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~~CONFIDENTIAL~~ By W.W., NARA, Date 11-23-93

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Pres file

Wednesday, July 12, 1967 -- 7:40 p.m.

Mr. President:

My German friend Walther Casper called today with the following message from Rainer Barzel.

He had just come from a meeting with Chancellor Kiesinger. Both the Chancellor and Barzel understand the concern in Washington over the budget and the danger involved here.

In the course of the conversation between Kiesinger and Barzel (who manages the CDU in Parliament), the following principles were established for presenting the security aspects of the budget cuts and acting on them:

-- Germany's security system is absolutely dependent upon the U. S. and Cooperation with the U. S.;

-- The budget cuts must not weaken German defense efficiency;

-- Budget cuts will be achieved by rationalization, streamlining, and by the stretchout of certain expansion programs rather than by reductions in "military efficiency."

Casper also informed me that Barzel will visit Saigon in September -- the first important German official to visit Viet Nam.

I thanked him for the message and stated that he would understand that the German budgetary announcements had endangered a situation here and in the Alliance which had been painfully achieved through the Tripartite talks.

He said that it was Barzel's judgment that the whole matter had not been "handled very well" in Bonn.

W. W. Rostow

cc: Secretary Rusk
Secretary McNamara

cc: Rostow

WWRostow:rln

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