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UNTIL 4:00 PM, E. S. T.**

DECEMBER 6, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

JOINT UNITED STATES-FEDERAL REPUBLIC OF GERMANY STATEMENT

The President of the United States of America Gerald R. Ford and the Chancellor of the Federal Republic of Germany Helmut Schmidt met in Washington on December 5 and 6, 1974. They reaffirmed the relationship of friendship and trust and confidence between the United States and the Federal Republic of Germany, and they held wide-ranging talks embracing international and economic problems, security and defense policy, and current East-West discussions. Secretary of State and Assistant to the President for National Security Affairs Henry A. Kissinger and Foreign Minister Hans Dietrich Genscher participated in the discussions between the President and the Chancellor and held complementary talks. In the economic talks, the President was joined by members of his Economic Policy Board and the Chancellor was accompanied by representatives of labor and business.

The President and the Chancellor reviewed the world economic situation in depth and explored effective solutions for current economic problems. They were agreed that international energy problems, the sharp increases in world prices, the contraction of economic activities, and large-scale payments imbalance constitute a severe threat to political and social stability in many countries. A creative new effort to coordinate economic policies between the United States and the Federal Republic of Germany, together with its partners in the European Community, will be required to master these difficulties.

The United States of America and the Federal Republic of Germany recognize the responsibility which falls to them for ensuring a prosperous international economy and safeguarding world trade. In this context they attach great significance to the upcoming multilateral trade negotiations. They reaffirmed their international pledges to avoid trade and payments restrictions which adversely affect other countries.

The President and the Chancellor agreed that in current circumstances they both have a responsibility to manage their domestic economic policies so as simultaneously to strengthen output and employment and to avoid new inflationary impulses. They affirmed that both countries have a need to encourage investment, to combat rising unemployment, and to act to increase confidence in the financial and the economic outlook. They recognized that the two countries are at different points in their fight against inflation, and that policies will take that fact into account. They are determined not to permit a serious deterioration in their economies to occur. If necessary, they will step in with adequate measures to prevent it.

The United States and the Federal Republic of Germany agreed that determination and cooperation are also necessary in dealing with energy-related problems. They underlined the importance of the International Energy Agency set up within the framework of the Organization for Economic Cooperation and Development to coordinate the energy policies of the industrialized countries. They attach particular importance to measures to reduce dependence on imported energy through conservation, more economic use of energy, and opening up of alternative sources. They stressed the need for cooperation in the field of research, notably in relation to coal processing and gasification.

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Despite cooperative efforts to reduce dependence on energy imports, the President and the Chancellor recognized that in the coming year there will continue to be large scale imbalances in trade among nations and a corresponding necessity for large international flows of funds. They recognized that these flows for the most part have been, and in all probability will continue to be, handled by existing private and official channels. At the same time they agreed on the necessity of close cooperation among the financial authorities to insure the continued safe and orderly functioning of financial institutions in their expanding international roles. They agreed on the importance of the International Monetary Fund and other multilateral financial agencies being in a position in 1975 to provide flexible responsive financial assistance to any member nation facing international payments difficulties arising from the rapidly changing world economic situation. In addition, to insure that industrial countries which follow prudent and cooperative economic and energy policies have access to adequate financial resources in case of need, the President and the Chancellor agreed that early consideration should be given by these nations to the establishment of a supplementary financial safety net in the framework of the OECD.

The President and the Chancellor also stressed their determination to improve cooperation with the oil-producing countries. They expressed the conviction that further economic progress in the world, both in the developing and the developed countries, can only be resolved by means of world-wide cooperation.

The United States and the Federal Republic of Germany recognize the necessity of international cooperation to improve the international food situation. They will undertake prompt discussions on an international system of nationally-held grain reserves, increased global food production and substantial growth in food output in developing countries in order to prevent the recurrence of major food problems in the future. Both recognize the need for cooperation between food producers and consumers to ensure equitable adjustment to shortages and deficits.

The discussions on political questions centered on the North Atlantic Alliance, the evolution of East-West relations, and the situation in the Mediterranean and in the Near East.

The President and the Chancellor reviewed the progress of matters before the Alliance on the eve of the NATO Ministerial meeting to be convened next week in Brussels. They agreed on the continuing importance to the Allies of maintaining their political cohesion and strong defenses as the indispensable prerequisites for continued efforts to advance the process of East-West detente. Against the background of current challenges to their strength and solidarity, they reaffirmed their support for the principles of the Declaration on Atlantic Relations signed by Allied Heads of Government in June 1974.

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The President and the Chancellor reiterated their resolve to contribute to the process of detente and the growth of cooperation between East and West. President Ford reviewed the SALT negotiations in the light of his talks with General Secretary Brezhnev in Vladivostok. They noted with satisfaction that it has been agreed to aim for limitations on strategic nuclear weapons on the basis of equality. The Chancellor expressed his appreciation for the progress achieved in Vladivostok which he considered most important for the pursuit of the policy of detente and safeguarding peace. President Ford and Chancellor Schmidt agreed that the understandings of Vladivostok would have a salutary effect on the overall development of East-West relations.

The two delegations also discussed the state of negotiations in Vienna on mutual and balanced force reductions in Central Europe. They confirmed their shared view that the aim of MBFR should be to arrive at a common ceiling for forces of both alliance systems.

Both sides expressed the hope that the Conference on Security and Cooperation in Europe would soon complete its initial consideration of texts dealing with all items on the agenda. It would then be possible to enter into the final stage of the negotiations. They agreed that certain progress had recently been made in reaching agreement on such areas as family reunification and improved access to printed information. They noted, however, that important texts still remain to be agreed, especially with regard to the Declaration of Principles governing Relations between States.

The President and Secretary of State Kissinger reviewed the United States' efforts to contribute to progress toward the achievement of a just and lasting peace in the Middle East. Both sides emphasized the importance of the disengagement agreements and of further results in the negotiating process.

As to developments in the Eastern Mediterranean, both sides stressed the responsibility of the parties immediately concerned. They stated their readiness to encourage Greece, Turkey, and Cyprus in the search for a mutually acceptable settlement of the dispute on the basis of the independence and territorial integrity of the Republic of Cyprus.

The German side reviewed the state of the relations of the Federal Republic of Germany with the GDR and of the issue of foreign representation of West Berlin by the Federal Republic of Germany. Both sides were agreed on the importance of maintaining and developing the ties between the Federal Republic of Germany and West Berlin as well as full and complete implementation of all other parts of the Quadripartite Agreement.

The President and the Federal Chancellor reaffirmed the attachment of their Governments and peoples to the high purposes of the United Nations. They reviewed the proceedings of the current General Assembly and expressed their hope that the spirit of cooperation would prevail over divergences and divisions so that the cause of international harmony, cooperation and a sound and enduring peace would be furthered.

The President and the Chancellor agreed to remain in close touch with one another, and to consult on all matters of mutual interest as might be required in the future.

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