MEMORANDUM OF CONVERSATION

PARTICIPANTS: President 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, September 2, 1975; 3:30 p.m.

PLACE: The White House
The Oval Office

SUBJECTS: Schlesinger Trip to Asia; Admiral Gayler; Iran

Schlesinger: I had a great trip. I've never had a better trip in terms of accomplishments.

President: I read the press reports. They sounded good.

Schlesinger: The whole is greater than the sum of the parts. Never before have the Japanese and the Koreans been willing to discuss with us as a third party. The Japanese are finally getting serious about defense.

President: In dollars, equipment, or what?

Schlesinger: I think they want a consensus first; then they will start educating the public. I didn't mention the one percent that's spent there on defense, but I stressed the thinness of the logistics base.

We have arranged that Suharto will come here. We have also opened up the military contingency planning between us. That part of the trip was really excellent.

President: Were there any demonstrations?
Schlesinger: Yes. The estimate was 1800, but the press wrote it as 18,000.

President: .................................................................

Schlesinger: We steered away from it, on Hodgson's advice. They have
painted us.....

Scowcroft: And themselves.

Schlesinger: ....and themselves into a corner. If there is a blowup, we
would be to blame, but they would take the consequences. ........................
.......................... They have redefined the situation. So
it is a very shaky situation.

President: I think we should just let it rest. I don't necessarily agree with
Jim. .................................

Schlesinger: They won't press us. But some sailors went AWOL and blabbed.

On Korea, they are feeling pretty good now. They are much more reassured.
They are prepared to spend $3-4 billion on a force improvement package.
They have requested a billion in credit over five years. That is modest
compared to others' requests.

President: I opted for a high MAP figure for Korea.

Schlesinger: The Congress, as far as Southeast Asia is concerned, have
restricted our ability to give excess military equipment. The costs are
really ridiculous. We are turning NIKE Hercules over to the Koreans.
We wanted to do it at no more than $7.5 million, but the law says it has
to be at no less than a third of the new cost. We ought to get that repealed.

President: I read that Vietnam has $5 billion of U.S. equipment. Have
we thought about going in to destroy it?

Scowcroft: That would come under the War Powers Act.

Schlesinger: The $5 billion figure is too high. $3 billion is more like it.
President: On Turkish aid. We need to get going on that. I think we can win it. Maybe we can get some of the Israeli-supporters, like Rosenthal, to support us now.

Schlesinger: On the northwest islands, I told them we couldn't commit ourselves in advance to defend the islands.

President: Can they defend them?

Schlesinger: They have enough forces for five days. But they depend on us for augmentation of their air and naval strength.

President: I don't see how we can defend them.

Schlesinger: They are not part of South Korea, just under the armistice; on the other hand, the symbolic importance is great if we walk away from them. In the current environment, another event like that could unravel the whole situation.

President: Were they grateful for our UN position?

Schlesinger: Yes. I wrapped it in the US commitment to the NPT and said I was delighted to see them move toward the NPT and we would have great problems on the Hill which could unsettle our whole relations with Korea.

President: Did civil rights come up?

Schlesinger: I raised it very indirectly. He talked about Congressional visits in that regard, so I just said we had heard enough on the issue and I wouldn't raise it.

President: I haven't heard much recently.

Schlesinger: They kept their heads low after Vietnam, but now that things are quieting down, the protesters will probably start again.

I think in the U.S. the protests won't be too severe before '77. Even Eagleton said we must stay in Korea.

President: I agree. I think we will get an overwhelming vote on the observers in the Sinai.
Schlesinger: Let me talk about Gayler. I extended him one year last year because of age. I wanted to move a younger man into that position. I haven't found one. I thought about putting an Air Force man in that job. But Vogt was the only one who could do it -- except maybe Daugherty. The Navy is thin and getting thinner. We don't have many soldier-diplomats any more. They are good in purely military roles, but not as diplomats. We considered Wiesner -- of the CINCPAC fleet. He is a good Navy operations man, but he is force-, not policy-oriented. There are a lot of good young military Admirals but they need time. I had planned to retire Gayler but there just was no one. Hollaway wanted to extend Gayler and move Hayward over next year.

President: I have nothing against Gayler but I am against keeping old people on and extending them.

Schlesinger: I agree, but we have a difficult situation.

President: I just viscerally feel that you have to keep replacing the top so you keep the young people moving up. I wanted to make sure you knew my position on these things. If you took a hard look, I have no overwhelming problem.

Schlesinger: Here is my paper on assistance to Israel.

President: I will look at it. When Henry gets back we will scrub this all down.

Schlesinger: We really have to be careful about drawing down our own inventory.

I have a paper on Iran and its problems. It is not the best literary effort, but I'll sign it. Iran has an almost limitless appetite and has so much on its plate they can't digest it. We have tried to slow them, but we have given in when the Shah really wanted it. Our problem is that we are building up our American population in Iran -- it's now about 100,000 -- which could be a problem. It could provoke anti-Americanism and terrorism. If the political situation turned sour it could leave us very vulnerable. I think we need a thorough review of our short-term and long-term policy toward Iran.

President: I will look at it. Incidentally, Simon told me this morning that the Saudis, Kuwaitis and the Emirates all wanted to hold the line on the oil price and asked me to appeal to the Shah.
Schlesinger: I have made a move to grant Yugoslavia confidential material. That should help, though they are not so helpful in Lima [at the nonaligned conference.]

President: But they were good on Israel.

Schlesinger: On the Backfire, We reviewed the capability and lowered it some, but not enough. It depends on the amount of time it flies at supersonic speeds. That really eats up the fuel.

President: Any ideas you have on a Backfire and cruise missile package for the negotiation would be helpful.
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