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MEMORANDUM

NATIONAL SECURITY COUNCIL

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May 3, 1975

National Security Decision Memorandum 293

TO: The Secretary of the Treasury
The Secretary of Defense
The Secretary of Commerce
The Deputy Secretary of State

SUBJECT: US Approach toward Enhancing the Allied Contribution
to the Defense of NATO

The President has reviewed our past efforts to encourage our NATO Allies to enhance their contribution to the defense of Europe and to obtain offsets for US budgetary and balance of payments costs in Europe. He has decided to seek another offset agreement with the FRG, provided that the FRG does not strongly object in principle to a new agreement. But in general, given the recent change in the world monetary system and in economic conditions, greater emphasis should be given to encouraging our NATO Allies to increase the quality and effectiveness of their own forces than to efforts to offset US balance of payments and budgetary costs.

Our Allies should be encouraged to increase their defense expenditures, to undertake force improvement programs to upgrade their military hardware, and, most importantly, to make more effective use of existing defense resources by reducing the overlap and duplication that exists in many areas of NATO activity.

Representatives of the US Government should emphasize to our NATO Allies that their efforts to strengthen their own forces, particularly through measures increasing the cost-effectiveness of NATO's overall defense capability, will be viewed by the US Government as their most significant contribution to the sharing of the burden of NATO defense. In discussing this issue with Congress, members of the Executive Branch should stress that such efforts by our NATO

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Allies both increase the Allies' share of the common defense and add to the protection of our own security interests in Europe. Finally, the analysis contained in the 24 March 1975 DPRC paper on Burden-sharing in the Atlantic Alliance should be used in explaining the reduced relative importance of budgetary and balance of payments offset.



Henry A. Kissinger

cc: The Director, Office of Management and Budget
The Chairman, Council of Economic Advisors
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence
The Director, Council on International Economic Policy

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