knew who to negotiate with and you knew how to deter it. In today's world deterrence, by-in-large, is not a good option. So the Pentagon has to be looking at multiple threats. The one thing we've learned over the course of the years is that the

threat that you don't anticipate is the one that will come up. So it's wise for the Pentagon to be examining a wide range of options. I think, Harold, that you mentioned that the future for us has to be capabilities based. I think that's probably the best way to go about it, because we don't know if the threat's going to come from a North Korea, which would require a substantial force on the ground to deal with should it come to war. And I agree with you, Bob, that Seoul is very vulnerable. Or, whether you're going to be dealing with the kind of insurgency that we're dealing with in Iraq. And Lord knows what could happen in the Middle East, which is a very volatile region with a lot of instability -- and we've taken on the chore of democratizing it. So that could lead to all kinds of problems. So, yes, the Pentagon needs to be planning, but I'd hate to be in their shoes and trying to tell them just exactly what to come up with at this point.

Thomson:

Secretary Brown, any thoughts on this?

Brown:

You know, the Global War on Terrorism, it seems to me, is something of a misnomer. We're not worried about Basque terrorism in this country. We're not worried about the Chechniks in this country. What we are worried about is Salafist Islam. And it's really a civil war within Islam, rather than a global war of terrorism. And that limits what we can do militarily. Certainly it makes a lot of sense to try to make the Department of Homeland Security a lot more affective than it is. Because clearly, that particular part of political Islam has bad intentions toward the United States and sees the United States as really the antithesis of everything it wants in its own society -- sees us as intrusive in that society and responsible for what they see as the worst aspects of their society. That means that we have to be prepared with Homeland Security. We have to be prepared to use the military option occasionally. But it also puts a very, very high value on diplomacy, on understanding those societies, on educating ourselves to deal with that kind of society and to help the moderates, if you want to call them that, in that society. And that applies to educating our intelligence people, educating our military people, and even educating our diplomats -- not all of whom are very well qualified for this.

McNamara:

If I can add a point to that, the Muslim world, almost universally, believes we're on a crusade against Islam. And we have to make a very clear distinction between radical Islam -- the terrorist elements -- and Islam in general. We haven't made that distinction. This requires skillful diplomacy, skillful public diplomacy, as well. And frankly, it requires a much higher degree of education of the American public on the nature of Islam and the Muslim world.

Thomson:

What... Please, Brent.

Scowcroft:

Well, you know, to focus on just terrorism, I think, misses the character of the world we have now. I think it's going to be a world of turmoil for the next generations. The thrust of globalization on a lot of traditional societies, showing them how the rest of the world works, bringing different cultures ... Everybody in the world now knows everything that's going on every day, for all practical purposes. That's a huge force. And I think we're going to have turmoil, internal conflicts, civil wars -- those kinds of things. Many of them will be terrorist based, but not all of them. And it's a kind of a conflict, as Harold says, it's partly military, but it's heavily political, it's heavily economic, it's heavily diplomatic. And I think we have not really gotten our arms very well around how to integrate our military and our diplomacy for this kind of world.

Brown:

We need an extension of the National Security Act to broaden that way. And it will be very difficult to...

McNamara:

But I would suggest that absolutely fundamental, to security in that kind of a world, is economic stability in this country. And we're not on a course to assure that. I've forgotten exactly the figure ... I can, perhaps remember them. There will be a deficit, per year, of a half a trillion dollars, each year over the next decade. And that will rise further. And I guess it was Sunday -- many of you may have read it -- there was an extraordinarily interesting article by Paul Volcker, in I think it was The Washington Post.

Scowcroft:

It's in the Post.

McNamara:

Yeah, extraordinarily interesting. If you haven't read it, try to get a hold of it, because, it'll just scare the hell out of you...

[LAUGHTER]

...and it should. And it should. I remember one line in particular -- he said, we are skating on thin ice. And what did he mean? Well, these deficits I've talked about, half a trillion dollars a year, and the next decade rising beyond that. We saw that the Central Bank of South Korea -- they didn't say they were going to sell their current holdings of bonds. If I had been them, I would have been doing it, but they didn't say that. What they said was, we're not going to continue to increase at the rate we have in the past. You may have read yesterday, or today, we had the largest single...

Brown:

Current account deficit.

McNamara:

...current account deficit. Exactly. If I had been the Governor of the Central Bank of Japan or China, I would -- long before this -- have moved in the direction ...

Scowcroft:

You can't.

Brown:

There would be a disaster in China and Japan if they did that.

McNamara:

Well, it will be a...

Brown:

You know what John Connolly said to the Europeans? It's our currency, but it's your problem.

[LAUGHTER]

McNamara:

Yeah. Right. Right. But Harold...

Brown:

No, it's for only the short run.

Scowcroft:

You know, that isn't the answer. And what Volcker basically said was it's not going to work out that way. We're going to have shifts in our exchange rate. We're going to have interest rate increases. We're going to have reduction in our GDP growth.

Brown:

Well, all of that's true. And ...

McNamara:

And it's very frightening if you .

Brown:

Well, it becomes a real problem if it happens suddenly.

McNamara:

Yeah.

Brown:

If it happens over a period of 10 or 15 years, then it's manageable. It's not good, but it's manageable.

McNamara:

But if we go the way we are...

Brown:

But markets tend to overshoot. That's the problem.

McNamara:

But if we go the way we are, it's going to happen soon ... suddenly, I should say. And this ought to be... those of us interested in security should think about this. It's the foundation of our security. We must maintain a stable economy in this rather unstable world that we're going to move into with globalization.

Thomson:

I think we want to turn it to the floor, to the audience now. If you have a question just wait, and I'll start right over here -- we're waiting for the mike so the TV people can pick it up. And it's right here in the middle. And others may be thinking. And I'll try to keep my eyes open here, just make sure I can spot people.

Audience Member:

First of all, thank you. You've all been closely associated with the leadership of the strongest military in the world for a long time, and for that, I thank you. My question is: From your perspective, and your military association, how relevant and affective, are strong international institutions to our security? If you'll pardon me a moment, it seems to me as I survey the eras represented by each of you, I can't think of a time when the important international institutions have been less respected, less affective, and I know you, General Scowcroft, spent a little time thinking about that recently. But, it does seem to me that we've demeaned the UN, we've rejected the International Criminal Courts. I could run down a list of tens of things where we're

going our way. And it seems to me we may have forgotten, I think what you said earlier this evening, General Scowcroft, that you have to give up something to get something. You know, playing by the rules of the game may be more important than winning -- at times. My question is: Does it matter? Does it matter if these international institutions continue to become less relevant? Does it matter to our security?

Scowcroft:

I think it matters a lot, because what globalization really means is that national boundaries are eroding. There are forces, whether it's capital flows, whether it's health, whether it's communications, whether it's entertainment, culture, environment -- they're beyond now the capacity of a national government to control. Terrorism, for example, we can't win a war on terrorism by ourselves. We have to reach out. We have to have friends. We have to have allies to share intelligence, and so on. All of these kinds of problems that globalization is bringing require reaching out to friends, allies, international organizations, to deal adequately with. And we've got a ways to go.

Thomson:

Big question, so maybe others want to take it on.

Brown:

Well, I think Ron's point is right, but I'd be a little bit more nuanced. In the first place, the US has always preferred those international organizations where it could exert the most influence itself. That's not new. But the U.S. is in non-military terms, less preponderant than it used to be, and therefore, less able to exert influence in at least some of these organizations. In some of them we're still preponderant, still very strong, and that has elicited some negative reactions from other members. And NATO, for example, we clearly still dominate. In a place like the International Monetary Fund, we're less dominant, but our interests are not all that different from most of the other important players. So that's not a big deal. It is clear that the Bush administration has been more negative about institutions where the U.S. is less able to exert a dominant influence. And that's putting it mildly. And maybe they'll come around. Maybe John Bolton will really do well.

[LAUGHTER]

Brown:

We'll see.

Thomson:

We have... pick up another one right over here...

Audience Member:

In Iraq and in Afghanistan, we've had two objectives. One was to impose democratic systems. Another was to strike some important concentrations of bad guys. Wouldn't it be just a lot more practical to have surgical strikes and send a message that if you're going to do this, we're going to hit back, but let them sort out their own system?

Thomson:

Frank, you want to...?

Carlucci:

Well, the problem is that surgical strikes don't do the trick. I mean you had to take down the Taliban to deal with Al Qaeda in Afghanistan. They had a host environment and you could bomb them ... Well, we sent a cruise missile over there during the Clinton administration. It didn't do any good. You can do surgical strikes, but that usually isn't sufficient to do the job. It certainly wouldn't have been sufficient in Iraq. Whether you agreed with going into Iraq or not going into Iraq, if you believed that Saddam Hussein had weapons of mass destruction, you could not take them out surgically. We just discussed, you can't take out the nuclear weapons that North Korea has surgically. They've got them buried underground, in all likelihood. Iran has its nuclear facilities widely dispersed, so there's not a good military option there. So it's not as easy as that.

McNamara:

May I go back to the previous point a moment, on these international organizations? I don't think we're putting nearly enough attention on those, the UN in particular. We're not going to deal with this problem of weapons of mass destruction, effectively, in the long run, without UN support. The current UN is not, in a sense, representative of the rest of the world. We need to change the Security Council. It's going to be very, very difficult. It isn't going to happen in the next five or 10 years. But we need to be moving in that direction. We've got to bring Germany, Japan, India, Brazil, whatever... Nigeria into that. It's an absolutely fundamental interest of the United States, to make these international organizations stronger. Look at the Organization of African Unity. It isn't worth a damn. And I know I'm offending some Africans that may be in this room, but it's true. Look at what's happening in Sudan, Dafur, today. Dafur is not something that we should be supplying troops for in the first instance. In the first instance, Africa should be supplying troops. The Organization of African Unity should be ... You can't even get a new Secretary General elected in the Organization of American States. NATO, fortunately, I think -- my associates can correct me if I'm wrong, I think -- they've been moving forward ... slowly, but I think it's stronger. They're going to develop, if I understand it correctly, a force of 50,000 troops, they'll have greater mobility. I think we need that. So I believe, and I could go on to the World Bank and the monetary fund, not directly related to security, perhaps in the terms we're talking about, but very, very important institutions. We should be supporting them all.

Scowcroft:

I'd like to rise to the defense of the African Union.

McNamara:

It needs defense.

Scowcroft:

It needs defense, but it's the best one in the world. Do you think the OAS is better?

[LAUGHTER]

And, listen... the African Union, Bob, has offered to send troops to Dafur. They can't get them there. They need C-130s to get them there and sustain them.

McNamara:

And we should be helping them.

Scowcroft:

Okay.

McNamara:

That I agree. That I agree. But... well, I don't want to get into sub-Saharan Africa, but it is an absolute disaster. Now this is, I'll say, a relatively minor security problem for the US, but we've got to think about it. I tell you it's an absolute disaster. The life expectancy is declining. You've got the age problem. Most of all you have this terrible problem of corruption, inadequate governance, and it's falling further and further behind. And that's 600 million people. And this is going to be a major problem of the world in the next 10 or 20 years.

Thomson:

I see Al Carnesale, in the back, has a question. Let's get him the mike.

Al Carnesale:

It's interesting to have a discussion of national security where the word "China" hasn't come up. And I thought whether you want to look at the longer term, which I'm happy to define is 30 years, the way Harold did. Or, perhaps the shorter term, which we could define by Taiwan. Maybe you can say something about that.

Thomson:

Frank?

Carlucci:

Well, I've had a fair amount of experience with Taiwan. And I think we're moving towards a very difficult situation in the straits. There's no question but what the PRC is building up its missile capability, reconfiguring its forces for possible invasion of Taiwan. Taiwan, as it's being increasingly governed by the Taiwanese, as opposed to the Mainland Chinese, is drifting under Chen Shui-bian towards independence. Japan got in the game the other day, and wasn't particularly helpful. They, every now and then, resurrect a dialogue between the two. But the secular trends are not particularly encouraging. So I think we have to worry about Taiwan as an issue. In the longer term, it is clear that China is a rising power and Asia -- and how long can we continue to play off Japan and China and Korea. That game is going to change. Jim Lilly has a piece in today's -- I think -- Wall Street Journal, or yesterday's, along these lines. At the same time as we've just discussed, China is the key to the solution of the North Korean problem. We need to maintain a dialogue with China in order to bring them into the international community; and in order to enlist their help with this very difficult problem in North Korea. So it's a complex equation. I think the administration, particularly Colin Powell, has done a very good job of managing relations with China and they're on a relatively even keel right now.

McNamara:

I very much agree with Brent, but I would emphasize one point he made. I'm sorry if I'm... not Brent...

Carlucci:

I wish I were Brent, but I'm not.

[LAUGHTER]

McNamara:

I would emphasize one point he made. This Taiwanese situation is very, very, very dangerous. And I can visualize the day when the old China lobby, which continues to exist in the U.S., in Washington, leads the way up to the Congress and we're at war with China. And Taiwan continues to push at the edge.

Carlucci:

They do.

McNamara:

And this is extremely dangerous.

Brown:

Well, it's interesting though, that in the recent election, Chen Shui-bian, who expected to gain a majority in the legislature, did not, and backed off a little bit. However, the Chinese who had expected the... Beijing, which had expected the same thing, had already in motion a response to the electoral result that didn't happen. And that heated things up. In military terms, the Chinese goal would be, I assume, to gain a capability of essentially overwhelming, probably beheading, and that is essentially taking out the control centers in Taiwan before the US could intervene. And the anticipation of that capability, or the belief of that capability might then, according to Chinese thinking, produce a Taiwan surrender essentially, without conflict. I'm not sure why the Chinese, if they think that, really do prefer such an approach, because my own view, which may be wrong, is that all Beijing has to do is keep increasing the economic ties and in the end Taiwan will essentially fall into their hands. Certainly the Taiwanese business community, industrial community...

Carlucci:

Well, Taiwan is not the largest investor in the PRC.

Brown:

Yeah, they certainly are quite aware of the non-military pressures that China can exert on Taiwan.

Carlucci:

It's important ... I think, following on your point and Bob's point, we need to encourage the Taiwanese to provide for their own defense. Chen Shui-bian is proceeding on the assumption that we will take care of him. And we can't let him operate under that kind of a illusion.

Brown:

Well, that's the Taiwanese insist on being allowed to buy major defense equipment from the United States and then not buying it.

Carlucci:

Yeah, but they didn't vote the money.

Scowcroft:

Well, but that's interesting you know, insist they provide their own defense but the legislature has refused to buy what we've offered them.

Carlucci:

That's right.

McNamara:

One thing we should recognize here is that China, the military budget, as a percentage of GDP, has been very low. Xiaoping established the priorities. And in 1979 and 80, he said, strengthening our military was the Number four priority. And about -- I don't remember -- maybe five or seven years ago I was in China and they took me to see a display of their military. Honest to God, after it was over they said, what did you think? I said, it should be in the Smithsonian Museum.

Brown:

Well, that ... that's what they tend to show visitors.

[LAUGHTER]

Brown:

They're announced military budget is a very small percentage.

McNamara:

This is what I was going to say.

Brown:

Their actual military budget is about 5 percent of their GDP. Like ours.

McNamara:

There's no question about it. They are understating their military expenditures. But with their GDP growing at 7 percent a year, if the military budget is 5 percent of their GDP, you know, this is going to double in 10 years. And I guarantee you the Chinese military budget is going to expand. And they're going to be able to project force, not just against Taiwan, but across the area. We've got to develop a relationship that takes account of that. And we're making progress. I think the administration has made a lot of progress. But we have a long, long way to go.

Thomson:

Well, unless the answer is zero, one or pi, we only have time for one more question, so... and that was over here. Yeah. It was you, I think, yeah. Was it?

Audience Member:

Thank you all. It's terrific to hear your insights and your observations. My question is about Russia, and whether or not you see that as currently more of a threat or an opportunity?

Brown:

It's a threat, but its threat is internal disruption.

Carlucci:

It's a failing state.

Brown:

That's right. That's the threat.

Scowcroft:

I think Russia is still searching for a soul. I don't think it knows where it's going. Putin ... I'm not even sure who Putin is, but Putin is a KGB Colonel, an apparatchik of the Soviet Union. But he was also the deputy mayor of Leningrad, under the first democrat in Russia, Sobchak. I think, at the very least, what Putin is trying to do is to gather together what he sees is what Yeltsin created, collapsing state power. And he is a statist. Is he trying to do more? -- I don't know. But I don't think Russia is a failed state. Russia is riding fairly comfortably on oil. I think the real problem is that Russia becomes another oil state, and you know, lives off oil until it's gone. But are they a potential threat? -- yeah. They've got a long way to go. They're a complicated problem for us. But I think we've got time to deal with it. And I don't think Putin is going to reconstitute the Soviet Union.

Carlucci:

Well, if he's trying to do that, he's making a bad job of it. He called the Ukraine wrong. He called Georgia wrong; he called Belarus wrong.

Brown:

Yeah, I mean, he'll have a hard time holding together the Russian Federation.

Scowcroft:

Yeah, that's what I'm talking... yeah. I don't mean territorially. I mean the Soviet state.

Thomson:

Okay. Address it to one person and then we can let that one person answer.

Audience Member:

Yes, it's been great. Secretary McNamara, going back to the nuclear threat, how do you see Pakistan, which is our friend now, as being responsible for the spreading of this?

McNamara:

Well, Number 1, I have been working with Pakistan for, since Agah Khan. Again, most of you weren't alive when he was. But, to say that Pakistan is not a democracy, I will accept that. But do any of you know how to make Pakistan a democracy? You want Bhutto's party to be in charge? Pakistan is in really deep trouble, not because of Musharraf, but because of the economic and social problems that had developed in that country, over a period of 50 years. There is no easy solution, we must be what I'm going to call "tolerant." And I'm not arguing I'm in favor of dictators, don't misunderstand me. What I'm arguing about is I don't see any easy way, toward what we call democracy, in Pakistan, anytime soon. And if there isn't, we've got to be damn careful what we do before we destroy the current structure there.

Thomson:

Thank you very much to our four guests.

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