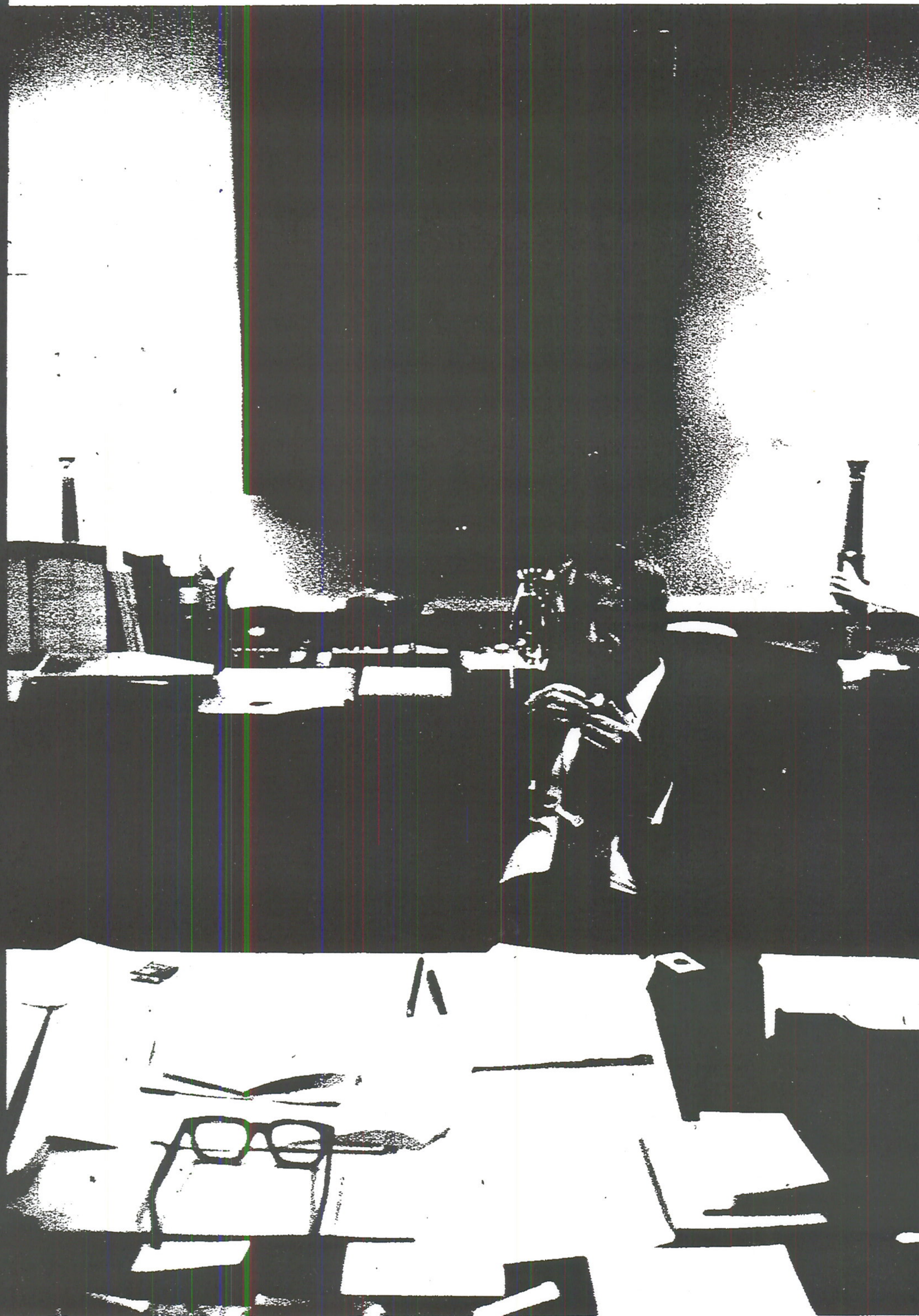
THE RETHINKING OF U.S. DEFENSE

Jim Schlesinger, a tough intellectual who's determined to rebuild our deteriorating military machine, is also helping to change some basic assumptions at the Pentagon.



The twelfth Secretary of Defense, James Schlesinger, has a problem that the first one, James Forrestal, had too: a powerful national will to cut back on defense. That's Forrestal's portrait behind Schlesinger.

by Juan Cameron

The consequences of the latest Arab-Israeli war are apt to be considerably more far reaching in the U.S. than it appeared at first. Moreover, the consequences will not be confined to that 10 percent or more of our oil supply that was cut off in the wake of the war. The impact of the hostilities on the U.S. defense posture, though less visible so far, might prove even more substantial.

The Middle East crisis suggested, in two quite different ways, that our posture was less secure than many Americans had assumed it to be. The crisis immediately made it clear that some serious new strains afflict the NATO alliance, for twenty-four years the linchpin of Western security. Most NATO members are utterly dependent on Arab oil, and several of them went to some lengths to dissociate themselves from the U.S. policy of aiding Israel. Thus it seems natural to ask whether, in some future crisis, the Arab states will be exercising vetoes over our allies' policies. It is true that most of the issues NATO is designed to deal with are of only marginal interest to the Arab states. Still, some of the Arabs are in many ways allies of the Soviet Union, and in an age when national economies are increasingly interdependent, it is hard to pretend that the Russians have not gained some rather extraordinary new leverage over the Western alliance.

In addition, the sequence of events in the Middle East suggested to some Americans that the Russians might actually be nasty enough to use their leverage. Before the crisis, a fair amount of commentary on the Soviet-American détente seemed to reflect a presumption that the Russians had reformed in some fundamental way—that they were now among the world's good guys. The presumption had, inevitably, created some large problems for those concerned with maintaining a strong defense posture; they were apt to be derided as "cold warriors," unable to perceive the new realities and grasp the new opportunities for peace—and for lower defense budgets.

A Harvard man with a mission

The U.S. Secretary of Defense, James R. Schlesinger, had been trying, long before the Middle East crisis erupted, to explain that the détente did not imply less for defense. Schlesinger is, it happens, a most unusual Defense Secretary. He is an economist, a Ph.D., and an Ivy Leaguer who never served in the armed forces. By coincidence, he is a Harvard classmate of Henry Kissinger; for better or worse, the U.S. national security is now in the care of two intellectuals from the class of '50.

Schlesinger has taken on the mission of trying to explain to the U.S. that it needs more defense than it has. He admits that the proposition has been a tough one to sell. "It is not easy," he acknowledged recently, "to explain why peace must cost more than war, or to argue for a new generation of weapons when the President is proclaiming a new generation of peace." Schlesinger suspects that the argument will be easier to make in the wake of the Middle East crisis.

The heart of his argument is that because the Soviet Union has achieved nuclear parity with the U.S., we can afford no further reductions in the size or fighting power of our armed forces. For at least five years, U.S. military strength has been declining while that of the U.S.S.R. has been increasing. In constant dollars, U.S. defense spending in 1973 is 40 percent below the level of 1968; Soviet spending has meanwhile increased by 16 percent in real terms. Schlesinger believes that our waning nuclear margin already detracts from our ability to deter Soviet adventures. Unless the trend is reversed, he feels, the U.S. will risk becoming militarily inferior to the Soviet Union within seven to ten years. So Schlesinger maintains that the U.S. must make a much larger effort at research and development of weapons and equipment of every kind if we are to remain ahead of—or even on a par with—the Russians.

Taking on systems analysis

Schlesinger was an especially good choice to be Secretary of Defense in a period when defense spending was unpopular. He seems to like unpopular causes and to positively delight in challenging other people's cherished beliefs. He can be rather abrasive in the process. In the mid-1960's, when systems analysis was the reigning religion at the Pentagon, Schlesinger wrote a series of papers deriding the large claims being made for the discipline. In the ensuing argument he managed to make a fair number of enemies; and in 1969, when he was being considered for a second-level job in the Defense Department, he was, in effect, blackballed by a group of systems analysts.

It is clear, in any event, that Schlesinger's rapid rise in the Nixon Administration has not depended heavily on personal charm. When that earlier Defense job didn't pan out, he was hired to be Assistant Director of the Bureau of the Budget—an ideal place for a man who likes to challenge other people's assumptions. Two years later President Nixon named him Chairman of the Atomic Energy Commission. Having made his mark by shaking up the AEC, Schlesinger was picked last January to do another major housecleaning as Director of the Central Intelligence Agency. His ascension to the Cabinet in June made him look like one of the rising stars of the Nixon Administration. He nevertheless turns down invitations

to White House dinners that other officials regard as command performances.

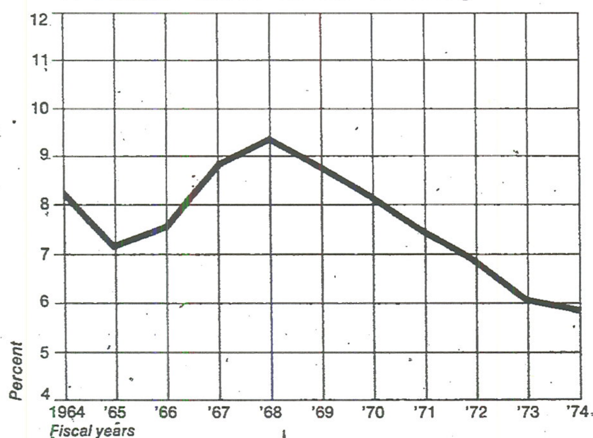
His fellow Defense Ministers in the North Atlantic Treaty Organization got a glimpse of Schlesinger's style when, as Secretary-designate, he met with them for the first time in Brussels last spring. Dispensing with the ritual compliments and self-effacing remarks that might have been expected of a newcomer, Schlesinger made it clear that he'd come to argue. He attacked as a myth the long-held NATO doctrine that the Warsaw Pact nations possess an unbeatable superiority in conventional forces in the crucial German plains region. On the basis of a reappraisal prepared by the Defense Department and CIA, Schlesinger concluded that the two groups had nearly comparable resources. If only the Europeans would raise their low defense budgets, he said, a balance could be achieved.

As might have been expected, his stand outraged his fellow ministers. It also outraged the ranking U.S. officers at NATO, who transmitted their unhappiness with the Secretary's performance back to Washington. What neither the ministers nor the officers knew was that Schlesinger had briefed Nixon and Kissinger in advance. The President had agreed with him that the ossified NATO bureaucracy needed to be shaken.

A visit to seventy Senators

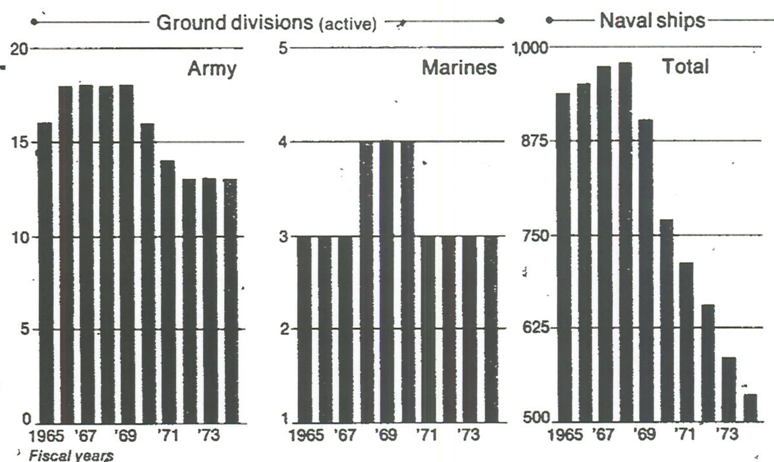
Schlesinger has occasionally managed to anger some important members of Congress. Senator Thomas McIntyre of New Hampshire, a key Democrat on the Armed Services Committee, denounced him a while back for implying that Congress was again indulging in "postwar follies," i.e., by overcutting funds for defense. Still, no sane man who wants to raise defense spending wants to irritate Congress. Last October, when the Administration's military procurement bill was under consideration, Schlesinger called personally on *seventy* Senators to lobby against cutbacks that he felt were unwise. For most of them, it was a new experience to receive a visit from the Secretary of Defense.

A Smaller Claim on the Economy



About 6 percent of gross national product is where defense spending is today. It will stay close to or slightly below that mark for at least the next few years. Defense's claim on the national output, falling for the past six years, is 40 percent less than in 1968. Of the notion that defense costs are draining the economy, Secretary Schlesinger has observed, "It's a lot of bunk."

The Changing Profile of U.S. Defense: More Firepower but Fewer Men, Ships, and Planes

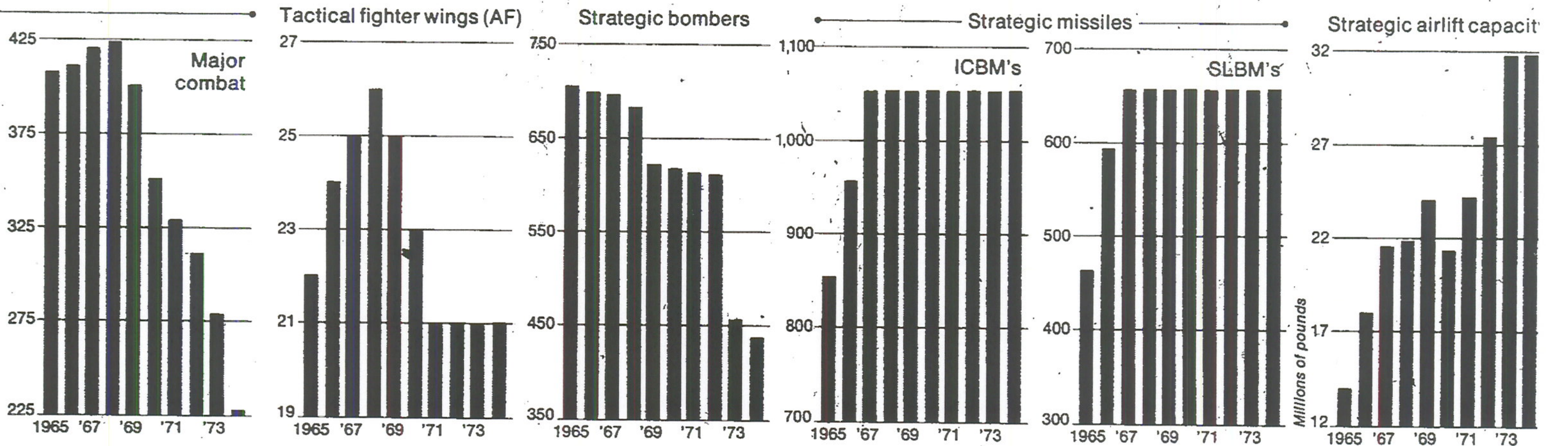


In arguing that détente doesn't imply further cutbacks, Schlesinger has returned insistently to the theme that "the atmosphere of tension" should not govern our basic decisions about defense. Tension can be created, and can disappear, in a day or two; but it takes years to build a defense establishment. Hence the only prudent course, in thinking about our requirements, is to focus on what it will take some years out to deter potential enemies.

The Russians can now launch more and larger nuclear missiles propelled by rockets of greater power than ours. The U.S., of course, still has a clear margin of superiority in weapons technology and precision guidance. The prime example is our ability to deliver nuclear warheads as multiple independently targeted reentry vehicles (MIRV's). Using this sophisticated technology, the Minuteman III missiles can release three and Poseidon missiles up to fourteen reentry vehicles (warheads) on an independent trajectory. The ability to MIRV has enabled us to increase the number of nuclear warheads we can launch from 4,500 to 7,100 during the past five years, even while our force of land-based and submarine-launched missiles has remained constant.

But the Soviet forces are closing the technical gap. Last fall the Russians conducted test flights for their own

The fighting shape of the U.S. armed services has undergone two substantial transformations in a decade. From what former Defense Secretary Robert McNamara considered a safe peacetime level in 1964, our standing ground and naval combat forces expanded to a peak in 1968 during the Vietnam war. Since then, there have been major cutbacks in the number of Army divisions and Navy ships. As a result, our conventional military forces now number 453,000 fewer men than in 1964. Today's thirteen Army divisions (eleven committed to the defense of Europe) are the fewest the U.S. has fielded since the 1950's. The 45 percent cut in the Navy fleet is less severe than it seems because much of the reduction consisted of over-age ships of marginal use for combat. As for our strategic nuclear forces, the number of bombers has steadily declined for a decade while the number of long-range land-based (ICBM) and sea-based (SLBM) missiles has remained constant. However, the power of the U.S. nuclear arsenal has increased manyfold, mainly during the past five years, because each missile carries more warheads. A steadily growing airlift capacity has expanded our ability to move large amounts of men and equipment quickly over long distances.



MIRVed missile. This poses no immediate threat to U.S. security because, as Schlesinger figures it, the Russians will need at least seven more years to rid such complex weapons of bugs, and then build a combat-ready force of them. But in the years after that, the overall balance between the two countries could turn against us. Schlesinger concludes that "if we lose our technical advantage, then we will have to strive for numerical superiority in the number of launchers of nuclear weapons."

Keeping up with the Russians

Schlesinger hopes to avoid any such eventuality by concentrating on new weapons whose development can be speeded or slowed according to the U.S.S.R.'s success at perfecting its own new nuclear hardware. At the top of this "menu of options," as he calls it, is the Trident submarine. Faster, quieter, and twice as large as our present nuclear-missile subs, the $1-billion Trident—i.e., $1 billion per vessel—would carry twenty-four MIRVed missiles capable of traveling 6,000 miles, about twice the range of our Polaris and Poseidon missiles. Thus a Trident could use most of the world's oceans as a launching pad, and an enemy would face an almost insuperable problem of detection. Schlesinger also supports development of the $42-million B-1 bomber to replace our dwindling fleet of B-52's.

Clark Clifford, Lyndon Johnson's former Secretary of Defense, who set in motion the procurement of both of these weapons, has recently criticized their development as too costly. He also contends that they will inhibit arms-control negotiations because powerful interests would have so much to gain by the construction of the weapons. Schlesinger counters that unless the U.S. shows a determination to develop weapons with greater capability—they need not be produced in quantity—the nation will lack any "bargaining chips" for arms control.

Among the durable assumptions he has been challenging in Washington is one that has generally been cherished in the Pentagon. Schlesinger has begun to question the advisability of relying mainly on mutually assured destruction as the cornerstone of nuclear strategy. That doctrine, which has guided our planning since the 1950's, calls for a nuclear force strong enough to inflict unacceptable damage on an enemy, even after he strikes first. Under this concept, despite the greatest destruction of this country that our planners can envisage, our retaliatory strike should be able to wipe out a quarter of an enemy's population and half his industry. The idea is that the enemy knows this and therefore will not strike first.

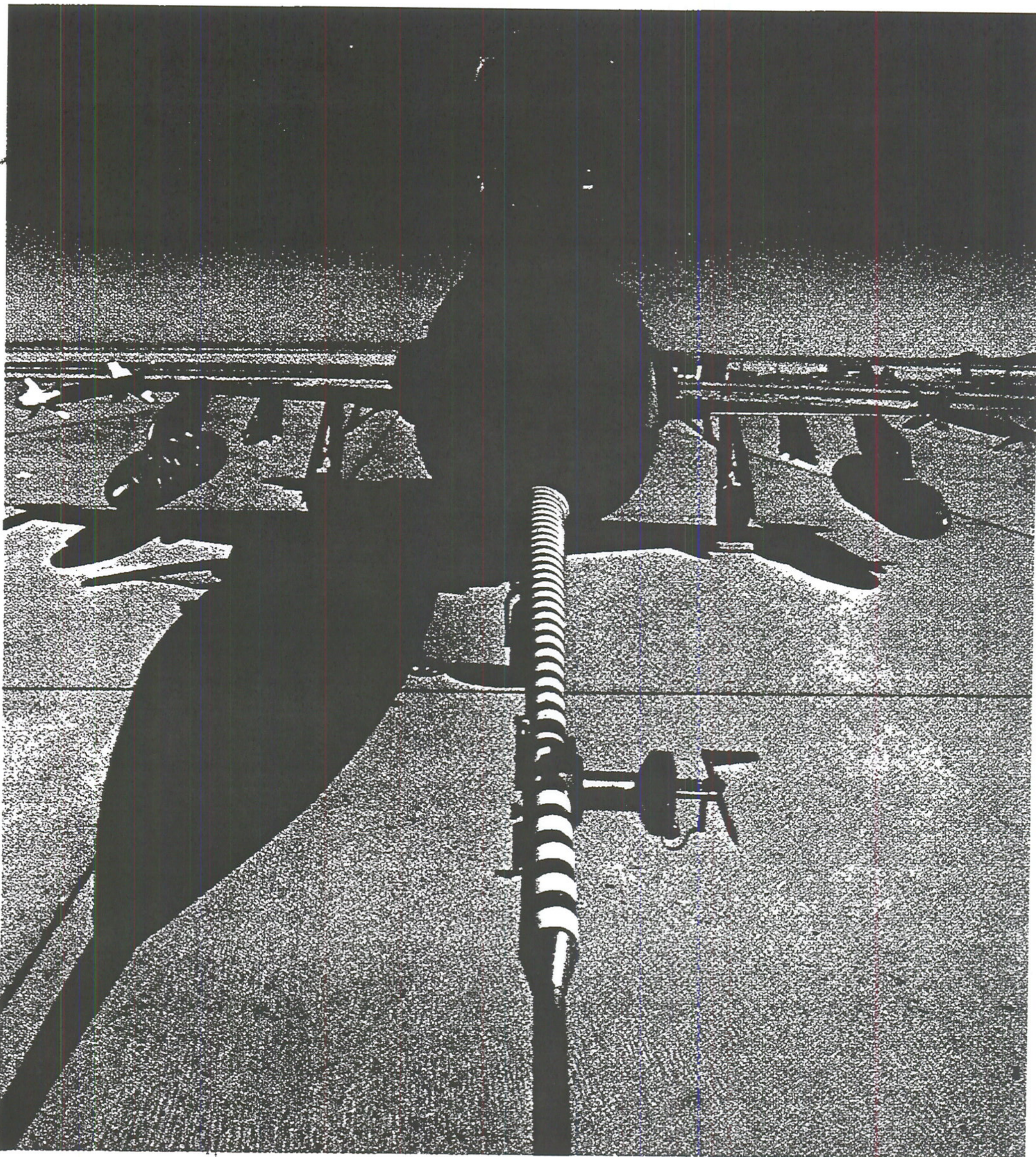
Why MAD might fail

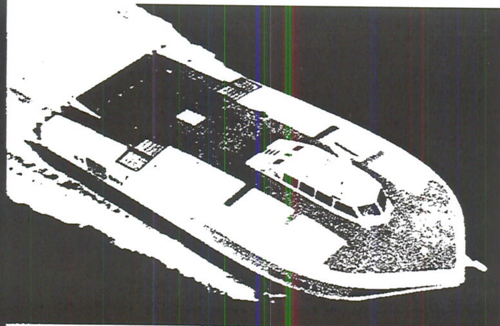
But not everyone agrees that the scenario envisaged in all this is plausible. Some defense analysts argue that an enemy would not simply hit us with everything he had and then wait to see if we retaliated. Instead, he might concentrate the assault on our strategic forces, leaving our cities more or less intact—and forcing us to consider that any retaliation against his cities by our crippled forces would mean a new assault, this time against our own cities. Many analysts pondering this alternative scenario have concluded that no President would actually retaliate. Thus mutually assured destruction (its critics

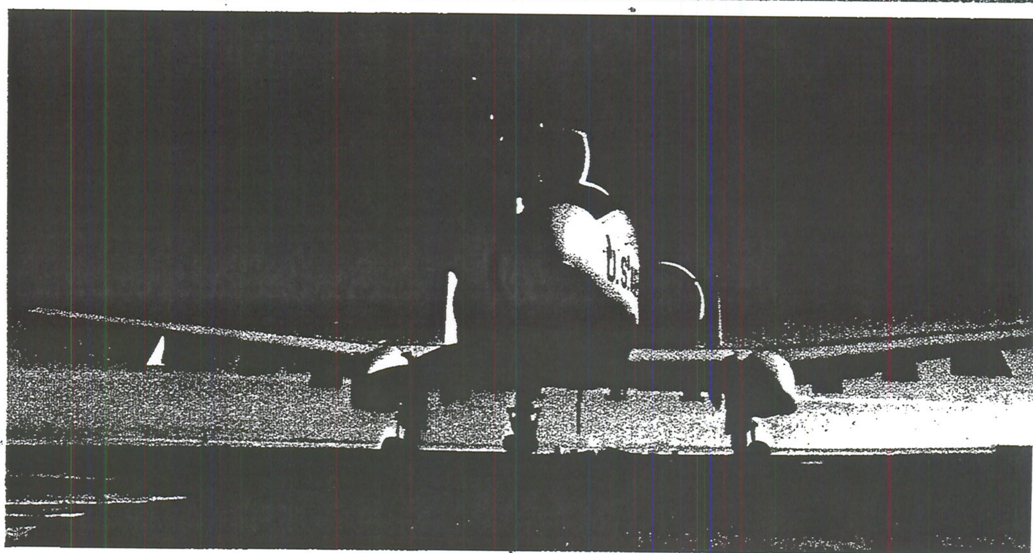
Squeezing the Cost of New Weapons

The soaring price tag of new weapons in an era of tight budgets has at last led a reluctant Pentagon to devise some "economy models." Secretary Schlesinger has vigorously supported the efforts of Chief of Naval Operations Elmo Zumwalt to develop a new breed of fast, austere ships to perform missions that now require conventional ships costing many times as much. One of these is the experimental Surface Effect Ship 100-A, shown below during trials on Puget Sound. The 100-ton vessel travels on a cushion of air at up to eighty knots, and, Zumwalt says, promises a "radical change in war at sea." Larger, 2,000-ton production models will be armed with surface-to-surface missiles.

The same cost-consciousness lies behind efforts to develop a number of lightweight, relatively inexpensive aircraft for the U.S. Air Force and those of our allies. The Tiger II, at the right, is the newest version of the F5-E fighter developed in the mid-1960's for shipment to developing nations. Built by Northrup, the $1-million plane is easy to maintain and comes equipped with missiles for air-to-air combat. Simplicity, heavy payload, and low cost ($1.4 million) distinguish the A-10 (below, right) now being flight-tested at Edwards Air Force Base. It is designed for close air support, and is built by Fairchild Republic Industries.







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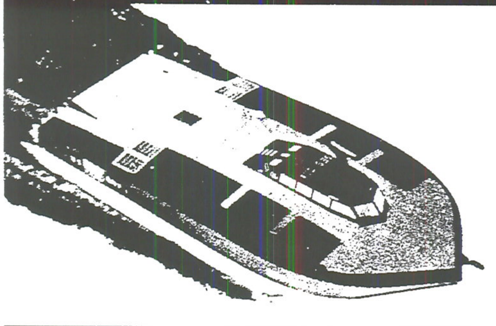

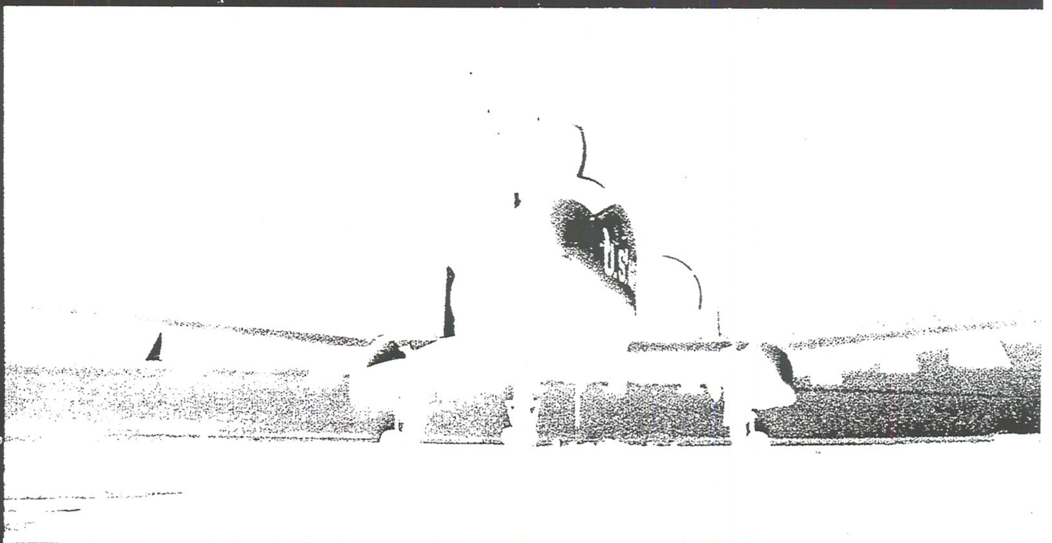

use the acronym MAD) would not in the end deter.

Schlesinger himself has observed scornfully that the MAD doctrine is less useful as a strategy than as a method for computing the amount of damage our forces can inflict, based primarily on destroying enemy cities. He has indicated a number of times that the U.S. needs a strategy based on some alternatives to the "doomsday" approach of MAD. Thus far, however, he has been careful not to state what alternatives he has in mind.

One possibility involves a number of "counterforce" weapons, i.e., designed for use against enemy missile forces and military centers, but with the number limited so that the weapons would not be viewed as representing a first-strike capability. The Administration seems to have more interest in developing an array of smaller nuclear weapons with higher accuracy, lower yields, and reduced fallout. They would be intended for use not against cities but against military targets and selected industrial facilities, such as power dams or oil refineries in sparsely populated areas.

The Middle East fighting has also persuaded the Pentagon's top command that we need to take a closer look at conventional military tactics and weapons, and the design of the fighting units that use them. The deadly effect of small, mobile antiaircraft missiles like the SA-6 came as a shock to the U.S. Air Force and its concept of providing close air support for tanks and troops. The desert fighting has raised some serious questions about the ability of our heavy mechanized forces, committed mainly to the defense of Europe, to adapt to operations in other parts of the world.

A smaller deployment in Asia

The need to raise military efficiency has perhaps never been greater. Our conventional forces have been cut back to their lowest level since those of the Truman presidency. To be sure, new equipment has increased their firepower and general fighting capability many times. But during the past four years the number of Army and Marine divisions has dropped from twenty-two to sixteen, the number of Navy ships from 976 to 535, our tactical Air Force squadrons from 210 to 163. Schlesinger argues that these forces should not be reduced any further. But even if they stay at their present levels they leave the U.S. with smaller conventional forces than we had in 1964, the year before the Vietnam buildup began.

In keeping with his insistence that military deployment must keep changing to fit changing conditions, Schlesinger foresees a considerable reduction in the U.S. conventional forces remaining in Asia. A lot of Americans don't realize it, but the U.S. still stations some 166,000 troops in Asia. The largest contingents are the 42,000 in both Thailand and South Korea, but there are also 38,000 on Okinawa, 19,000 in Japan, 16,000 in the Philippines, and 9,000 on Taiwan. Schlesinger subscribes to the Pentagon's theory that our conventional armed forces should be able to fight simultaneously a major war in Europe and a small conflict elsewhere. But as he envisages it, the kind of conflict that might erupt outside of Europe does not require such far-flung troop dispositions.

For example, he considers a Chinese attack against either Japan or the nations in Southeast Asia to be unlikely. Japan itself is protected by its distance from the mainland, and south of Korea there seems little chance of a military contingency that would be vital to U.S. interests. And so, while some naval and air forces will be left in Asia, the gradual withdrawal of U.S. ground troops from everywhere but Korea will continue.

The biggest cost is people

Despite this more modest strategy, the defense posture that Schlesinger advocates will drive military spending steadily higher in the years ahead. Just how high the Pentagon's budget may go is a matter of conjecture. Even before the Middle East fighting erupted, the best judgment of analysts at the Brookings Institution was that outlays would climb sharply from this year's $79 billion. The base itself now looks low. But even starting from that base, the Brookings analysts projected an average increase of $5.5 billion annually throughout this decade. At that rate, defense costs would reach the $100-billion level (in current dollars) by 1978.

Schlesinger has tried to put the best possible face on this unappealing prospect by presenting his budget in terms of constant 1973 dollars, or as a share (30 percent) of the federal budget, or of gross national product (6 percent). Though defense is certainly not cheap, he points out that its cost in real dollars is declining both numerically and as a burden on the economy.

Defense critics to the contrary, the main reason for the rise in our defense costs is not expensive hardware, but inflation and skyrocketing pay and retirement costs. It irritates Schlesinger that these perceptions seem to elude his critics. "Damn it, this department is the only one that is expected to do the same job with a fixed amount of dollars," he says. "Nobody questions it when social-security payments rise. Yet I find people surprised when rising pay costs make it impossible to maintain a credible defense force for any less than it cost last year."

The facts would seem to support Schlesinger's view. Of course, such new fighter aircraft as the Navy's F-14, being built by Grumman, and the Air Force's F-15, built by McDonnell-Douglas, cost anywhere from three to five times as much as the F-4 they are replacing. But overall, thanks mainly to a decline of about one-third in annual outlays on the strategic nuclear forces, spending for equipment, construction, and research and development has remained at about $30 billion (in constant 1974 dollars) a year for a decade, excluding the special costs of the Vietnam war.

By contrast, military manpower costs have climbed to the point where they now account for 56 percent of the

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Pentagon's budget, compared with 43 percent ten years ago. The main reason is that Congress decided to raise military pay to a level comparable with that of civilians. This decision by itself has accounted for some 80 percent of the pay increases awarded the military since 1968. Including quarters and subsistence allowances, a recruit with dependents is now paid $5,173 a year, up from $2,314 five years ago.

The services have compounded the budgetary impact of higher pay by allowing a great increase in the ratio of support forces to fighting forces, a phenomenon that Schlesinger calls the "teeth to tail" problem. Including rear-echelon personnel, it took 18,500 men ten years ago to staff, train, supply, and maintain an Army division; today the number is 26,500. Part of the increase may be justified because more complex weapons with greater firepower require more and better-trained repairmen. Some of the increase is due to the proliferation of military commands around the world. But part of the increase is pure bloat.

Lots of support for support

Schlesinger believes that it is possible, by pruning this military bureaucracy, for the U.S. to achieve multibillion-dollar cuts in the rear echelons. He estimates that the secondary support structure eats up 60 percent of the defense budget, leaving only 40 percent for the combat forces and their direct support. But most of the secondary support, consisting of arsenals, matériel and training centers, medical facilities, and surplus military bases, is politically protected by a well-entrenched civilian bureaucracy and Congressmen in whose districts such activities are located.

Although the armed forces have shrunk by 1.3 million men in the past five years, the support establishment has remained almost constant. "Nobody really pays attention to this because it is so much more fun to argue about Trident and the F-14," Schlesinger observes acidly. "If the trend continues, we will have a military budget that is devoted exclusively to retirement pay and the maintenance of rear-echelon support structure—with no combat forces at all."

Indeed, the prospective cost of retirement pay gives him even more cause for concern than do the direct manpower costs. Retirement pay, now some $5 billion a year or 6 percent of the defense budget, has quadrupled in a decade: the number of military retirees has more than doubled, and the pay on which retirement benefits are calculated has grown because of congressional action. By the end of the decade, retirement pay is likely to account for something like 7 percent of the defense budget —although contributing nothing to the strength of our armed forces.

It is wonderfully fitting that Schlesinger has the chore of cutting extravagance and waste from the Defense Department's budget. In his personal life he practices an economy that seems almost fanatical. He buys Robert Hall suits and often wears them rumpled with his shirttail hanging out of his trousers. He drives a 1964 Ford Falcon, whose blue paint has been bleached by the weather. His main hobby is bird watching. To help him identify birds, whose sightings he logs in a "life list," he plays recordings of their calls during his precious spare hours at home in suburban Arlington, Virginia.

Schlesinger's values are the product of a code of morality and behavior based on deeply held beliefs. He grew up in a Jewish family, but he and his wife, Rachel, are practicing Lutherans. He attends church with some regularity, methodically marking each entry on the order of service; during the sermon, he takes careful notes.

Schlesinger regards the trappings of official Washington life as an obstruction to sensible living. As Director of the CIA, he asked his aides not to rise, as they were accustomed to do, when he entered morning staff meetings. "I don't object to displays of respect, but too much formality often obscures thought," he once remarked. He is shy and uneasy in social situations, detests small talk, and among Washington hostesses has a reputation for being downright rude. Dining out is his idea of wasting time and money. Once, while visiting Washington, he split off from a group of colleagues when they decided to go to an expensive Georgetown restaurant and defiantly dined alone at a nearby cafeteria.

"A lack of roots"

Schlesinger and his older brother, Eugene, were born and raised in New York City by parents who had come to this country in the early 1900's as children. Their mother came from what was then western Russia, their father from Vienna. The elder Schlesinger worked his way through New York University, and later became a partner in a prospering Manhattan firm of public accountants. "My father made a great success of his life," says Eugene, now an economist with the World Bank. "However, Jim felt a lack of roots that had something to do with our being brought up in the urban society of the depression years."

After taking his doctorate in economics at Harvard, Schlesinger taught undergraduate courses there in economics and government. At the time the university was a stronghold of New Deal ideology. He became irritated at what he considered the dogmatism of such Cambridge economists as John Kenneth Galbraith, James Tobin, and Paul Samuelson. So he soon left for what he thought would be the less doctrinaire, and less liberal, climate of the University of Virginia.

In Charlottesville, where he taught monetary economics, Schlesinger found the situation worse. Instead of being on the right, however, he now found himself off on the left end of the local academic spectrum; at one point

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Rethinking of U.S. Defense *continued*

he was asked to teach a course in labor relations because he was the only faculty member who believed that labor unions were a permanent institution of American life. "Whenever I find myself at the far right or left of a group," Schlesinger says, "I assume that doctrine has triumphed over thought."

By the end of the 1950's he grew bored with monetary problems. His interest in studying the aftermath of the "bills only" policies of the Federal Reserve Board, to which he was a consultant, gave way to a fascination with the economic problems of national defense. In his first work on the subject, a 1960 book titled *The Political Economy of National Security,* he argued that the U.S. should not skimp, as it was then doing, on its defense forces. He held that defense critics were using Pentagon budgets as a whipping boy for "haggling over the taxload."

The political limits of strategy

The book led to an invitation in 1963 to join Rand Corp., the Santa Monica think tank, as a defense analyst. During his six years at Rand, Schlesinger acquired a reputation as a gadfly for his criticisms of the work of such alumni as Alain Enthoven, Henry Rowen, and Ivan Selin, who had become the architects of McNamara's defense policies. His most famous essay, written in 1963, argued that measuring cost-effectiveness was of limited use in strategic planning because the range of options is actually restricted by politics. Moreover, he argued, the seeming precision of cost-effectiveness got in the way of real understanding of the most difficult problems in defense, which involve value judgments.

This critique received a warm welcome from such McNamara critics as Democratic Senator Henry Jackson of Washington and Republican Senator Barry Goldwater. When the Republicans were looking for defense analysts after Nixon's election in 1968, Schlesinger, by then director of strategic studies at Rand, led the list of candidates.

However, when word got around Washington that he was being considered for the job of Assistant Secretary of Defense for Systems Analysis, a group of Rand alumni in the Pentagon interceded successfully with Deputy Secretary David Packard to block him. One member of the group recalls: "We didn't want a guy who wouldn't fight for the integrity of systems analysis. So we rose up with all the strength we could muster against him."

Curiously enough, Schlesinger's influence on defense planning may have been increased by his being barred from the Pentagon. When he joined the Bureau of the Budget, he was placed in charge of defense-spending requests. To the irritation of Packard and Secretary Melvin Laird, he focused his attention on some $6 billion worth of weapons and forces that he felt could be cut. Schlesinger has been given credit for killing the Air

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Force's Manned Orbiting Laboratory project, and for getting rid of the Navy's antisubmarine-carrier task forces, which he considered of marginal value.

Though Schlesinger later moved up to be Deputy Budget Director, many of his closest friends felt that his intellectual arrogance made him a poor bet for command responsibility. When he was named Chairman of the Atomic Energy Commission in the summer of 1971, they thought he was in over his head. Instead, his talents seemed to flower once he was in a position to lead.

Shaking up the AEC

After ten years under Dr. Glenn Seaborg's chairmanship, the AEC was ready for a shaking up. Planning and control over atomic weapons was diffuse; so was the process of licensing nuclear power plants. Somehow the top men in the agency, who had served the AEC for a generation, had failed to cope with either the growing challenges posed by environmentalists or the serious prospect of an energy shortage.

Schlesinger reshuffled the AEC's administration, and pruned deadwood from its ranks. Within a year the major problems in weapons management disappeared. He applied such computer techniques as the critical-path method to the licensing procedures of nuclear plants, and today licenses are being issued at the rate of one a month. He also shocked utility executives by announcing an end to the cozy and often incestuous relationship between the AEC and the power industry. Instead of delivering "broadside diatribes" at environmentalists who were challenging the safety of nuclear plants, Schlesinger counseled, utility executives should confront the valid questions raised by these groups.

His toughness in dealing with an entrenched bureaucracy and its clients impressed the White House. So did the loyalty he showed to the Administration when a storm of protest developed in 1971 over the AEC's plan to explode a nuclear warhead underground on the Aleutian island of Amchitka. Challenged by the governor of Alaska to back his assertions that the test explosion was as safe as his agency and Nixon claimed, the AEC Chairman took his wife and two of their eight children with him to witness the blast at close hand.

The inner circle at the CIA

When Nixon picked Schlesinger to replace Richard Helms as Director of the Central Intelligence Agency last winter, the President ordered a similar housecleaning for the CIA. What ensued was one of the fiercest and nastiest bureaucratic battles in recent Washington memory. In a study of federal intelligence operations that he had made at the Budget Bureau, Schlesinger had already concluded that the CIA suffered from many of the same shortcomings as the AEC. Over the last generation the agency had become a club within a club. The CIA operations group, which drew its personnel from the classic school of cloak-and-dagger operatives, dominated all of the agency's activities. And within this group, Helms and a coterie of top agency men formed an inner circle of power. Schlesinger felt that this club had consistently slighted the increasing contribution science and technology could make to intelligence gathering.

In addition, the operations group was sealed off, by administrative design, from the analysts who wrote the bulk of the CIA's assessments. The lack of communication between these two arms of CIA had led the agency's clients, particularly Henry Kissinger's national-security staff, to regard its work as highly academic, deplorable in style and content, and biased by the prevailing attitudes of the universities from which the analysts came.

The White House held Helms to blame for all these problems. In addition, he was faulted for his failure to exercise control over the entire intelligence community, including the Pentagon's larger effort. (Nixon had instructed him to exercise this control in 1971 but had not provided him with any new powers to do it.) And his failure to weed out some older men had led to a morale problem among many younger people, the best of whom had left the agency for other fields.

More protection for the boss

Accordingly, Schlesinger directed a purge in which 1,000 of CIA's estimated 16,000 employees were fired or forced to retire in five months. Naturally, resentment flared in the club: Schlesinger was viewed as Nixon's hatchet man, sent in to avenge ideological differences that had arisen between the White House and the agency during the Vietnam war. For example, CIA's assessment of the Air Force's ability to interdict North Vietnamese supply lines in Laos and Cambodia had generally been more pessimistic than the Pentagon's, which the White House preferred to believe. And CIA estimates of the Pakistani Army's chances of success in the 1971 war with India, and its assessment of the Cambodian government's ability to survive, did not jibe with the expressed views of the White House.

In all three cases, it now seems clear, the CIA had been more nearly right than its critics. Thus Schlesinger was regarded inside the agency as a man chosen to execute the messenger for bearing unwelcome news. At one point, animosity toward Schlesinger grew so strong that his personal bodyguard was increased to prevent any violent confrontations with disgruntled agency employees.

The hostility at CIA was extremely unsettling for Schlesinger. But his forthright handling of the agency's involvement in Watergate, including the White House-directed break-in of Daniel Ellsberg's psychiatrist's office in Los Angeles, was widely admired even by his critics. When questioned by a Senate appropriations subcommittee, Schlesinger insisted that CIA lay bare its entire embarrassing involvement in the episode.

Schlesinger's reputation for playing straight, as well

as his administrative record, prompted Elliot Richardson to recommend that the CIA Director succeed him as Secretary of Defense when he shifted to the Attorney Generalship. And David Packard, who had been Nixon's first choice to succeed Richardson, joined in backing the man who had earlier been a thorn in his side.

At the Pentagon, the new Secretary faces problems quite different from those of the AEC or CIA. In the last few years the U.S. military establishment has been subjected to a torrent of public complaint that has profoundly shaken its prestige and self-esteem. A certain amount of criticism may be beneficial, Schlesinger believes, because it may prompt defense leaders to respond "in terms of rationality instead of hyperbole." But he regards the amount and type of attack that has recently been made against the military establishment as "neither healthy nor useful."

At least temporarily, the Middle East war has altered the nation's mood about defense. All of the cuts that Congress voted earlier in the Pentagon's budget have been restored, and there was little opposition to a $2-billion request to begin the resupply of the Israeli forces. But there remains a deep-running sentiment for a reduction in defense manpower, particularly the combat forces. To forestall this, Schlesinger must hack at the bloated rear echelon, push a reluctant military into thinking about less costly weapons than it's been asking for, and weed out the redundant forces resulting from parochial interservice rivalries.

Such goals are difficult to reach in ideal circumstances. At a time when the presidency has been severely weakened, success will be still harder to achieve. It is, of course, much too soon to say that Schlesinger will succeed against such odds. But it is surely a hopeful sign that throughout his adult career his abilities have always been underestimated.

END

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