

MEMORANDUM

Ed

THE WHITE HOUSE

WASHINGTON

SECRET/SENSITIVE/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
 Donald Rumsfeld, Secretary of Defense
 Congressman George H. Mahon (D-Texas)
 Congressman Bob Wilson (R-California)
 Congressman Melvin Price (D-Illinois)
 Congressman Elford A. Cederberg (R-Michigan)
 Congressman Jack Edwards (R-Alabama)
 Congressman Robert L. F. Sikes (D-Florida)
 Congressman Floyd Spence (R-South Carolina)
 Brent Scowcroft, Assistant to the President for
 National Security Affairs

DATE AND TIME: Tuesday, March 2, 1976
 1:29 - 2:23 p. m.

PLACE: The Oval Office

SUBJECT: The Defense Budget



President: [Same general pitch as with the Senators.]

Mahon: We have made cuts and increases which net about a \$900 million cut. Cuts of the magnitude of the past two or three years are not in the cards. You are preaching to the choir here -- we have to get to those who haven't heard about the rapid Soviet buildup.

President: I don't know how you arrived at \$900 million. But the Budget Committee, which doesn't have the expertise -- when they get the pressures from all those areas, will take it out of defense, as usual.

Mahon: Our report deplors the efforts of the Budget Committee to make line item cuts. But the average member is saying: "What the hell -- increasing the Defense budget when the social programs are being cut?" You have got to get to those people.

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~~TOP SECRET - XGDS (S)~~
 CLASSIFIED BY: HENRY A. WISINGER

DECLASSIFIED
 E.O. 12958, Sec. 3.5
 NSC Memo, 11/24/98, State Dept. Guidelines
 By: KGH, NARA, Date: 7/13/01

President: We are trying to get directly to the people.

Mahon (and others): It's working. We are feeling the pressure.

Cederberg: You have to get to the Budget Committee.

Wilson: Our Committee isn't trying to cut. We are trying to figure how to get more ships.

President: There is \$1.5 billion on shipbuilding just for inflation.

Mahon: But only \$800 million is needed this year. We can cut the rest without costing anything.

Cederberg: I think they will come out of the Budget Committee with cut proposals in specific programs.

Spence: I think the people are ahead of the Congress. One committee I think will recommend more ships.

Sikes: The Budget Committee is the problem. We have got to keep them from cutting.

Edwards: Show these charts of Don's [Rumsfeld's]. They are worth a speech.

President: Should I meet with the Budget Committees?

All: Yes.

Cederberg: The Budget Committee is coming in with such increases elsewhere they have to cut Defense to make sense.

President: If you would come in over my budget, it would put the Budget Committees on notice.

Wilson: We asked Holloway what he personally thought the shipbuilding program should be. His program would add \$2 billion this year.

Mahon: What we need is some slightly dovish Republican or Democrat to stand up and say he was convinced. The real problem is Congress won't want to go in over the President's budget. Since they are over in other programs, they will want to cut Defense to get it under the President's budget.



Rumsfeld: [Pitch on equivalence and the need to stop declining budgets.]

Sikes: The Budget Committee needs to know the \$900 million is just a paper cut.

The Security Assistance bill has some disastrous limitations on your authority for arms sales.

[Short discussion of issue.]



P / Mahan / Wilson / Edwards / etc.

2 Mar 76



(cont. complete)

P (Same general pitch as w/c Senators)

M We have made cuts + increases which net about 200 mil cut. Cuts of many of past 2-3 yrs are cut in a cards. You're preaching to choir here - we have to get to those who haven't heard about rapid sea buildups.

P I don't know how you arrived at 200 mil.

Burt - budget cuts, which doesn't have expertise, when they get a pressure from all these areas, will take it out of Dept, as usual.

M Our report depicts a effort of budget cuts to make line - item cuts. Burt's coverage remembers is saying "about half - increasing Dept budget when social programs are being cut. You got to get to those people

P We're trying to get directly to people

M (continues) It is working. We're getting a pressure

G. You have to get to budget cuts.

W Our cuts aren't trying to cut. We're trying to figure how to get more ships.

P There is 1.5 bil on shipbuilding just for inflation

M But only 800 mil is needed this year. We can cut cost w/o cutting anything.

C I think they will come out of budget cuts w/ cut proposals in specific programs.

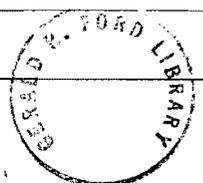
Sp. I think a people are ahead of Congress. Our cuts I think will result in more ships

Sikes The budget cuts is a part. We've got to keep them from cutting.

E Show these charts of R's. They are worth a speech

P Should I meet w/c Budget Committee

(all) Yes



C Budget cuts is coming in w/ such increases elsewhere they have to cut Def. to make sense.

P If you would come in over a budget, it would just - Budget cuts or worse.

W We asked Holloman what he personally felt a long-term prog should be. It ~~is~~ prog would add 2 bit this year.

M What we need is some slightly drabish Report or Demos to stand up + say he was convinced.

The real prob is Cong don't want to go in over a P's budget. Since they are in other prog, they will want to cut Def. to get it under P budget.

R (Pitch on equivalence + need to stop declining budgets)

Sikes The Budget cuts needs to know a 900 mil is just a paper cut.

The Security issue bill has some disastrous

limitations ~~as~~ as your authority ~~prob~~
(^{that} discussion of ~~that~~ issues)