INFO: J3-1 J5-1 SACSA-1 SA 'A-1 SECDEF-7 ASD/ISA-5 D.A-15 CSA-1 CNO-2 CSAF-5 CMC-3 FILE-1(43) 70831 Intelligence Information Cable CALL 53337 FOR NMCC/MC PAGE POF 3 PAGES STATE/INB AID USIA SDO ONE りひり This material contains information, fleeting the National Defense of the United States within the meaning of the Earth age Laws, Title 18, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited in any THIS IS AN INFORMATION REPORT. NOT FINALLY EVALUATED INTELLIGENCE. 26 21 42 Z 1.500 DIST 26 AUGUST 1966 3,4(5)(3) COUNTRY: WEST GERMANY DOI See Daf Distribution SUBJECT: CHANCELLOR ERHARD'S COMMENTS ON THE OFFSET AGREEMENTS SecDet DepSec Lillist 7036231 A CQ 2 5 D SOUR CE ರಪ್ರತಿ C 1.5(0) 3.4(b)(1)CHANCELLOR FRHARD COMMENTED ON THE AMERICAN BALANCE OF PAYMENT DIFFICULTIES AND THE OFFSET AGREEMENTS. ERHARD SAID THAT NO ONE CAN DOUBT THAT HE HAS DONE HIS BEST TO ALLEVIATE THE PROBLEM, BUT OBVIOUSLY THERE ARE FINANCIAL LIMITS TO WHAT GERMANY CAN DO. SECRET 1.500) 3.4(b)(1)

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INTENDS TO FULFILL ALL THE COMMITMENTS THAT HAVE BEEN MADE,
BUT INDICATED THAT BONN MUST BE VERY CAREFUL IN REACHING ANY
NEW AGREEMENTS. HE SAID IT WOULD BE WRONG TO TAKE ON BURDENS
WHICH CANNOT BE CARRIED. THE GERMANS CANNOT SPEND MORE ON THE
PURCHASE OF MILITARY HARDWARE THAN NEEDED OR MORE THAN THE
BUDGET ALLOWS. TO INCREASE TAXATION UNDER THE PRESENT CONDITIONS
WOULD BE ECONOMIC IRRESPONSIBILITY AND POLITICAL SUICIDE.

2.

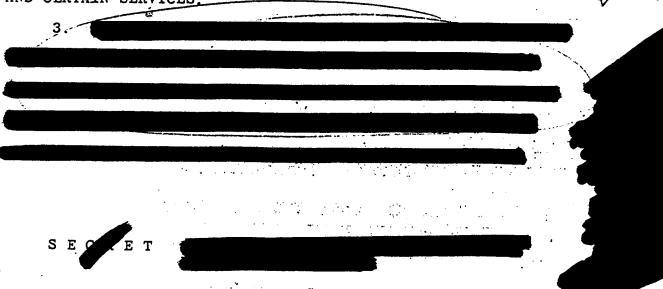
E MADE

IT CLEAR HOWEVER THAT BONN CANNOT JUST GIVE THE U.S. MONEY
TO PAY FOR AMERICAN TROOPS STATIONED IN GERMANY AND THAT OTHER
WAYS MUST BE FOUND, SUCH AS THE PURCHASE OF NON-MILITARY GOODS

AND CERTAIN SERVICES.

1.5(c)(d) 3.4(b)(1)(6)

1.5(0) 3.4(b)(1)



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1.5(<del>o</del>) 3.4(b)(1

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1.3(o) 3.4(b)(1)

1.5(c)(d) 3.4(b)(1)(6)

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ERHARD SAID

THAT HE HAS GREAT PERSONAL RAPPORT WITH PRESIDENT JOHNSON.
OFTEN WHEN THINGS ARE NOT GOING WELL ON LOWER LEVELS,
HE CAN STRAIGHTEN OUT THE PROBLEMS IN A MAN-TO-MAN TALK

4. DISSEM: AMEMBASSY BONN (LIMITED).

1.5(e) 3.4(b)(1)

SECRET

WITH THE PRESIDENT HIMSELF.

1.5(o) 3.4(b)(1)