

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald R. Ford
Dr. James R. Schlesinger, Secretary of Defense
Lt. General Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

DATE AND TIME: Tuesday, March 11, 1975
2:00 p.m.

PLACE: The Oval Office
The White House

The President: How about Hersey?

Secretary Schlesinger: We can take up the sensitive ones first.

The situation in Phnom Penh is this: There is some problem holding the airport. We put a hold on Gayler who wanted to parachute in supplies. I think if we get to that point, we should forget it. We will run out of money.

The President: Why do we run out any more so that way?

Secretary Schlesinger: We won't. It is just that this gives us an excuse -- if we have lost the airport.

The President: Is there a problem now?

Secretary Schlesinger: No. We are flying 130's and some DC-8's. They are more of a problem. The crews are reluctant. We sent [Maj. Gen John R. D.] Cleland out there. He is more optimistic -- they have a plan to recapture Tnol Leap. The problem is in their execution. Coordination is poor now.

The President: When will we know?

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DECLASSIFIED
E.O. 12958 Sec. 3.8

CLASSIFIED BY Henry A. Kissinger
EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5 (B) (1, 3)
AUTOMATICALLY DECLASSIFIED ON Imp. to det.



MR 01-42, #4: OSD-Ltr 3/2/04

due NARA Date 6/25/04

Secretary Schlesinger: Four or five days. If they don't take Tnol Leap. we will be subject to fire. One hit on an ammo plane and WOW!

The President: What do the JCS recommend?

Secretary Schlesinger: They would keep on as long as physically possible, but it is a political position.

The President: What is your recommendation?

Secretary Schlesinger: If we can't keep the airport open, that we execute Eagle Pull and withdraw.

The President: How much do you need to get by?

Secretary Schlesinger: About \$100 million.

The probability of their survival is 5-10%. If we get aid, it gives them a better than 50-50 chance to get through the dry season. If we are going to lose it, it is best to do it in a way which best helps our foreign policy.

The President: I don't think we should give the timid souls on the Hill the idea that we are quitting because they couldn't keep the airport open. We have to put it on the basis that they lost the airport because of the supply shortage.

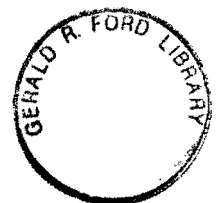
Secretary Schlesinger: They have a severe psychological problem but no actual arms shortages.

The President: How about Vietnam?

Secretary Schlesinger: I think our chances depend in part on Cambodia. The mood is not good.

The President: Suppose they don't get the \$300 million?

Secretary Schlesinger: They will draw down their supplies, there will be a shrinkage of pacification, they will pull back from some areas. If they have to pull back from areas, it creates signs that are very bad for the long term.



The President: Are your people working on getting it?

Secretary Schlesinger: Yes. I have told Mahon we will go whenever he has a supplemental to put it on. Stennis is being urged to move the '76 along because if we got \$1.3 billion, it would be a shot in the arm to cover the loss of the \$300 million. The worst would be not to get the \$300 million and have the \$1.3 billion cut to \$750 million or so.

The President: The \$300 million is not in this supplemental coming up.

Secretary Schlesinger: No.

The President: Good, because I will probably veto it. That would be tough. I suppose the Senate could put it on.

Secretary Schlesinger: Preston was thinking of putting it on the pay supplemental.

The President: That would be good. Keep the pressure on. In the meantime, Church is working with Habib on a three-year deal. We are within range.

How about the Nunn report [on nuclear weapons deployments]?

Schlesinger: It is an education for Congress. We would talk in generalities. We would not go into details of numbers. Nunn is in agreement that we keep it this way to stay out of MBFR.

Secretary Schlesinger: I would like to discuss communications within the NSC system. I keep reading things in the paper -- like Cuba [in Kissinger's speech of March 1 in Houston]. If we are going to be having a policy change, I think it should be discussed in the system. Cuba costs the Soviet Union \$500 million each year.

The President: There is no change in our policy.

Secretary Schlesinger: Good. Also Iran. I see we are selling eight reactors to Iran. What if I am asked about it? Panama too. The Army is very much involved in that.



General Scowcroft: I think we are in good shape there.

Secretary Schlesinger: Yes, but maybe in the future we should have an NSC meeting on Panama and Cuba.

Also, FRELOC. We have supported the solution so it is not a complaint on substance -- but I read about it in the newspaper.

General Scowcroft: Then I was misled. I was sure you had coordinated.

Secretary Schlesinger: I just mention these as points of potential concern.

That is all the sensitive items.

The President: Let's get Hersey in then.

[Discussion of Hersey while waiting for him]

Secretary Schlesinger: The article on the Colby testimony was bad.

The President: Brent told me about it. He said it was distorted.

Secretary Schlesinger: The GI Bill. We came up with a plan which would cost \$400 million.

The President: When are you cutting the two-year enlistment?

Secretary Schlesinger: 30 June.

The President: Will you go to four years?

Secretary Schlesinger: The Air Force and Navy will; the Army may have to stay at three. After three, they would get 18 months education at nominal stipend. The benefits (cost) will be fixed, but he can spread it or concentrate it.

The President: You have 4-5 million eligibles now. They get a minimum of \$200 per month. They have this eligibility for eight years. Now this new group would have lower benefits. How can you justify it?



Secretary Schlesinger: Earlier it was based on wartime service. That is over now. I am not sure Congress will like wiping out benefits -- they would say you are against education.

The President: It is a contradiction. You are after a career military, yet you are giving them an inducement for getting out.

Secretary Schlesinger: Some will be induced in and decide to stay.

The President: How about giving them education for staying in?

Secretary Schlesinger: We do that. We will continue that but allow only professionally useful courses.

The President: There has to be an end to the Vietnam war and I want to vote it quickly. When will it be here?

General Scowcroft: It is with OMB. It will be here in a day or two.

Secretary Schlesinger: On executive pay. The inversion is killing us. We are losing good men.

The President: What happened to Worth Bagley?

Secretary Schlesinger: He left for personal reasons. He has children to educate. Had we known, we wouldn't have made him Vice Chief of Naval Operations. It was a combination of pay and family reasons.

The President: I met with the Chief Justice. The Congressional people there didn't seem too enthusiastic. We will look at it carefully. If we can't get it out of the Committee, there is no use going in.

Secretary Schlesinger: We have a bigger problem of inversion. If a full general stays after September, he will lose \$70,000 or \$120 each month. It is a terrible morale problem. My biggest. I have had some bashing around on commissaries, but this is the worst.

The President: I don't understand. It's Cushman against his predecessor.

Secretary Schlesinger: [Described the problem]



Maybe we could recalculate retirement or entitled pay rather than pay received.

Shear is one of the most effective men in the Navy. David Bagley is not as capable as Worth, but will do a good job as CINCUSNAVEUR.

The Diego Garcia Presidential Determination.....

General Scowcroft: That will be to you this week.

Secretary Schlesinger: OMB is questioning your decision.

General Scowcroft: Only at the low levels.

Secretary Schlesinger: [Shows the Berbera cruise missile photos]
This gives them a reload capability.

The President: I guess these reinforce your need for Diego Garcia.

Secretary Schlesinger: We could take some slant range photos of these for the press.

The President: I think we need to convince people. They don't see the need for us to be out there.

Secretary Schlesinger: I think the Senate is in pretty good shape on the Defense bill.

The President: That is good.

Secretary Schlesinger: On Thailand: They wanted us out in 18 months.

The President: But he got thrown out. Didn't the new one ask us to get out earlier?

General Scowcroft: It's press speculation. The new government is not yet formed.

Secretary Schlesinger: You approved 21,000. We think there is benefit to pulling down Headquarters, 7th Air Force and other headquarters people.

The President: How many is that?



Secretary Schlesinger: About 1500. We think the Headquarters in Bangkok is one of the greatest sources of irritation.

The President: Where would the 7th go?

Secretary Schlesinger: We would eliminate it. We have chopped PACAF. We would combine the three Air Forces under one at Clark. It would serve as Headquarters forces.

The President: You will send me your recommendation in the usual way?

Secretary Schlesinger: Yes. This is just preliminary.

The President: What will you do with the officers?

Secretary Schlesinger: We are cutting Lt. Colonels and Colonels. We have reduced 120 generals over the past year.

On Turk aid

General Scowcroft: [Described Secretary Kissinger's report on his talks with Turkish leaders in Ankara.]

The President: Sparkman will bring it up this week. It looks fairly good in the Senate.

Secretary Schlesinger: It looks like we could get it in the Senate and lose in the House. We have the tough job of arranging it so it doesn't look like anyone backed down.

The President: But I don't want anything so that Brademas et al can accuse us of shenanigans. I want anything in writing. That is a legal matter. The cutoff followed 614 and a lawyer would ordinarily argue it was governing.

Secretary Schlesinger: Eagleton's people have told us that privately.

The President: I need it in writing.

Secretary Schlesinger: Hopefully we won't need it. If it passes the Senate, the Turks move, then we get it through the House, and we are in good shape.



The President: I just want there to be no mistake.

Secretary Schlesinger: I think they agree you have the authority because they threatened to take it away.

The President: Then a letter would be easy.

Have your people appeared before the House Armed Services Committee on Elk Hills?

Secretary Schlesinger: Not that I know.

The President: Get them up there. Otherwise I will turn it over to Interior. I want action and I feel the Navy is reluctant.

Secretary Schlesinger: No. sir. We are eager -- at least the civilians.

The President: The Navy doesn't want their cozy deal upset. You bash some heads. I am really serious about it.

[The meeting ended.]



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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 010798

REASON FOR WITHDRAWAL National security restriction
TYPE OF MATERIAL Memorandum of Conversation
CREATOR'S NAME Ford/Schlesinger/Scowcroft
DESCRIPTION handwritten version of memcon #010798
CREATION DATE 03/11/1975
VOLUME 7 pages
COLLECTION/SERIES/FOLDER ID . 036600101
COLLECTION TITLE NATIONAL SECURITY ADVISER. MEORANDA OF
CONVERSATIONS
BOX NUMBER 10
FOLDER TITLE March 11, 1975 - Ford, Schlesinger
DATE WITHDRAWN 02/01/2000
WITHDRAWING ARCHIVIST LET