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THE WHITE HOUSE WASHINGTON

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Thursday, July 25, 1968

MEMORANDUM FOR THE RECORD

SUBJECT: The President's Meeting with German

Defense Minister Schroeder, Wednesday,

July 24, 1968, 5:30 p.m.

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(The President, Defense Minister Schroeder, Amb. Knappstein, Walt Rostow, Ed Fried,

Freddy Schneider (FRG Interpreter))

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The President welcomed Schroeder, said he was delighted to see him again and asked about his health and recovery from his heart attack.

. The President then told Schroeder he had gone over and approved the exchange of letters on nuclear consultations. He complimented the drafters on the clarity of the language. Schroeder said he was happy to hear of the President's approval because this was an issue of importance to the German Government.

On Czechoslovakia, Schroeder said no one could be confident of predictions. The Russians were operating under a number of restraints: the effect of their action internally, in Eastern Europe, and in the West. The world's memory of Hungary in 1956 also served as a restraint on them now. In answer to the President's question, he said that, on balance, he believed the Russians would try very hard to de-escalate the crisis and reach a settlement.

On the issue of withdrawal of U.S. troops from Europe, the President recalled that we faced similar problems a year ago. Some 12 to 13 members of the Democratic Policy Committee were for pulling troops out. We said we would study the problem, and with Senator Dirksen's help as a responsible opposition leader, we managed to get by. The problem is even more serious this year. Senator Symington is pushing hard on his amendment to the Defense Appropriation Bill to cut the number of our troops in Europe to 50,000. This would be disastrous. The prospect now is that action on the Appropriation Bill will be put off until after the recess.

The President said it was essential to keep steady on this issue. We will face a wave of isolationism in the United States if we are not careful. The Administration will stand firm and do what it can to bring the Congress around. We expect trouble but we are not prepared to liquidate our agreements.

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Wherever possible, we should get rid of fat but we must not cut into any muscle. The danger we face in common is a constant danger. There should be no reason for the German people to doubt our commitment to facing it with them.

Schroeder said he recognized that the balance of payments issue was making the troop problem more difficult for us. The interim solution we arrived at this year, and perhaps for another year, should dampen it down. But all are agreed that a longer-term solution is essential.

The President asked Schroeder about progress on NPT. Schroeder said they still had problems to thrash out. The President jokingly expressed surprise since he understood the Germans had practically written the Treaty as it stands now. Schroeder said they would have to wait for the discussion of the non-nuclear powers at the end of August and the beginning of September. He personally believed that after that meeting the Cabinet would be able to consider the NPT favorably. (Amb. Knappstein interjected that the Russians were making this very difficult)

The President asked about the Chancellor, expressed gratification for his relations with him, and asked Schroeder to give the Chancellor his regards. Schroeder replied that the Chancellor was doing well but faced the difficulties inherent in a big majority.

Schroeder commented that the developments in <u>France</u> had come as a big surprise. In the end de Gaulle had won his majority, but he did so by campaigning on the threat of communism -- almost an about face from his position before the crisis.

More generally, Schroeder remarked that some people, both in and outside of Germany, believed that the Germans should be following a bolder policy. What did the President think? The President replied that the Germans had been doing well on their present course. He could only hope that other countries would do as well.

The President expressed his hope that Schroeder would have a good visit in Canada and in Alaska.

Edward R. Fried

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