TO: The Secretary of State
    The Secretary of Defense
    The Secretary of Treasury

SUBJECT: US Force Levels in Europe and "Burden-Sharing"

In light of the discussion at the meeting of the National Security Council on October 14, 1970, the President directs that, in connection with internal US Government planning for force levels and other aspects of defense policy relating to our commitments to NATO, for purposes of Congressional appearances and in any contacts with foreign governments and their representatives, it will be US policy that:

1. There has been no change in US Government interest in the broad concept of burden-sharing. We have long felt and continue to believe that all NATO partners should contribute their full share to the effort required to maintain an effective deterrent and that the present US share of the burden is disproportionately large. In this connection, as stated by the President at the NSC meeting:

"Our primary interest should not be directed simply to covering costs of our own forces but rather to assuring that there is a mutual sharing of responsibility for the defense of Europe."

2. Our basic and long-term preference is as stated by the President at Naples on September 30, 1970, in the following terms:

Taking a long view, rather than having members of the NATO Alliance in effect subsidize US forces in Europe, the President would welcome having the funds used to shore up and build up the local strength of the member countries' armed forces. The President was confident that as far as the US public is concerned, were the NATO partners to do more in their own defense that would be quite decisive in firming up US support for making our present contribution to the Alliance.
3. The President does not exclude financial support as one form of burden-sharing. Financial support plus offset would be one form of visible evidence of the willingness of the Europeans to increase their share of Alliance burdens. Such financial support could serve to cover, for example, local taxes, infrastructure costs and costs of local employees.

4. Financial support may be easier to provide in the short term than force improvements. However, the desirability of our accepting financial contributions or other forms of financial relief, if offered at the initiative of a NATO Ally or Allies, should be judged by us in terms of whether such contributions would impede or prevent fundamentally more desirable steps by the contributing country or countries to shore up their own defenses in conformity with agreed NATO strategy and requirements, including the results of AD-70.

5. The desired mix of budgetary support and force improvement is a matter to be worked out in accordance with differing circumstances among countries. However, in conformity with paragraph 4, above, we must keep in mind that we should not sacrifice the long-term need for a viable strategy and for commensurate military contributions based thereon to any short-term benefits of immediately available financial contributions. As the President stated at the NSC meeting on October 14:

"The easy way of dealing with the problem is to let the Europeans give us money in return for our keeping our forces in Europe. I am concerned that we do get all the financial help that we can, but most important is the development of a viable strategy; and that requires more adequate forces from the Europeans."

6. It will be our position that our ability to implement the President's commitment will depend on the full range of measures taken jointly and severally by ourselves and our Allies in the interests of the military defense of Europe in conformity with agreed defense concepts and strategy. As the President stated at the NSC meeting:

"We must avoid getting in a position of saying that if they will contribute more to us we won't reduce our forces -- that would simply mean that we would be accepting their view."

7. The positions set forth in paragraphs 1 to 6 above provide the basis for our working with the Europeans in the light of the agreed minute of the EuroGroup, dated October 1, 1970, and appended hereto.

Attachment: As stated in para. 7
cc: Chairman, Joint Chiefs of Staff

SECRET/NODIS
Text of the Agreed "EuroGroup" Minute, dated October 1, 1970

1. Ministers consider the presence of substantial United States armed forces in Europe as vital for the security of the Alliance and thus for maintaining peace and ensuring conditions for progress in the policy of detente.

2. Any substantial reduction of American forces in Europe, except in the context of mutual and balanced force reductions, would dangerously destabilize the situation in Europe, and could have gravely damaging political and military effects.

3. Ministers reaffirm the necessity of further improving the effectiveness of the defense contribution of the European members of the Alliance within the limits of their capacities. Closer European defense cooperation would contribute materially to this end, and the Ministers agreed on the need to strengthen joint endeavor.

4. Ministers recognize further that a burden-sharing arrangement would be of considerable importance to the United States in maintaining forces in Europe at substantially their current levels.

5. A collective European effort in burden-sharing -- by a financial contribution, or by clearly identified additional measures to enhance national forces (especially in the shortage categories emerging in the AD 70 study), or by a combination of methods -- would be a significant token of European solidarity, and would also have considerable value in its own right for the policy of European cooperation. The impact of any burden-sharing effort would be enhanced by a broad participation of European countries within their means.

6. Ministers therefore agreed to pursue a serious effort to work out arrangements should be governed by the following principles.

   -- Any burden-sharing arrangement should contribute to maintaining US forces in Europe at substantially current levels. Burden-sharing cannot go hand-in-hand with substantial US force reductions.

   -- Contributions to any burden-sharing arrangements should not detract from the defense efforts of European members of the Alliance or impair the effectiveness of their forces.
-- Burden-sharing must be on a European rather than US financial scale, yet must be sufficient, in terms of both money and national efforts, to demonstrate the earnestness of the European wish to retain US forces and to offer realistic support for the purpose.

7. Ministers discussed the problem of burden-sharing and examined various possible types of arrangement. They agreed that in the meantime their governments should continue to consult closely together on this subject.

8. Ministers instructed Permanent Representatives to prepare a draft basis for an offer to the US in the light of progress in governmental decision-making, and agreed to meet again early in November in Brussels.