

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald R. Ford  
Donal Rumsfeld, Secretary of Defense  
Senator John L. McClellan, Arkansas  
Senator John C. Stennis, Mississippi  
Senator Strom Thurmond, South Carolina  
Senator Milton R. Young, North Dakota  
Brent Scowcroft, Assistant to the President  
for National Security Affairs

DATE AND TIME: Tuesday, March 2, 1976  
10:59 - 11:58 a.m.

PLACE: The Oval Office

[The following are not complete notes.]

The President: I submitted the largest defense budget in history. We have to reverse the trend of the past several years.

[There is extended discussion of the need for a bigger defense budget.]

I know you agree with me. What we have to do is convince the Congress that this is an essential program. Don, what do you think?

Rumsfeld: I think the American people will not accept anything less than rough equivalence. We can't just keep riding from one year to the next, cutting \$5-8 billion from defense.

The President: I think the mood around the country is changing. I know we have a new difficult procedure in the Congress with the Budget Committees. Once the budget resolution has been accepted, it will be hard for you all to change it.

I know you are all concerned about my shipbuilding program. We have had a program under way for a couple of years, but in the light of Soviet programs, I have asked Don for a new study. If we need more, I will ask for more.

DECLASSIFIED

EO 13526, 5.1, 5.5

NSC Memo, 11/24/96, State Dept. Guid. Mem  
By KBH, NARA, Date 7/12/01

~~TOP SECRET~~  
CLASSIFIED BY HEIDI A. WINDNER

McClellan: The stumbling block is the Budget Committee. I don't know if you will have them down here. They are the problem.

The President: I will have the House Armed Services Committee and House Appropriations Committee this afternoon and I will get to the Budget Committees also.

McClellan: Good. You will be okay with our committees, but the Budget Committee is leaning to make cuts. Our report from the Budget Subcommittees is the tentative recommendation and will run \$16 billion over the Budget -- HUD, 550 million and Agriculture 500 million, etc.

The President: How about foreign aid?

McClellan: It seems that defense and military procurements are at budget levels. That is how it is running now. My inclination is to cut a couple of billion off the defense budget, but with the Budget Committees increasing everything else and holding DOD, I don't like it.

The President: I am glad to hear it.

Stennis: The manpower and procurement is the part which comes to me and I think it is at rock bottom. Revenue things like stockpile sales should be taken out -- they just confuse things. If you are going to recommend more shipbuilding, you should do it as soon as possible.

The President: I want to be able to justify anything I send up.

Rumsfeld: I think your Committees, who are the experts, can be so helpful with the budget cuts.

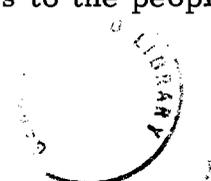
Young: I heard George Brown. There is sentiment that the B-1 is not as important as other things, that we can do with the B-52.

The President: We have got to disabuse them of that.

Rumsfeld: In the past, the different services and different contractors have hit at each other's procurement. That must stop.

Thurmond: The Budget Committees are the key.

Stennis: You can go over the heads of the Congress to the people on this.



Thurmond: How about going on nationwide television? Do it right away, so the pressure gets back to the Congress.

I think the defense budget should be maintained and even increased.

Stennis: Where will the cuts come in the DOD budget?

The President: In the House, Mahon has recommended cuts of \$900 million. I don't recall where.

Rumsfeld: They have, though, taken out the restraints on things like commissaries, so the cut in fighting capability is even worse.

AWACS was cut from six to three; they held intelligence to current levels; likewise CCC.

We can't keep cutting investment and adding to the people part of the budget.

McClellan: Why should retirement come in the defense budget?

Stennis: Retired pay needs attention, but I wouldn't take it on this year.

Thurmond: You should get all the committees down here.

McClellan: You won't be able to turn Muskie. You will have to outvote him.

[There is a discussion of general issues.]

The President: I will meet with the Budget Committees.



✓ P/1 <sup>Director</sup> McCallum/Young/Stennis/Thurmond  
2 Mar 76 10<sup>59</sup> - 11<sup>58</sup> am  
(not complete notes)

P I submitted largest def budget in history, we  
want to reverse the trend of past several years.  
(Disposal at length & need for bigger def budget)  
I know you agree w/ me. What we have to do  
is convince Congress that this is an essential prog.  
Don -

R I think a China people will not accept anything  
less than complete equality. We can't just  
keep asking them one year at a time cutting 5-8  
bill from def.

P I think a need around a country is changing.  
I know we have a new def posture in a long  
w/c budget matter. Once the budget resolution  
has been accepted, it will be hard for you all  
to change it.

I know you all concerned about using  
stealthbuilding prog. We have had a prog under  
way for a couple of years, but in a light of our  
prog I have asked for a new study. If we  
need more, I will ask for more.

Mc The stumbling block is a budget vote. I don't know  
if you will have them down here. They are  
a part

P I will have HASC & SApp this afternoon & I will  
get a budget critique

Mc Good: you will be R w/ our votes, but a  
Budget vote ~~is~~ is leaning to us. Our  
report from a ~~single~~ budget submission is  
a tentative number will run 16 billion  
a budget - HUD 500 mil, Ag 500  
HEW 11.5 bil, etc

P How about foreign aid



DECLASSIFIED

E.O. 12958, Sec. 3.5

DATE 11/24/98, State Dept. Guidelines  
BY KSH, NARA, Date 1/2/01

and procurement  
Un It, Defense at budget levels. That is how  
it runs now. My inclination is to cut  
a couple of billion off DoD budget, but w/c  
budget cuts unless everything else is  
holding DoD, I don't like it.

P I'd like to hear it.

St The management & procurement is a part which  
needs to be cut I think it is work better  
than Revenue thing like stockpile also should  
be taken out - they just refuse things.  
If you going to move war ship building,  
you should do it ASAP

P I want to be able to justify anything I send up.

R I think your center, who are experts, can be  
so helpful w/c budget cuts.

Y I heard Brown. There is sentiment that B-1 cut  
as important as other things, that we can do w/  
B-52

P We got to decrease them of that

R In a past, a big series of big contractors have hit  
at other's procurement. That must stop

T The Budget Cuts are key.

S You can go over a heads of a Congress people  
on this

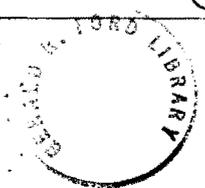
T How about national TV? Right away, so the  
pressure gets back to a long

I think a <sup>diff</sup> budget should be instead of a man man

S Where will cuts come in DoD budget?

P House - members - has recommended 800 mil, I  
don't recall where

R They have too, taken out constraints on things like  
commissaries, so a thousand cut in fighting cost



\* Get quotes from Berg search which we can  
use for the def budget  
sitay

is more needed:

ACNAC is cut from 6 to 3, held until a certain  
level, otherwise CCC.

We can't buy anything commitment - adding to  
people part of a budget

Why should retirement come in def budget?

S Retired pay needs attention, but I would not take  
it on this year.

T You should get all the words down here

U You won't be able to turn back. You'll have  
to articulate him.

(Discussion of genl issues)

P Detail must w/c budget credits.

