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[redacted]

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

INTERNATIONAL SECURITY AFFAIRS

7 JUL 1975

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: SEP 0 7 2018

Please refer to: I-7249/75

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: [redacted] -- ACTION MEMORANDUM

[redacted] Our approach was made through a letter on 3 May 1975 from President Ford to Chancellor Schmidt (TAB B). On 21 May, Secretary Kissinger reportedly broached the subject informally to Dr. Schmidt; he was rebuffed on this approach (this information was not made known to DoD until 30 June). On 26 June, the New York Times carried an account (TAB C) of a press conference at which Dr. Schmidt publicly and at length stated his opposition to entering into another Offset Agreement [redacted] He also complained that the Executive Branch had not advised him of any problems. [redacted] (an appropriations bill, to which the Jackson-Nunn amendment was originally attached in 1973, will be reported in about two weeks). The entire matter has been referred to a reconvened DPRC working group for consideration.

[redacted] This would be in accord with NSDM 293, in which the President directed that we seek Allied and Congressional support for a redefinition of burdensharing based on a variety of Allied efforts, of which balance of payments offsets are only a part. (The NSDM included the unfortunate proviso that we will seek a new Offset Agreement, "provided the FRG does not strongly object in principle." Notwithstanding this clause, the DPRC working group feels that considerations of Congressional intent are overriding at this time, and we will continue to strenuously seek arrangements with the FRG, whether or not such arrangements are under the rubric of "Offset Agreement.")

Germany/23

7 Jul 75

Discussed with Sec Def [redacted] ASD (PSA) discussion [redacted]

[redacted]

[redacted]

18-M-2054

Sec Def Cont Nr. X-1949

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

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[redacted]

[redacted] A talking paper is attached (TAB A) for your use in such a meeting.

Robert Ellsworth
Assistant Secretary of Defense
International Security Affairs

Attachments - 5
TAB A - Talking Paper
TAB B - Ltr fr Pres. Ford to Chancellor Schmidt dtd 3 May 75
TAB C - New York Times article dtd 26 Jun 75
TAB D - Congressional Record-Senate dtd 27 Jun 75
TAB E - Fact Sheet - US Approach toward Enhancing Allied Contribution to Defense of NATO (C)

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