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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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~~TOP SECRET/NODIS/XGDS~~

MR 08-91 #2: OSD Ltr. 5/11/09

MEMORANDUM OF CONVERSATION

BY dal NARA DATE 7/13/09

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

DATE AND TIME: Thursday, October 10, 1974  
7:15 a. m.

PLACE: First Floor Private Dining Room  
The White House

Schlesinger: The Birch Society Congressmen are starting to work against Defense on economic grounds. I am going hopefully to join the Democratic study group. Dick Bolling I think can be good.

President: Bolling is good. Ullman is also good.

Schlesinger: I think we will do all right in the House. Even Joe Biden is getting educated.

[There is more light discussion of the Congressional situation.]

President: Virginia has a lot of Defense installations.

Schlesinger: Do you mind if I close some of them after the elections?

President: No. Which ones?

Schlesinger: The toughest is the Frankford Arsenal. It has been kept open because of Hugh Scott for 15 years.

President: How big is it?

Schlesinger: About 5,000 people. It is old and the mission is obsolete. The personnel are ill trained. I also proposed the Pueblo Arsenal. Senator Dominick called and asked me to keep it open until after November.

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~~TOP SECRET~~ - XGDS (3)  
CLASSIFIED BY: HENRY A. KISSINGER



President: What is its mission?

Schlesinger: It is a depot. We have gone down from 6.3 million to 2.1 million people without shrinking the base structure.

One is in McFall's and one is in Leggett's District. We must shrink the Army system so we can get to 16 divisions. It has long been overblown.

President: Military bases?

Schlesinger: Fort Dix is the biggest one.

President: Clifford Case hasn't helped us.

Schlesinger: He is okay on conventional forces. He's a frail reed, but he hasn't been too bad. We just don't need all the training facilities. We are also closing Fort Monroe.

President: Can you show <sup>the</sup> cost-to-benefit ratio?

Schlesinger: Yes. They have cut manpower by 30,000. I can take that without cutting strength. We will consolidate the two in California in McFall's district rather than in Leggett's, though it will cost one-half million more.

President: We won't have closings to help someone else. I heard an Army Base closed in Omaha and one opened in Louisiana. If you have to move, ok, but don't do it to help people out.

Schlesinger: I stopped the Navy from moving Suitland to Mississippi. Stennis is very nervous. Pastore wanted it moved to Rhode Island. The Navy wanted to help Stennis.

President: These districts who forgot to get bases are in the long run better off. I didn't try to get any. It is a snare and a delusion. It's much too uncertain.

Schlesinger: I agree. The facilities in Mendel Rivers' district are slipping away. But I need your support with Scott, He is a patriot.

President: On any of these, get me a 10-page paper showing all the background. Hugh is a statesman if you show common sense and political savvy.



Schlesinger: I hope Dominick pulls through. The AFL-CIO said they wouldn't forget Milton Young.

President: Milton Young is very good. It's just his age. How can the AFL -- with Meany's strength -- support Hart in Colorado? Pete [Dominick] needs all the help he can get.

Schlesinger: The problem is Hart is going moderate.

President: The strange race is in South Dakota. Thorsness is likeable.

Schlesinger: McGovern is actually a moderate.

President: I'm hearing Javits is in trouble.

Schlesinger: I think he's o.k. I will talk to the AFL about it. The Democrats have done well in the Governor races -- a moderate does better than a radical. But they can't do that in a Senate race unless they can get the Jews.

President: The Cuba trip didn't help him.

I am worried about tank production.

Schlesinger: It's a big problem. Basically the marginal foundries are being put out of business by the environmental laws.

President: If you had your druthers, how much would you increase it?

Schlesinger: From 260 to 1200. And despite all this Stratton isn't satisfied at Water Vliet. We make gun turrets there.

We have trouble if we give 200 tanks to Israel. The Saudis complained they had to wait two years and Israel gets it right away.

President: If you started now, how long would it take to get going?

Schlesinger: We're up to about 500 now; I had hoped to be to 800. But I am out of foundries and may have to get them in Germany.

President: Who builds them? And how much do they cost?

Schlesinger: About 35,000. Chrysler does it in an old World-War II plant.



President: Rhodes was after me to get some government-owned foundry on the market so GM could move in.

If Congress cut us \$7 billion from \$304 billion and the Department of Defense had to cut short, where would you get it?

Schlesinger: I would cut civil service. But O & M is the only way to get it quickly. I probably would have to cut Navy overseas deployment -- in the Mediterranean, for example.

President: This would give an excuse to close those facilities. Would you cut military or civilians?

Schlesinger: I would slow recruitment, but wouldn't reduce end strength. We took a cut in O & M this year.

I told you everything looked like \$96 billion in '76 outlays. It now looks like \$95 billion. We are very thin on strength.

You can keep current levels. We are at 5.6% of GNP as compared to 9.6% ten years ago. We can't keep on doing this and stay second to none. FY '75 spending will be between \$83 and \$84 billion.

President: Where will the cuts come?

Schlesinger: From slowing procurement. The problem is we are coming into a lot of procurement from prior years.

Inflation has cost us \$9 billion. To repair the Department we have to face up to the costs.

I told Ullman our defense strengths in proportion to the share of GNP.

President: Can't DOD help us over NPR No. 1 and No. 4? Number 1 would be very helpful now. Why won't Eddie go along?

Schlesinger: I think a deal is possible. Number 4 is tougher than Number 1. I think you can't with 750 million go into a production base in Number 4 in terms of developing national resources. It would worry the producers.

President: You mean if we prove out Number 4 that that would ease the pressure on Number 1?



Schlesinger: No. We would continue to have resistance on production from Number 1.

President: Everyone on the California delegation is after me. They know the alternative is drilling in the channel. Can we get a deal with Eddie?

Schlesinger: We will work on it. Vinson advised Hebert against it unequivocally.

President: I don't understand. It could help us right away.

Schlesinger: Conservation for the Navy is a secular religion going back to Pinchot.

President: With the Navy going nuclear, how can they need more oil than 20 years ago?

Schlesinger: It's not rational, just conservative.

We are sending you a revised Unified Command Plan. It leaked and was embarrassing, in that it has been given to Bunker as a goodie in his negotiations.

President: Are the Panamanians against it?

Schlesinger: Yes. SOUTHCOM does serve a useful purpose politically. It was proposed in '70 and rejected. Haig and Walters were opposed. On political grounds JCS now support it. I think it will get no support on the Hill.

President: Will PACOM take it over?

Schlesinger: No. We would have forces take over the headquarters. It mostly handles MAP and we can do it from Washington. It is a colonial vestige. We also want to eliminate ALCAN. That is a Ted Stevens problem. It would become part of CONAD. It's the only state having a separate defense command. They still worry about World War II. I can put 5 divisions into Alaska in five days. I think we can swing it if we can have a 3-star flag there.

We just can't afford these luxuries anymore.

President: That will help your general officer problem.



Schlesinger: I think we have solved that problem. I think the Hill will turn to something else. I am optimistic on the Hill.

President: Again, we did well last year, but if we get 50 more liberals in the House and 5 or 6 more in the Senate, we're in trouble.

Who will take Weyand's place?

Schlesinger: The Army would recommend Kerwin. I am toying with the idea of saying to get someone under 54. I am trying to get the average age down. Kerwin is 58. The idea is he would be in for 18 months and then get a younger man. You would then decide whether to keep Weyand around after he's 60 in 1976,

The Army is cooperating to reduce the age of 3 and 4 star people. The Air Force applies a 5-year/35 year rule. The Army hasn't.

President: What do you think about the Vietnam situation?

Schlesinger: We need \$2-300 million more. McFall think we can slip it through. The Senate doesn't back that. Maybe I can use some drawdown.

On the '76 budget, we are getting a low wave. Before, Ash and I had agreed on \$94 billion. That is still a shrinking percentage of the GNP. I think we have to maintain that expenditures level if we want to stay second to none. Otherwise we would be second to one. We are operating on a procurement level which is half of what it was in '68. We are 25% below the levels of '58-65. We must push that back up. We are at the lowest level in procurement, manpower, and conventional forces since Forrestal.

President: How about the Navy? How are they making out?

Schlesinger: We lost four frigates. Next year we may have to fight for the Navy. The Air Force is doing well. The B-1 may get some flak. The B-1 roll-out is October 26. There is a fight now between California and Texas for production.

President: The California delegation doesn't help us much.

Schlesinger: California votes only for the B-1.



President: I would take Cranston and Tunney.

Schlesinger: Cranston is more consistent and strong-minded than Tunney. Tunney can be persuaded.

President: Cranston headed some crazy Democratic alliance. He is a fighter and can help you if he is with you. Tunney is inconsistent.

Schlesinger: I talked to Tunney on the Azores and the Tunney Amendment. He said he would help if no one was told.

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President: I'd better go, unless you wanted to raise something else specific.

Schlesinger: I brought a book to discuss SALT about weapons characteristics -- when a MIRV is not a MIRV.

President: How about next week? Possibly after next Thursday or Friday.

Schlesinger: How about Friday?

President: Personnel. We have some ineffective civilians. I can live with them. I can upgrade them. I don't know how you feel, like Middendorf. He's a nice guy. He has friends like Rhodes. Goldwater said he would make a fuss but privately he says Middendorf is too weak.





Schlesinger: Howard Robison of Ithaca would be great.

President: He's first class, but tends to be anti-military. How about Charlie Goopo (?) John McLucas?

Schlesinger: He's marginal. You can have him if you want to. Bo Callaway is the best one.

President: I agree. He has helped significantly in moving the Army forward. I don't know many of the Assistant Secretaries.

Schlesinger: There are a couple of them who could go.

President: I should move Governor Davis [of Civil Defense] out after the election.

Schlesinger: He's had it a long time. There is no great reason for him to continue. We would move up a woman. His deputy is a woman.

President: The mission has changed. Civil Defense is now more a disaster thing.

Schlesinger: The Soviets have a formidable capacity in civil defense. I am trying to get some plans for evacuation.

President: The Chinese capability in that is even better.

[The Secretary and the President conferred for 5 minutes alone at the end.]

THE WHITE HOUSE  
WASHINGTON

~~SECRET~~

October 9, 1974

MEETING WITH SECRETARY OF DEFENSE

JAMES K. SCHLESINGER

Thursday, October 10, 1974

7:15 a.m. (45 minutes)

First Floor Private Dining Room

From: Brent Scowcroft

I. PURPOSE

To discuss current issues of Defense policy.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Secretary Schlesinger has requested this meeting to discuss with you the major Defense policy issues to be addressed in the months ahead. The Secretary's foremost interest has been strategic arms policy. His position and points he may be expected to raise are summarized below.

SALT

Based on his arguments at the NSC meeting on Monday, Secretary Schlesinger has modified his previous emphasis on the necessity for equal missile throw weight (especially MIRVed missile throw weight) toward a requirement for an agreement containing the "perception" of equality. This he defines as equal totals of missiles and bombers (equal aggregates).

His earlier concern with MIRVed missile throw weight was that at higher levels, and especially with a heavy missile (SS-9, SS-18), it constituted a counterforce threat to our ICBM force and was therefore destabilizing. On Monday, as you know, he stated that dealing with the issue of strategic

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stability would require a lengthy process of educating the Soviets. He then argued strongly that equal aggregates ought to be the key aspect of any SALT agreement. The level at which equality was set was less significant than the fact of equality. Throw weight, MIRVs, and warheads were of much lesser significance than numbers of launchers as a measure of equality.

It might be useful to have Secretary Schlesinger develop further his concept of a SALT agreement based on equal aggregates. Some relevant factors for consideration:

- Launchers are non-lethal. It is not clear why a perception of launcher equality should be more significant than one of warhead equality, since warheads are the killers.
- It is not clear why a disparity of several hundreds of MIRVed missiles or even thousands of warheads is not a problem, whereas a difference of two hundred launchers is critical to perceptions of equality.
- Controlling only launcher numbers permits a substantial arms race in qualitative improvements -- with obvious economic, political and military ramifications.
- The USSR is very unlikely to agree to equal aggregates at 2000. They may at 2500 (their program). But are the Congress and the American people likely to find acceptable an agreement in arms control which does not constrain the USSR and requires a US force buildup?
- Would the Congress support the increased costs involved in a SALT agreement which required a US force buildup?

Inadequate Tank Production Capability

Heavy competition for the use of tank capacity to produce non-military goods and a major shortfall in the inventory of tanks in US active forces have led DOD to propose Government intervention to establish tank production as a program of "Highest National Priority." If approved, this will allow diversion of resources and manpower from civilian contracts where required to assure

increased and accelerated output of tanks. A recommendation will be forwarded for your consideration shortly. Secretary Schlesinger may point to the tank problem as reflective of increasing difficulty being experienced generally in achieving satisfactory production rates of major Defense items.

### Foreign Aid

As you know, the FY 75 foreign aid authorization has come under severe attack in the form of restrictive amendments and serious funding cuts. Floor action will take place in both Houses following the recess. The Defense Department can be particularly helpful in lining up support for increased funding for the MAP program (particularly for Cambodia) and in efforts to remove restrictive amendments.

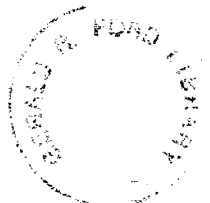
One amendment now in both the House and Senate bills requires the shift of military aid to Vietnam from the Defense Appropriation to the Foreign Aid bill. This would inevitably lead to inadequate funding levels. DOD can be of great help in urging the Armed Services Committees to insist on retaining jurisdiction over this program.

### Talking Points

1. You know how severely foreign aid has been attacked. I am committed to standing by our allies in Vietnam and Cambodia however and believe we must try for restorations in a supplemental next January.
2. In that regard it would be disastrous for Foreign Relations Affairs to get control over aid to Vietnam as both committee bills propose. Can we count on Hebert to hold out for continued control and to keep it in the Defense Budget?

### Inflation

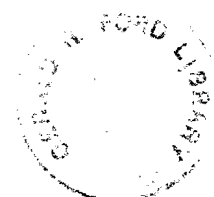
Since submission of the FY 75 appropriation requests last January, the rate of inflation has exceeded original estimates.



It would be useful to receive any preliminary views the Secretary may have on the impact of less buying power on force readiness.

Talking Points

1. Since January I expect procurement costs have risen faster than we had estimated. Are you able to assess how much of an impact your reduced buying power will have?
  2. How much of an increase in next year's budget do you expect as a result of inflation?
- B. Participants: Secretary Schlesinger and Brent Scowcroft.
- C. Press Plan: To be announced; White House photographer.



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