

Schlesinger Reportedly Hinted He'd

Quit if He Regarded Budget as Inadequate

NYTimes HE AND PRESIDENT MET ON SATURDAY

NOV 4 1975
Defense Spending Was Topic
—Politics Given Role in
Secretary's Dismissal

By JOHN W. FINNEY
Special to The New York Times

WASHINGTON, Nov. 3—On the day before his abrupt dismissal as Secretary of Defense, James R. Schlesinger began dropping hints to President Ford that he was prepared to resign if the White House did not approve what he regarded as an adequate defense budget. On Saturday—the day before President Ford called Mr. Schlesinger to an early morning meeting at the White House to inform him that he was being dismissed—the Defense Secretary met with Mr. Ford to start reviewing the defense budget that will be presented to Congress in January.

At that meeting, according to Mr. Schlesinger's associates, the Defense Secretary told the President he could not support before Congress a defense budget that he considered inadequate. Mr. Schlesinger's implication was that he was prepared to resign if the Administration, in his judgment, cut too deeply into the defense budget.

Mr. Schlesinger's associates are not sure there was a connection between the budgetary discussions on Saturday and the Presidential dismissal yesterday. Rather, they tend to suspect that the dismissal was motivated by other political reasons that are still not completely clear to Mr. Schlesinger.

Possible Confrontation

The Schlesinger hints of a possible resignation, however, were countered by his associates as evidence that a potential confrontation was developing between the Defense Secretary and the White House in addition to the existing differences between Mr. Schlesinger and Secretary of State Henry A. Kissinger.

After his Saturday meeting, which he told aides was cordial and satisfactory, Mr. Schlesinger received a telephone call that he was to be at the White House at 8:30 A.M. yesterday to meet with the President. According to his associates, Mr. Schlesinger had no inkling that he was about to be ousted and dismissed reports about his forced resignation as groundless.

At what was described as "a tense meeting," Mr. Ford said a principal reason for the dismissal was the continuing friction between Mr. Schlesinger and Mr. Kissinger over détente with the Soviet Union, particularly in the strategic arms negotiations. Mr. Ford offered Mr. Schlesinger, an economist, a job as president of the Export-Import Bank. Mr. Schlesinger immediately declined the offer.

In retrospect, Mr. Schlesinger was telling associates, he obviously underestimated how seriously Mr. Kissinger and Mr. Ford viewed his difference with the Secretary of State.

Comment on TV

On a television program on Thursday, Mr. Schlesinger contended that reports of the differences were "much exaggerated" and observed:

"Secretary Kissinger and I have not always immediately agreed on policy, but it's sort of natural given our varying responsibilities for there to be some areas of difference. But with regard to establishment of American policy, we ultimately come into agreement, and, of course, the President will decide if there is any area of disagreement."

Mr. Schlesinger, left in a state of limbo in the absence of a formal White House announcement about his dismissal, continued to function today as Secretary of Defense. On his arrival at the Pentagon, Evelyn C. Irons, his personal secretary, asked: "Well, shall we start packing?" Mr. Schlesinger smiled.

At his usual Monday morning meeting with the Armed Forces Policy Council, composed of top officials of the Defense Department, he made only oblique reference to his dismissal.

"There is no use wasting time speculating on recent reports," he observed before proceeding to a discussion of such issues as the improprieties of defense contractors, the turmoil in Lebanon and the defense budget.

Perplexed by Dismissal

Still perplexed about the reasons, Mr. Schlesinger was treating his dismissal after nearly 2½ years in the Pentagon with his characteristic sardonic humor.

Around the dinner table last night with his family and a few close friends, Mr. Schlesinger, the father of eight, asked, after a few bourbons, "How do you go about getting food stamps?"

When William E. Colby, who was discharged as Director of Central Intelligence, dropped by his suburban Virginia home yesterday afternoon to commiserate, Mr. Schlesinger observed: "You know, Dick Helms

[the former Director of Central Intelligence who is now Ambassador to Iran] outlasted us both."

Mr. Colby had been offered the ambassadorship to the North Atlantic Treaty Organization, which he refused.

While Mr. Schlesinger has no definite plans, associates expect that in private life he will speak out against what he regards as the adverse trends in military power as the Soviet Union increases its military spending while the American defense budget, in noninflationary terms, declines.

Repeated Theme

It is a theme that he has returned to repeatedly in recent weeks as Congress made unusually large cuts in this year's defense budget and he detected signs that the White House Office of Management and Budget was proposing to cut next year's budget below his projected long-term plan for a slow, steady income in investment in the defense establishment.

In what may have been an unintentional valedictory, Mr. Schlesinger when asked last week why he was waging a personal crusade against cuts in the defense budget, replied: "Why do I make this a cause? Because that is the responsibility of my position. If we are to maintain a position of power, the public must be informed about the trends. Some years from now, somebody will raise the question, why were we not warned, and I want to be able to say indeed you were."



Associated Press

James R. Schlesinger leaving home in Arlington, Va., to be taken by driver to Pentagon