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NSC/S

1A

NATIONAL SECURITY COUNCIL

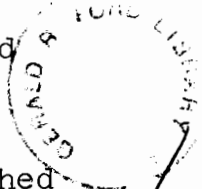
MEMORANDUM FOR JEANNE W. DAVIS

Jeanne -

Further to our discussion of two days ago, I recommend

No Further Action - OBE

with regard to the attached



A. Denis Clift

10/18/74

*Cayle*

*Self from Cayle*

*After read*

*send to Beck's do not send*

1B  
C  
B

~~SECRET~~

ACTION  
August 21, 1974

MEMORANDUM FOR SECRETARY KISSINGER

FROM: A. Denis Clift *ADL*

SUBJECT: FRG Chancellor Schmidt Reply to the President's August 9 Letter

Chancellor Schmidt has written the President to thank him for his letter of August 9. The Chancellor addresses the substance of the President's letter and pledges FRG cooperation with the US. Your memorandum to the President at Tab I summarizes Chancellor Schmidt's letter, and appends copies of the President's letter to Schmidt and the text of Schmidt's reply.

RECOMMENDATION

1. That you sign the memorandum to the President at Tab I.
2. That a copy of the Schmidt letter be sent to the Department of State.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_



~~SECRET~~ (GDS)

*Wn 3/5/04*

THE WHITE HOUSE

3547

WASHINGTON

~~SECRET~~INFORMATION

## MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *HK*

SUBJECT: Reply From Chancellor Schmidt to Your  
Letter of August 9, 1974

Chancellor Schmidt has written to thank you for your letter of August 9 (at Tab B) and your telephone call of August 16. In his August 20 letter (at Tab A) he affirms that the Federal Republic of Germany regards the Alliance as the foundation of its foreign and defense policies and expresses agreement with you that detente is possible only if the defense preparedness of the Alliance is assured. The Chancellor states that his Government is willing to continue rendering its contribution toward this end.

Chancellor Schmidt indicates his gratification that you have placed special emphasis on economic and financial problems, common progress on which he considers essential for prosperity and social peace. He pledges that his Government will, on both a bilateral basis and within the framework of the EC Nine, strongly advocate close cooperation with the US in trying to master these problems.

The Chancellor writes that he is counting on the "peace-preserving" role of the US in devising a settlement of the Cyprus problem. He expresses his deepest sympathy over the death of Ambassador Davies.

Chancellor Schmidt states that he shares your hope that the two of you shall soon have an opportunity to meet for a comprehensive exchange of views.

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES

BY    , NARA, DATE 3/5/04~~SECRET~~

August 9, 1974

Text of Message to Chancellor Schmidt

Dear Mr. Chancellor:

As I assume the Office of President of the United States I should like to affirm to you that for my Administration as for that of President Nixon, the firm ties of friendship and alliance that join our countries remain central to this country's foreign policy. NATO and the many other institutions and bonds through which we are associated are the foundation on which our common security rests. Together with our many friends and allies they enable us to work for peace with all countries and a better life for our peoples.

Our two countries have long based their policies on shared interests and values and this will remain the case in the future. In recent months, as symbolized by the Brussels meeting of NATO heads of government, many positive and promising steps have been taken to invigorate the North Atlantic Alliance and our Atlantic partnership. I intend to pursue this course with vigor in the period ahead.

I am conscious of your own concern about the serious problems, including those in the economic area, that are on our joint agenda. Our cooperation in dealing with them will remain essential for our common welfare. To the same end, we will be continuing our close cooperation with the Nine as well.

I will deeply value continued close and frequent communication with you and I would like to express the hope that there will be an early opportunity to meet and talk in person.

I have asked Secretary of State Kissinger to continue in office so as to ensure continuity in the conduct of our foreign policies. He has my full confidence and support.

Sincerely,

/s/ Gerald R. Ford



16

EMBASSY  
OF THE  
FEDERAL REPUBLIC OF GERMANY  
WASHINGTON, D. C.

August 20, 1974

Dear Mr. President,

in the absence of Ambassador von Staden I have the honor to transmit to you the following telegram from Chancellor Helmut Schmidt:

"Sehr geehrter Herr Präsident,

ich danke Ihnen für Ihr Schreiben vom 9.8.1974, mit dem Sie mir anlässlich Ihrer Amtsübernahme die wesentlichen Grundzüge Ihrer Außen- und Verteidigungspolitik dargelegt haben, und ebenso für Ihr persönliches Telefongespräch vom vergangenen Freitag. Ergänzend dazu habe ich mit großer Befriedigung von Ihrer Rede vor beiden Häusern des Kongresses und Ihren anderen öffentlichen Erklärungen Kenntnis genommen. Daraus entnehme ich, daß unsere beiden Regierungen in grundlegenden Fragen voll übereinstimmen. Auch die Bundesregierung betrachtet das Bündnis als Fundament ihrer Außen- und Verteidigungspolitik. Wie Sie sind wir der Auffassung, daß eine erfolgreiche Friedens- und Entspannungspolitik nur unter der Voraussetzung der vollen Verteidigungsbereitschaft des Bündnisses möglich ist. Die Bundesregierung ist bereit, dazu auch weiterhin ihren Beitrag zu leisten.

Mit besonderer Genugtuung habe ich vermerkt, daß Sie den wirtschafts- und finanzpolitischen Fragen große Aufmerksamkeit schenken. Wie

His Excellency

Gerald Ford

The President of the United States

Washington, D.C.

Sie wissen, betrachte ich gemeinsame Fortschritte auf diesem Gebiet als unerlässlich für die Erhaltung des Wohlstandes und sozialen Friedens.

Die Bundesregierung wird sich sowohl bilateral wie im Rahmen der Neun für eine enge Zusammenarbeit mit den USA zur Bewältigung dieser gemeinsamen Probleme einsetzen. Die Fortführung der Amtsgeschäfte durch Außenminister Kissinger gibt uns dabei die Möglichkeit, an ein bewährtes persönlichstes Vertrauensverhältnis anzuknüpfen.

Ich teile Ihre Hoffnung, daß sich bald - wie wir es telefonisch schon besprochen haben - die Gelegenheit zu einer persönlichen Begegnung und einem ausführlichen Meinungsaustausch ergibt.

Zu den beunruhigenden Vorgängen um Zypern lassen Sie mich Ihnen sagen, wie sehr ich zu ihrer Bereinigung und Lösung auf die friedensbewahrende Rolle der amerikanischen Regierung zähle.

Zu dem tragischen Tod Ihres Botschafters und einer Botschaftsangestellten in Nikosia, von dem ich soeben erfahre, spreche ich Ihnen mein tiefstes Bedauern aus.

Mit den besten Wünschen

Ihr gez. Helmut Schmidt

Bundeskanzler der Bundesrepublik Deutschland"

A courtesy translation reads as follows:

"Dear Mr. President,

I thank you for your letter of August 9, 1974 in which you outlined the main characteristics of your foreign and defense policies upon taking office, as well as your telephone call last Friday. I have

also noted with much satisfaction your address before both Houses of Congress as well as your other public statements.

From what you say I understand that the views of our two governments fully concur on fundamental questions. The Federal Government, too, regards the Alliance as the foundation of its foreign and defense policies. We share your opinion that a successful peace and détente policy is possible only if the defense preparedness of the Alliance is fully assured. The Federal Government is willing to continue rendering its contribution towards this end.

I was particularly gratified to see that you have placed special emphasis on economic and financial problems. As you know, I consider common progress in this field to be essential for continued prosperity and social peace.

The Federal Government will both on a bilateral basis and within the framework of the Nine strongly advocate close cooperation with the United States in efforts to master these common problems. The fact that the Secretary of State Kissinger continues in office means that we shall be able to proceed on the basis of a proven relationship of mutual confidence.

I share your hope that we shall soon - as we discussed it on the telephone - have an opportunity of meeting with each other for a comprehensive exchange of views.

With regard to the disquieting events in cyprus, let me say how very much I count on the peace-preserving role of the American Government for their settlement and solution.





I wish to express my deepest sympathy over the tragic death of your ambassador and an embassy member in Nicosia, of which I have just been informed.

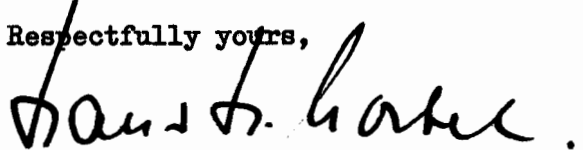
With best wishes,

yours sincerely,

sgd. Helmut Schmidt

Chancellor of the Federal Republic of Germany"

Respectfully yours,

A handwritten signature in black ink, appearing to read "Hans H. Noebel". The signature is written in a cursive style with a large initial "H" and a period at the end.

Hans H. Noebel

Minister



NSC CORRESPONDENCE PROFILE

DOC		RECD		LOG NBR		INITIAL ACTION O	
MO	DA	MO	DA	HR	7403547		
08	20	08	20	17			

TO: PRES X FROM: NOEBEL, HANS REFERENCE: \_\_\_\_\_ CIRCLE AS APPROPRIATE  
 KISSINGER \_\_\_\_\_ COLBY, W \_\_\_\_\_ S/S \_\_\_\_\_ UNCLAS LOG IN/OUT  
 SCOWCROFT \_\_\_\_\_ SCHLESINGER, J \_\_\_\_\_ OTHER \_\_\_\_\_ LOU NO FORN NODIS  
 DAVIS \_\_\_\_\_ ST EX SEC \_\_\_\_\_ S \_\_\_\_\_ C EYES ONLY EXDIS  
 TS \_\_\_\_\_ S CODEWORD  
 \_\_\_\_\_ TS SENSITIVE

SUBJECT: Transmits Msg to Pres from FRG Chancellor Schmidt On Continuing Status of US-FRG Relations

INTERNAL ROUTING AND DISTRIBUTION

	ACTION	INFO	REC CY FOR	ACTION REQUIRED
ADVANCE CYS TO HAK/SCOWCROFT				MEMO FOR HAK . . . . . (X)
STAFF SECRETARY <u>Done</u>		X		MEMO FOR PRES . . . . . (X)
FAR EAST				REPLY FOR _____ ( )
SUB-SAHARAN AFRICA				APPROPRIATE ACTION . . . . . ( )
MID EAST / NO. AFRICA / SO. ASIA				MEMO _____ TO _____ ( )
EUROPE / CANADA	X			RECOMMENDATIONS . . . . . ( )
LATIN AMERICA				JOINT MEMO . . . . . ( )
UNITED NATIONS				REFER TO _____ FOR: _____ ( )
ECONOMIC				ANY ACTION NECESSARY? . . . . . ( )
SCIENTIFIC				CONCURRENCE . . . . . ( )
PROGRAM ANALYSIS				DUE DATE: <u>08/28</u>
NSC PLANNING				COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)
CONGRESSIONAL				<u>Do you want State in print just OREX TUBE</u>
OCEANS POLICY				
INTELLIGENCE				

DISTRIBUTION/INITIAL ACTION ASGMT

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN)	CY TO
8/21	CLIFT	HAK	X	DECISIONS/ICY TO STATE PRES INFO (08/25)	
10/7		NBC/S	S	Denis Clife - Further action per REM	
10/18	Clift	JWD	C	OTBE - no further action	
10/18	NBC/S			<del>Close out</del>	

NSC/S DISP INSTR

DISPATCH \_\_\_\_\_  
 CY RQMTS: SEE ABOVE PLUS: \_\_\_\_\_  
 NOTIFY \_\_\_\_\_ & DATE \_\_\_\_\_ BY \_\_\_\_\_  
 SPECIAL DISPOSITION: \_\_\_\_\_  
 CROSS REF W/ \_\_\_\_\_  
 SUSPENSE CY ATTACHED: \_\_\_\_\_ FOLDER: \_\_\_\_\_

MICROFILM & FILE RQMTS:  
 M/F'D \_\_\_\_\_ BY raf  
 CRT ID: \_\_\_\_\_ SA SF  
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 CLOSED \_\_\_\_\_ EP  
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Department of State

TELEGRAM

~~SECRET~~

WH-60X

Control: 3793Q

Received: December 16, 1974 501E

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FM AIR FORCE ONE  
TO SECSTATE WASH DC  
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~~SECRET~~//NODIS

SECTO ----- 21

E.O. 11652:GDS  
TAGS:OVIP (HENRY A. KISSINGER)  
SUBJECT: PRESIDENTIAL MESSAGE TO CHANCELLOR SCHMIDT

ACTION COPY

PLEASE HAVE FOLLOWING MESSAGE TRANSMITTED URGENTLY TO AMBASSADOR  
HILLENBRAND WITH INSTRUCTION THAT HE DELIVER IT PROMPTLY TO  
CHANCELLOR SCHMIDT.

BEGIN TEXT:  
DEAR MR CHANCELLOR:

I VERY MUCH APPRECIATED OUR RECENT CONVERSATIONS AND IT IS NOW CLEAR  
THAT THEY WERE A USEFUL PRELUDE TO OUR RESPECTIVE MEETINGS WITH THE  
FRENCH PRESIDENT. AS YOU WILL SEE FROM OUR COMMUNIQUE IN  
MARTINIQUE, WE REACHED SOME UNDERSTANDINGS WITH THE FRENCH ON  
THE ENERGY PROBLEM WHICH I BELIEVE TO BE IN LINE WITH THE CONCLUSIONS  
OF OUR EARLIER TALKS.

BEYOND THE AGREED WORDS, I THINK THAT THE IMPORTANT POINT IS THAT  
THE FRENCH NOW UNDERSTAND THAT THERE MUST BE AN AGREED SEQUENCE  
OF ACTIONS AND THAT A SUBSTANTIAL DEGREE OF CONSUMER  
SOLIDARITY MUST BE ACHIEVED BEFORE WE MEET THE PRODUCERS FOR  
SERIOUS CONVERSATIONS. WE MADE CLEAR AND THEY SAID THEY  
UNDERSTOOD THAT EVEN THE TARGET DATE OF MARCH 1975 FOR A  
PREPARATORY MEETING IS AN OBJECTIVE THAT WILL FIRST REQUIRE THAT  
THE CONSUMERS ACHIEVE PROGRESS IN DEVELOPMENT OF PROGRAMS IN  
THE THREE FIELDS MENTIONED IN THE COMMUNIQUE. ONLY IN THIS WAY CAN  
WE ASSURE THE SUCCESS OF THE SUBSEQUENT STEPS. I CAN ASSURE YOU,  
AS I DID PRESIDENT GISCARD, THAT WE WILL DO OUR UTMOST TO ACHIEVE  
THE NECESSARY RESULTS IN THE IEA, IN CONSULTATION WITH FRANCE, AND  
IN THE G-10. I HOPE THAT YOU WILL HELP US TO ASSURE THAT THE BRIDGE  
IS MADE TO FRANCE SINCE THEY WILL BE DEVELOPING PARALLEL PROGRAMS  
OUTSIDE THE IEA. I DID NOT PRESS GISCARD ON FRANCE'S JOINING  
THE IEA, SINCE THE CRUX OF THE MATTER IS SUBSTANTIVE COOPERATION

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~~SECRET~~

WH 3/5/04



Department of State

TELEGRAM

~~SECRET~~

-2- S E C R E T Secretary Kissinger December 16, 1974

RATHER THAN FORMAL MEMBERSHIP.

I ALSO WANT YOU TO KNOW THAT THERE WAS A SUGGESTED REFERENCE IN OUR DRAFT COMMUNIQUE IN WHICH I WOULD HAVE ENDORSED THE IDEA OF A COMMON ENERGY POLICY IN THE EC. WE DROPPED THIS SENTENCE AFTER IT BECAME CLEAR THAT THE FRENCH COULD NOT AGREE TO SAY ANYTHING POSITIVE ABOUT DEVELOPING AND STRENGTHENING OUR RELATIONSHIP WITH EC. IT SEEMED TO US THAT THE ENDORSEMENT WITHOUT A MORE COMPREHENSIVE STATEMENT ABOUT OUR RELATIONS WAS TOO ONE-SIDED. BUT WE CERTAINLY HAVE NO OBJECTIONS TO SUCH A COMMON COMMUNITY POLICY AND, IN FACT, BELIEVE THAT IT MIGHT BE HELPFUL IN OVERCOMING SOME OF OUR CURRENT DIFFICULTIES DUE TO FRENCH NON-PARTICIPATION IN THE IEA. WE MADE THIS CLEAR TO THE FRENCH.

ONCE AGAIN LET ME THANK YOU FOR THE EFFORTS YOU MADE WHICH I KNOW MADE A VITAL CONTRIBUTION TO THE SUCCESS OF OUR MEETINGS IN MARTINIQUE. I LOOK FORWARD TO REMAINING IN CLOSE CONTACT WITH YOU. I AM SURE THAT WE HAVE NOT SEEN THE END OF OUR DIFFICULTIES AND A CLOSE WORKING RELATIONSHIP BETWEEN US WILL BE INDISPENSABLE TO OVERCOMING THEM.

YOURS SINCERELY,

GERALD R. FORD

END TEXT

BT

#0005

~~SECRET~~

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WH  
COT



# Department of State

## TELEGRAM

~~SECRET~~

NO0344

~~SECRET STATE 281378~~

ORIGIN NOUS-20

INFO OCT-01 /001 R

DRAFTED BY EB:JLKATZ  
APPROVED BY THE SECRETARY  
S/S :WHLUERS

242228Z DEC 74 ZFF4  
SECSTATE WASHDC  
TO AMEMBASSY BONN IMMEDIATE

030039

~~SECRET STATE 281378~~

MODIS

11652:GDS

TAGS: ENRG, EFIN

SUBJECT: PRESIDENTIAL MESSAGE TO CHANCELLOR SCHMIDT

EMBASSY REQUESTED TRANSMIT FOLLOWING MESSAGE FROM PRESIDENT FORD TO CHANCELLOR SCHMIDT:

"DEAR MR. CHANCELLOR: AS I MENTIONED IN MY PREVIOUS LETTER, WE AND THE FRENCH REACHED SOME UNDERSTANDINGS IN MARTINIQUE ON THE ELEMENTS OF CONSUMER COUNTRY COLLABORATION NECESSARY BEFORE WE CAN MOVE ON TO SUBSEQUENT STEPS. PROGRESS ON FINANCIAL COOPERATION IS OF PARTICULAR CONCERN TO US AT THIS TIME. IN ALL FRANKNESS I MUST TELL YOU THAT I DO NOT BELIEVE THAT THE UNITED STATES WILL BE IN A POSITION TO PARTICIPATE IN A CONSUMER-PRODUCER MEETING UNTIL THE CONSUMERS HAVE ESTABLISHED THEIR SOLIDARITY IN THE FINANCIAL FIELD.

2. THE GROUP OF TEN WORKING GROUP HAS MADE SOME PROGRESS ON RESOLVING THE ISSUES NECESSARY TO ENABLE US TO MAKE A FINAL DECISION ON FINANCIAL COOPERATION AMONG PARTICIPATING OECD COUNTRIES. AS I MENTIONED IN WASHINGTON, HOWEVER, I AM CONVINCED THAT A SATISFACTORY OUTCOME DEPENDS VERY

~~SECRET~~

WHL 2/15/04

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Department of State

~~SECRET~~

TELEGRAM

PAGE 02 STATE 281378

MUCH ON THE FULLEST POSSIBLE EXCHANGE AND UNDERSTANDING OF VIEWS BETWEEN YOUR GOVERNMENT AND MINE.

3. I HOPE, THEREFORE, THAT WE CAN REMAIN IN CLOSE CONTACT ON THE REMAINING MAJOR ISSUES THAT NEED TO BE RESOLVED TO ASSURE THAT ANY NEW FACILITY MEETS ITS OBJECTIVE OF UNDERPINNING THE ECONOMIC HEALTH AND COOPERATION OF THE INDUSTRIAL DEMOCRACIES. I HAVE PARTICULARLY IN MIND THE QUESTIONS RELATING TO THE SIZE OF THE FACILITY, THE RESPECTIVE NATIONAL QUOTAS, AND THE FORM OF NATIONAL COMMITMENTS (LOANS, GUARANTEES OR SOME COMBINATION OF THE TWO).

4. I WOULD LIKE TO HAVE ARTHUR BURNS DISCUSS THESE QUESTIONS WITH YOU ON MY BEHALF AND WOULD BE GRATEFUL IF YOU COULD MEET WITH ARTHUR IN BONN FOR THIS PURPOSE DURING THE EARLY PART OF JANUARY. WITH REGARD TO THIS TASK OF EFFECTIVE FINANCIAL COOPERATION, AS WELL AS RELATED ENDEAVORS TO SECURE THE STRENGTH OF OUR ECONOMIES AND OUR ALLIANCE, YOU CAN BE ASSURED OF MY FULLEST COOPERATION IN THE PURSUIT OF SOLUTIONS THAT SERVE OUR MUTUAL INTERESTS. WITH WARM REGARDS, GERALD R. FORD, " " KISSINGER

~~SECRET~~

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Department of State

TELEGRAM

~~SECRET~~

N00235

PAGE 01 STATE 009369

ORIGIN NOUS-DW

INFO OCT-01 /201 R

DRAFTED BY TEXT RECEIVED FROM WHITE HOUSE

APPROVED BY S/S-DIGTWOHIE

Copy 1 of 13 copies

031380

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Control: 2688Q

FM SECSTATE WASHDC

Recd: Jan 15, 1975

TO AMEMBASSY BONN NIACT IMMEDIATE

12:20 AM

~~SECRET~~ STATE 009369

NOUIS  
CHEROKEE

E.O. 11652: GDS  
TAGS: OYIP (GERALD R. FORD)  
SUBJECT: PRESIDENTIAL LETTER

FOR THE AMBASSADOR

PLEASE DELIVER THE FOLLOWING LETTER FROM PRESIDENT FORD TO  
CHANCELLOR SCHMIDT AT THE EARLIEST OPPORTUNITY ON  
JANUARY 15 AND IN ANY EVENT PRIOR TO NOON WASHINGTON TIME.

BEGIN TEXT

DEAR MR. CHANCELLOR:

THIS WEDNESDAY, IN MY STATE OF THE UNION ADDRESS, I WILL  
FORMALLY PRESENT POLICIES TO MEET THE ECONOMIC AND ENERGY  
CHALLENGES WHICH ARE OF MAJOR IMPORTANCE TO THE UNITED  
STATES AND TO THE INTERNATIONAL COMMUNITY. I SHALL, AT  
THAT TIME, MAKE A NUMBER OF DETAILED PROPOSALS, MANY OF  
WHICH I OUTLINED IN MY SPEECH TO THE AMERICAN PEOPLE ON  
MONDAY NIGHT. I WRITE YOU IN THE SPIRIT OF COLLABORATION  
THAT ANIMATES OUR RELATIONS TO SHARE MY THOUGHTS ON THESE  
NEW MEASURES.

~~SECRET~~

64 3/5/04

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Department of State

TELEGRAM

~~SECRET~~

PAGE 02 STATE 009369

OUR COUNTRIES AND OUR KEY TRADING PARTNERS HAVE RECENTLY BEEN STRUGGLING WITH UNEMPLOYMENT, INFLATION, AND ENERGY SHORTAGES. THERE ARE, AS WE KNOW, NO EASY ANSWERS TO ANY

OF THESE PROBLEMS, SINGLY OR IN COMBINATION, BUT IT IS CLEAR THAT WE CANNOT AFFORD TO ADDRESS ONE ASPECT OF OUR DIFFICULTIES WHILE IGNORING THE OTHERS. MOREOVER, EACH COUNTRY MUST ACT TO ACHIEVE A BALANCE CONSISTENT WITH ITS PRIORITIES AND ITS PARTICULAR ECONOMIC CIRCUMSTANCES WHILE RECOGNIZING IT MUST ACT IN A MANNER WHICH FURTHERS RATHER THAN HARMS THE ECONOMIC WELL-BEING OF OTHER COUNTRIES.

MY POLICIES AIM TO DEAL DIRECTLY WITH THE ECONOMIC SLOW-DOWN WE NOW FACE WITHOUT TRIGGERING THE MAJOR INFLATIONARY PRESSURES WHICH MIGHT RESULT FROM AN OVERLY EXPANSIONARY POLICY. A TAX CUT, ALONG WITH MEASURES TO STIMULATE INVESTMENT, SHOULD REINVIGORATE THE U.S. ECONOMY AND IMPROVE CONFIDENCE. UNDER PRESENT CONDITIONS, WE BELIEVE IT WILL NOT RESTIMULATE THE INFLATIONARY SPIRAL.

WE ARE ALSO TAKING MAJOR STEPS TO REDUCE OUR DEPENDENCE ON IMPORTED OIL. WE ARE DETERMINED TO REDUCE OIL IMPORTS PROMPTLY AND SIGNIFICANTLY AND TO END VULNERABILITY TO ECONOMIC DISRUPTION BY FOREIGN SUPPLIERS BY 1985. IMMEDIATE ACTIONS TO CUT ENERGY IMPORTS AND TO INCREASE BOTH OUR DOMESTIC SUPPLIES AND OUR ABILITY TO USE OUR COAL, GAS, OIL AND NUCLEAR POWER ARE CLEARLY NECESSARY AS ARE STRONG MEASURES TO ENSURE ADEQUATE CONSERVATION AND A NEW EMERGENCY STORAGE PROGRAM. THESE STEPS MAKE NEW DEMANDS ON THE AMERICAN PEOPLE. AT THE SAME TIME, THEY PROVIDE THE BASIS FOR A STRONG ECONOMY IN THE FUTURE. THIS, IN TURN, SHOULD HAVE A BENEFICIAL IMPACT ON THE INTERNATIONAL ECONOMY.

IN CLOSING, LET ME EMPHASIZE THE IMPORTANCE I HAVE ATTACHED TO HAVING HAD THE BENEFIT OF YOUR VIEWS ON THESE ISSUES DURING YOUR RECENT VISIT. WE ARE STRONGLY COMMITTED TO WORKING WITH YOUR GOVERNMENT AND OTHERS IN CONFRONTING OUR COMMON PROBLEMS. WHILE MUCH REMAINS TO BE DONE, WE ARE ENCOURAGED BY THE POSITIVE STEPS WHICH HAVE BEEN TAKEN

~~SECRET~~





Department of State

TELEGRAM

~~SECRET~~

PAGE 03 STATE 009369

RECENTLY. FOR OUR MUTUAL WELL-BEING, IT IS IMPERATIVE THAT WE CONTINUE DEVELOPING A COMMON APPROACH IN DEALING WITH ENERGY PROBLEMS AND THAT WE CONTINUE TO COORDINATE CLOSELY IN CONFRONTING OUR ECONOMIC DIFFICULTIES.

I LOOK FORWARD TO STAYING IN CLOSE TOUCH WITH YOU ON THESE IMPORTANT ISSUES.

SINCERELY,

GERALD R. FORD

HIS EXCELLENCY  
HELMUT SCHMIDT  
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY,  
BONN

END OF TEXT. KISSINGER

~~SECRET~~

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MEMORANDUM

THE PRESIDENT HAS READ THIS *14/*

SA

THE WHITE HOUSE  
WASHINGTON

725

ADMINISTRATIVELY  
CONFIDENTIAL

INFORMATION  
February 11, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *B*

*Handwritten initials*

SUBJECT: Message of Appreciation from Chancellor Schmidt

FRG Chancellor Schmidt has sent a message of appreciation (at Tab A) for your letter of January 15 (copy at Tab B) informing him in advance about the main elements of your State of the Union Address. The Chancellor states that he read your letter with great interest, and reaffirms his full agreement with you that we must jointly find a solution to the energy crisis and continue to coordinate closely the measures we take to overcome economic difficulties.

Chancellor Schmidt's letter is forwarded for your information. As it is in response to your earlier letter, no further action is required on your part.

ADMINISTRATIVELY  
CONFIDENTIAL



MEMORANDUM

THE PRESIDENT HAS SEEN *dy* *SB*

725

THE WHITE HOUSE  
WASHINGTON

ADMINISTRATIVELY  
CONFIDENTIAL

INFORMATION  
February 11, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *B*

*ME*

SUBJECT: Message of Appreciation from Chancellor Schmidt

FRG Chancellor Schmidt has sent a message of appreciation (at Tab A) for your letter of January 15 (copy at Tab B) informing him in advance about the main elements of your State of the Union Address. The Chancellor states that he read your letter with great interest, and reaffirms his full agreement with you that we must jointly find a solution to the energy crisis and continue to coordinate closely the measures we take to overcome economic difficulties.

Chancellor Schmidt's letter is forwarded for your information. As it is in response to your earlier letter, no further action is required on your part.

ADMINISTRATIVELY  
CONFIDENTIAL



54

EMBASSY  
OF THE  
FEDERAL REPUBLIC OF GERMANY  
WASHINGTON, D. C.

February 3, 1975

My dear Mr. President,

Federal Chancellor Helmut Schmidt has asked me to transmit to you the enclosed letter.

A courtesy translation reads as follows:

"Dear Mr. President,

I thank you very much for your message of January 15, 1975 in which you inform me about the main elements of your State-of-the-Union-Message and which I have read with great interest.

As you know I fully agree with you that we must jointly find a solution of the energy crisis and that we must continue to coordinate closely the measures we shall take to overcome the economic difficulties.

With best regards,  
sgd. Helmut Schmidt"

Respectfully,



The President  
The White House  
Washington, D.C.

725<sup>SD</sup>

BUNDESREPUBLIK DEUTSCHLAND  
DER BUNDESKANZLER

Bonn, den 23. Januar 1975

Sehr geehrter Herr Präsident,

ich danke Ihnen sehr für Ihre Botschaft vom 15. Januar 1975, mit welcher Sie mich über die wesentlichen Elemente Ihrer State of the Union Message unterrichten und die ich mit großem Interesse zur Kenntnis genommen habe.

Wie Sie wissen, teile ich voll und ganz Ihre Auffassung, daß wir gemeinsam einen Weg zur Lösung des Energieproblems suchen und daß wir fortfahren müssen, unsere Maßnahmen zur Bewältigung der wirtschaftlichen Schwierigkeiten eng miteinander abzustimmen.

Mit herzlichen Grüßen

*Stabschef Helmut Kohl*

*Helmut Kohl*

S.E.

dem Präsidenten  
der Vereinigten Staaten  
von Amerika

Herrn Gerald R. Ford

Washington

55  
EMBASSY OF THE FEDERAL REPUBLIC OF GERMANY  
WASHINGTON, D. C. 20007



The President  
The White House  
Washington, D.C.

FRG  
58

THE WHITE HOUSE  
WASHINGTON

*Jan 14, 1975*

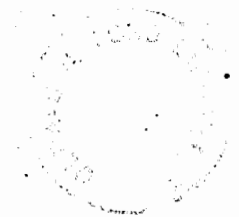
Dear Mr. Chancellor:

This Wednesday, in my State of the Union address, I will formally present policies to meet the economic and energy challenges which are of major importance to the United States and to the international community. I shall, at that time, make a number of detailed proposals, many of which I outlined in my speech to the American people on Monday night. I write you in the spirit of collaboration that animates our relations to share my thoughts on these new measures.

Our countries and our key trading partners have recently been struggling with unemployment, inflation, and energy shortages. There are, as we know, no easy answers to any of these problems, singly or in combination, but it is clear that we cannot afford to address one aspect of our difficulties while ignoring the others. Moreover, each country must act to achieve a balance consistent with its priorities and its particular economic circumstances while recognizing it must act in a manner which furthers rather than harms the economic well-being of other countries.

My policies aim to deal directly with the economic slowdown we now face without triggering the major inflationary pressures which might result from an overly expansionary policy. A tax cut, along with measures to stimulate investment, should reinvigorate the U.S. economy and improve confidence. Under present conditions, we believe it will not restimulate the inflationary spiral.

We are also taking major steps to reduce our dependence on imported oil. We are determined to reduce oil imports promptly and significantly and to end vulnerability to economic



disruption by foreign suppliers by 1985. Immediate actions to cut energy imports and to increase both our domestic supplies and our ability to use our coal, gas, oil and nuclear power are clearly necessary as are strong measures to ensure adequate conservation and a new emergency storage program. These steps make new demands on the American people. At the same time, they provide the basis for a stronger U.S. economy in the future. This, in turn, should have a beneficial impact on the international economy.

In closing, let me emphasize the importance I have attached to having had the benefit of your views on these issues during your recent visit. We are strongly committed to working with your government and others in confronting our common problems. While much remains to be done, we are encouraged by the positive steps which have been taken recently. For our mutual well-being, it is imperative that we continue developing a common approach in dealing with energy problems and that we continue to coordinate closely in confronting our economic difficulties.

I look forward to staying in close touch with you on these important issues.

Sincerely,

His Excellency  
Helmut Schmidt  
Chancellor of the  
Federal Republic of Germany  
Bonn





NSC CORRESPONDENCE PROFILE

DOC		RECD			LOG NBR	INITIAL ACTION
MO	DA	MO	DA	HR		
1	23	4	19		7500725	<i>Clift</i>

SOURCE/CLASS/DESCRIPTION

TO: PRES + *Schmidt, H* REFERENCE: CIRCLE AS APPROPRIATE  
 FROM: KISSINGER, H S/S \_\_\_\_\_ UNCLAS LOG IN/OUT  
 KISSINGER \_\_\_\_\_ COLBY, W \_\_\_\_\_ LOU NO FORN NODIS  
 SCOWCROFT \_\_\_\_\_ SCHLESINGER, J \_\_\_\_\_ C EYES ONLY EXDIS  
 DAVIS \_\_\_\_\_ ST EX SEC \_\_\_\_\_ S CODEWORD  
 TS SENSITIVE

SUBJECT: *Thank you ltr to Pres for Schmidt  
 Chancellor of Germany re Pres State of  
 Union msg to your leaders*

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION			ACTION REQUIRED
	ACTION	INFO	REC CY FOR
ADVANCE CYS TO HAK/SCOWCROFT			
STAFF SECRETARY			
FAR EAST			
SUB-SAHARAN AFRICA			
MID EAST / NO. AFRICA / SO. ASIA			
EUROPE / CANADA	<u>+</u>		<u>+</u>
LATIN AMERICA			
UNITED NATIONS			
ECONOMIC			
SCIENTIFIC			
PROGRAM ANALYSIS			
NSC PLANNING			
CONGRESSIONAL			
OCEANS POLICY			
INTELLIGENCE			

ACTION REQUIRED:  
 MEMO FOR HAK \_\_\_\_\_  
 MEMO FOR PRES \_\_\_\_\_  
 REPLY FOR \_\_\_\_\_  
 APPROPRIATE ACTION \_\_\_\_\_  
 MEMO \_\_\_\_\_ TO \_\_\_\_\_  
 RECOMMENDATIONS \_\_\_\_\_  
 JOINT MEMO \_\_\_\_\_  
 REFER TO \_\_\_\_\_ FOR: \_\_\_\_\_  
 ANY ACTION NECESSARY? +  
 CONCURRENCE \_\_\_\_\_  
 DUE DATE: 2-6  
 COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)  
*Index: Gruher, Mat k*

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
<u>2/5</u>		<u>HAK</u>	<u>x</u>	<u>Pres for info</u>	<u>2-11</u>
<u>2/13</u>		<u>NSC/C</u>		<u>Noted by Pres</u>	

NSC/S INSTR

DISPATCH \_\_\_\_\_  
 CY RQMTS: SEE ABOVE PLUS: \_\_\_\_\_  
 NOTIFY \_\_\_\_\_ & DATE \_\_\_\_\_ BY \_\_\_\_\_  
 SPECIAL DISPOSITION: \_\_\_\_\_  
 CROSS REF W/ \_\_\_\_\_  
 SUSPENSE CY ATTACHED: + FOLDER: \_\_\_\_\_

MICROFILM & FILE RQMTS:  
 FEB 13 1975  
 CRT ID: \_\_\_\_\_ SA SF  
 OPEN map HP NS  
 CLOSE D WH EP  
 PA DY

THE WHITE HOUSE  
WASHINGTON

725

ADMINISTRATIVELY  
CONFIDENTIAL

INFORMATION  
February 11, 1975

*Noted 2-13*

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *HK*

SUBJECT: Message of Appreciation from Chancellor Schmidt

FRG Chancellor Schmidt has sent a message of appreciation (at Tab A) for your letter of January 15 (copy at Tab B) informing him in advance about the main elements of your State of the Union Address. The Chancellor states that he read your letter with great interest, and reaffirms his full agreement with you that we must jointly find a solution to the energy crisis and continue to coordinate closely the measures we take to overcome economic difficulties.

Chancellor Schmidt's letter is forwarded for your information. As it is in response to your earlier letter, no further action is required on your part.

*PA*

ADMINISTRATIVELY  
CONFIDENTIAL



67

EMBASSY  
OF THE  
FEDERAL REPUBLIC OF GERMANY  
WASHINGTON, D.C.

February 3, 1975

My dear Mr. President,

Federal Chancellor Helmut Schmidt has asked me to transmit to you the enclosed letter.

A courtesy translation reads as follows:

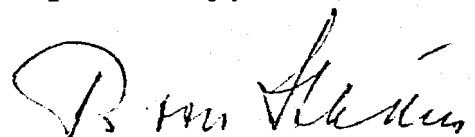
"Dear Mr. President,

I thank you very much for your message of January 15, 1975 in which you inform me about the main elements of your State-of-the-Union-Message and which I have read with great interest.

As you know I fully agree with you that we must jointly find a solution of the energy crisis and that we must continue to coordinate closely the measures we shall take to overcome the economic difficulties.

With best regards,  
sgd. Helmut Schmidt"

Respectfully,



The President  
The White House  
Washington, D.C.



725 bc



BUNDESREPUBLIK DEUTSCHLAND  
DER BUNDESKANZLER

Bonn, den 23. Januar 1975

Sehr geehrter Herr Präsident,

ich danke Ihnen sehr für Ihre Botschaft vom  
15. Januar 1975, mit welcher Sie mich über die  
wesentlichen Elemente Ihrer State of the Union  
Message unterrichten und die ich mit großem In-  
teresse zur Kenntnis genommen habe.

Wie Sie wissen, teile ich voll und ganz Ihre Auf-  
fassung, daß wir gemeinsam einen Weg zur Lösung  
des Energieproblems suchen und daß wir fortfah-  
ren müssen, unsere Maßnahmen zur Bewältigung  
der wirtschaftlichen Schwierigkeiten eng mitein-  
ander abzustimmen.

Mit herzlichen Grüßen

*Helmut Kohl*  
*Helmut Kohl*



E.  
dem Präsidenten  
der Vereinigten Staaten  
in Amerika  
Herrn Gerald R. Ford  
Washington

FRG

5D

THE WHITE HOUSE  
WASHINGTON

Jan 14, 1975

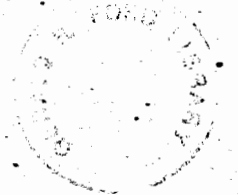
Dear Mr. Chancellor:

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We are also taking major steps to reduce our dependence on imported oil. We are determined to reduce oil imports promptly and significantly and to end vulnerability to economic



disruption by foreign suppliers by 1985. Immediate actions to cut energy imports and to increase both our domestic supplies and our ability to use our coal, gas, oil and nuclear power are clearly necessary as are strong measures to ensure adequate conservation and a new emergency storage program. These steps make new demands on the American people. At the same time, they provide the basis for a stronger U.S. economy in the future. This, in turn, should have a beneficial impact on the international economy.

In closing, let me emphasize the importance I have attached to having had the benefit of your views on these issues during your recent visit. We are strongly committed to working with your government and others in confronting our common problems. While much remains to be done, we are encouraged by the positive steps which have been taken recently. For our mutual well-being, it is imperative that we continue developing a common approach in dealing with energy problems and that we continue to coordinate closely in confronting our economic difficulties.

I look forward to staying in close touch with you on these important issues.

Sincerely,

His Excellency  
Helmut Schmidt  
Chancellor of the  
Federal Republic of Germany  
Bonn

MEMORANDUM

NATIONAL SECURITY COUNCIL


725

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R  
65

ADMINISTRATIVELY  
CONFIDENTIAL

ACTION  
February 5, 1975

MEMORANDUM FOR SECRETARY KISSINGER

FROM: A. Denis Clift 

SUBJECT: Message of Appreciation from Chancellor Schmidt

FRG Chancellor Schmidt has sent a letter of appreciation for the President's letter of January 15 informing him of the main elements of the State of the Union Address.

The memorandum for your signature to the President at Tab I forwards Schmidt's letter together with a summary of its contents. Your memorandum also advises the President that the message is for his information and that no further action is required.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

ADMINISTRATIVELY  
CONFIDENTIAL

6F

I





~~TOP SECRET~~

PERSONAL

Dear Mr. Chancellor:

I would like to use this special channel to raise with you in an entirely personal way a delicate aspect of the forthcoming summit-level NATO meeting. It relates to French participation in the meeting, and I raised it in a general manner with Ambassador von Staden when he came to see me on other matters last week. As far as we can determine, the French intend to send only Foreign Minister Sauvagnargues to the Brussels meeting on May 29-30. In terms of our common objectives for the NATO meeting, I think it would be unfortunate for the French to dissociate themselves in this fashion from a demonstration of Allied solidarity. But my concern is that beyond this, a boycott by the French President would have an extremely negative effect on our own President's attitude. President Ford agreed early in his Administration to meet with Giscard on French soil and that meeting in Martinique was a very constructive one. Since then, the President has authorized other positive steps in relations with France. Giscard, incidentally, would be quite wrong to think, as some reports indicate, that the United States sought to torpedo the recent Paris preparatory conference of oil producers and consumers. On the contrary, with the President's full authority

~~TOP SECRET~~

DECLASSIFIED  
E.O. 12958, SEC. 3.5  
STATE DEPT, GUIDELINES, state review 9/16/03  
BY 100, NARA, DATE 3/5/04



we sought the most successful outcome for this project, even though we had certain misgivings about the wisdom of its timing. And, as you know, we are prepared to proceed with your idea of a private discussion between representatives of producing and consuming countries.

Against this background, the President would find it very hard to understand if Giscard, and apparently even Chirac, were to absent himself from a Western gathering which the President considers of major importance in the present difficult world situation, especially since Giscard seems quite ready to join in an East-West summit in the summer. I have made these points very privately to the French Ambassador here but have had no response so far. My writing to you directly, indicates how seriously we take this problem here and to alert you to the fact that a good deal of what has been achieved in Franco-American relations could be set back if the French hold to their present intention of being represented in Brussels only by their Foreign Minister. This can be in no one's interest.

You are the best judge whether you can somehow take a hand in coping with this problem. Perhaps you could let me know your private thoughts.

Warm regards, Henry A. Kissinger.

OP IMMED  
DE WTE #1584 081032Z  
O 220302Z MAR 75  
FM THE PRESIDENT

TO CHANCELLOR SCHMIDT

~~SECRET~~ DELIVER AT OPENING OF BUSINESS WH50542

TO: CHANCELLOR HELMUT SCHMIDT, BONN

FROM: PRESIDENT FORD

DEAR MR. CHANCELLOR:

YOUR CALL TODAY WAS TIMELY AND MOST WELCOME. I FULLY SHARE THE CONCERNS YOU HAVE EXPRESSED OVER THE VERY TROUBLESOME DEVELOPMENTS IN PORTUGAL, AND I AGREE FULLY WITH YOUR VIEWS THAT THESE DEVELOPMENTS MUST NOW BE LOOKED UPON AS A MATTER OF TOP PRIORITY IN THE CONTEXT OF THE NORTH ATLANTIC ALLIANCE AND THE STEPS WHICH WE AS ALLIES CAN MOST EFFECTIVELY TAKE IN THE BEST INTERESTS OF THE ALLIANCE.

TO THIS END OUR REPRESENTATIVE TO THE NORTH ATLANTIC COUNCIL, AMBASSADOR BRUCE, HAS BEEN INSTRUCTED TO CONSULT IMMEDIATELY WITH YOUR REPRESENTATIVE IN LIGHT OF YOUR SUGGESTIONS AND WITH A VIEW TO RECOMMENDING AS SOON AS POSSIBLE THE MOST APPROPRIATE APPROACH TO THE PORTUGUESE LEADERSHIP THAT WE MIGHT TAKE UNDER THE AEGIS OF THE ALLIANCE. IT IS ESSENTIAL THAT WE WORK CLOSELY TOGETHER ON THIS CHALLENGE OF SUCH VERY GREAT IMPORTANCE TO THE ALLIANCE.

AGAIN, I GREATLY VALUE YOUR CALL AND THE BENEFIT OF THESE EARLY CONSULTATIONS. WITH MY PERSONAL BEST WISHES,

SINCERELY,

GERALD R. FORD

0225

DECLASSIFIED  
E.O. 12958, SEC. 3.5  
STATE DEPT, GUIDELINES, *state review 9/16/03*  
BY lhr . NARA. DATE 3/5/04

\*\*\*\*\* WHSR COMMENT \*\*\*\*\*

MCFARLANE, RODMAN

PSN:034526 RECALLED PAGE 01 OF 01 TOR:081/03:22Z DTG:220302Z MAR 75



DECLASSIFIED

E.O. 12958, SEC. 3.5

STATE DEPT, GUIDELINES *State Review 9/16/03*

BY Wb, NARA, DATE 3/5/04

QUOTE:

BONN, DEN 23. APRIL 1975

SEINER EXZELLENZ  
DEM AUSSENMINISTER DER  
VEREINIGTEN STAATZN VON AMERIKA  
OBR. HENRY A. KISSINGEG  
WASHINGTON, D.C.

~~SECRET~~

KIEBER HENRY,

VIELEN DANKNFUER IHRE SCHNELLZ ANTWORTHAF MEINE MITTEILUNG ZUR  
OLAGE IN PORTUGAL. WIR SIND UNS OFFENBAR WEITGEHEND EINIG IN DER  
BEURTEILUNG DER GEGENWAERTIGEN LAGE SOWIE DER GEFAHREN, DIE SICH  
AUS MOEGLICHERWEISE EINTRETEMEN ENTWICKLUNGEN ERGEBEN KOENNTEN.

DIE BUNDESREGIERUNG HAT DER PORTUGIESISCHEN REGIERUNG INZWISCHEN  
DEN RAHMEN ERLAEUTERT, IN DEM SIE MOEGLIVHKEITEN FUER EINE ENGERE  
BILATERALE ZUSAMMENARBEIT SIEHT. MINISTERPRAESIDENT GONCALVES HAT  
OUNSER ANGEBOT IM GRUNDSATZ BEGRUESST. UEBER EINZELHEITEN SOLL NWCH  
DEN WAHLEN GESPROCHEN WERDEN.

WAS DIE UNTERSTUETZUNG DER NICHTKOMMUNISTISCHEN POLITISCHEN KRAEFTE  
UND PARTEIEN IN PORTUGAL ANGEHT, SO STIMME ICH MIT IHNEN UEBEREIN,  
DASS DIES EINE AUFGABE VOR ALLEM FUER DIE EUROPAEISCHEN  
SCHWESTERPARTEIEN IST. ICH KOENNTE MIR ABER VORSTELLEN, DASS DIE  
VEREINIGTEN STAATEN DEN VERBUENDETEN MIT INFORMATIONEM HELFZN, Z.B.  
DURCH LAUFENDE MITTEILUNG IHRER ERKENNTNISSE UEBER DIE ENTWICKLUNG  
DER INNENPOLITISCHEN SZENE UND DIEWIRKSAMKEIT ODER LUECKEN VON  
HILFSPROGRAMMEN.

UNSERE ANSTRENGUNGEN, IM RAHMEN DER NEUN DEN PORTUGIESISCHEN  
INTERESSEN MEHR ALS BISHER ENTGEGENZUKOMMEN, SETZEN WIR FORT. NOCH  
WISSEN WIR NICHT, WIE WEIT WIR DAMIT KOMMEN. JEDENFALLS DUERFTE  
LDIESER WEG RELATIV VIEL ZEIT BEANSPRUCHEN, BEVOR FUEHLBARE  
ERGEBNISSE ERREIC T SIND.

FUER BESONDERS WICHTIG HALTE ICH DIE BILATERALEN UNTERSTUETZUNGS-  
PROGRAMME VON REGIERUNG ZU REGIERUNG. ICH VERSTEHE IHRE SORGE, DASS  
EIN GROESSERES PROGRAMM WIRTSCHAFTLICHER UND MILITAERISCHZR HILXE  
ALS ZINE UNTERSTUETZUNG DZS GEGENWAERTIGEM POLITISCHEN TGENDS CN  
LISYABON INTERPRETCZRT WERDENHKOENNTE. ICH BIN JEDOCH DER FESTEN  
QEBERZEUGUNG, DASS DIESES RISIKOHIN KAUF GENOMMEN WERDEN MUSS,  
SOLANGE SICH DIE LAGE NOCH NICHT GRUNDLEGENDE, GEAEENDERT HAT. ICH  
GLAUBE, DASS EIN MOEGLICHT SCHNELLER BEGINN OEFFENTLICH WIRKSAMER  
HILFSAKTIONEN DES WESTENS UEBERWIEGEND SIGNALWIRKUNG ZU UNSEREN  
GUNYTEN HABEN WUERDE.



2512452 APR 75

ICH TEILE IHRE BEFUERCHTUNGEN, DASY ES IN PORTUGAL ZU EINER VERDECKTEN MACHTUEBERNAHME DER KOMMUNISTEN DURCH EINE UNTERWANDERUNG DER BEWEGUNG DER STREITRAEFTE KOMMZN KOENNTE. ICH GLAUBE ALLERDINGS NICHT, DASS WIR UNSERE SWCHE SCHON VERLOREN GEBEN MUESSEN. AUCH INNERHALB DERHSTREITKRAEFTE GIBT ES OFFIZIERE, DIE DEN ~~ACHE~~ DEN EINFLUSS DERKOMMUNISTEN ALS EINE BEBROHUNG EMPFINDEN.

WAHRSCHEINLICH WIRD ES EINE LAEMGERE ZEIT DER UNSICHERHEIT GEBEN. CN DIESER PERIODEHGILT ES EINEGSEITS DAS VERTRAKEN DERHGUTWILLIGEN OPORTUGIESEN INHDIE ABSICHTEN DES WESTENS ZU STAERKEN. DER WESTZN DWRF NICHT PORTUGAG UND DCE PORTUGIESEN ALS KOMMUNISTISCH EINSTUFEN, BEVOR DIESE DAS YELBST TUN. VORSORGLICH MUESSEN WIR ANDERERSEITS INTERNHUNSEGE MOEGLICHHEITEN FUER DEN FALL KLAERZN, DASS DIE ENTWICKLUNG IN PORTUGAL EINEN SCHLIMMEN VERLAUF NIMMT.

ICH BIN IHNEN DANKBAR FUER IHRE BEREITSCHWFT, DIE HERREN RSONNENFELDT UND HYLAND HIERHER ZU ENTSENDEN. WENN SIE ES VORZIEHEN, WUERDE ABER AUCH EIN VON MIR PERSOENLICH BEAUFTRAGTERHAUS BONN NACH WASHINGTON KOMMZN KOENNEN. DIES WUERDE HERR VAM WELL SEIN. MIT IHM ZUSAMMEN WUERDE BOTSCHAFTER VON STADEN AN DEN IN AUSSICHT GENOMMENEN VERTRAULICHEN GESPRAECHEN TEILNEHMEN.

BITTE LASSEN SIZ MICH WISSEN, WELCHES PROZEDEGE UND WELCHER ZEITPUNKT IHNEN AM BESTEN PASST.

MIT FREUNDLICHEN GRUESSEN

HELMUT SCHMIDT

BUNDSREPUBLIK DEUTSCHLAND  
DERHBUNDESKANZLER

~~SECRET~~

UNQUOTE.  
XGDSI  
BT

NNNN



251245 Z APR 75

2799X

THE PRESIDENT HAS SEEN *dg.* 10<sup>14</sup>

THE WHITE HOUSE  
WASHINGTON

~~SECRET~~/SENSITIVE

April 28, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: HENRY A. KISSINGER *AK*

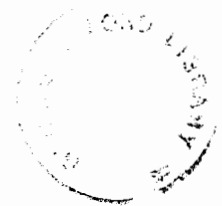
SUBJECT: Letter from Schmidt on Meeting of Experts

Chancellor Schmidt's letter (Tab B) expresses general agreement with a report from George Shultz on the private meeting of the "group of experts" from the major consuming countries held in New York March 22-23. (Summary of meeting is at Tab C.) Schmidt argues that now that the preparatory conference in Paris has been suspended, it is important to arrange a meeting between the Shultz group and experts from the producer countries. To this end, Schmidt has invited Iranian Minister of Finance Ansari to Bonn to discuss the matter. He also hopes that George Shultz will continue to be your representative.

A message to Schmidt is at Tab A. It indicates your approval of his proposed meeting of producer-consumer experts, suggests that after Schmidt sees Ansari there be further coordination concerning the definitive list of participants and affirms that George Shultz will remain your representative.

RECOMMENDATION

That you sign the letter to Chancellor Schmidt at Tab A.  
(The letter has been coordinated with Paul Theis.)



~~SECRET~~/SENSITIVE

DECLASSIFIED  
E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, state review 9/16/03  
BY Jan, NARA, DATE 3/5/04

106

**A**



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THE WHITE HOUSE  
WASHINGTON

April 29, 1975

Dear Mr. Chancellor:

I agree with the conviction expressed in your April 21 letter that the meetings of experts of industrialized countries have been extremely useful and that it is now time to begin arrangements for discussions with representatives from the major producer countries. We would, of course, want to make clear from the beginning that this producer-consumer meeting of experts was completely private and that governments would not necessarily be bound by its results.

Your talk with Minister Ansari should help clarify the subjects which could be fruitfully discussed at such a gathering and elicit Iran's suggestions concerning countries that might be represented. Perhaps after you see the Minister, we should have further contact to coordinate final preparations for the meeting, including the definitive list of participants. George Shultz would continue to represent the United States.

For our part, we are convinced, especially in the wake of the abortive preparatory meeting in Paris, that the industrialized countries must continue to strengthen their cooperative efforts on conservation, financial solidarity and substitution of domestic for imported energy. In my view, it is only through such unity of purpose and action by the major consumers that any discussions,



DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES *State Dep. memo 9/16/03*  
BY lsh, NARA, DATE 3/5/04

ORIGINAL OF LETTER  
SENT TO JONNENFELDT  
TO DELIVER TO  
GERMAN EMBASSY

4/29/75  
*edf*



private or governmental, with the producers can be productive.

Sincerely,

*Gerald R. Ford*

His Excellency  
Helmut Schmidt  
Chancellor of the Federal  
Republic Germany  
Bonn



B



*Delivered to Gen. Secor  
1:30 p.m. Apr 23, 1975*

*2799X<sup>102</sup>*

EMBASSY  
OF THE  
FEDERAL REPUBLIC OF GERMANY  
WASHINGTON, D. C.  
Washington, April 22, 1975

My dear Mr. President,

Chancellor Helmut Schmidt has asked me to transmit to you the following telegram:

"Bundesrepublik Deutschland                      Bonn, den 21. April 1975  
Der Bundeskanzler

Sehr geehrter Herr Präsident,

ich komme zurück auf Ihr Schreiben vom 3. März zur Frage der privaten Treffen von Sachverständigen für Erdöl- und Finanzierungsfragen. Sie haben wohl von George Shultz den Bericht über die Sitzung am 22. und 23. März in New York erhalten. Ich teile die darin zum Ausdruck kommenden Meinungen sehr weitgehend und fühle mich noch mehr als zuvor in der Überzeugung bestärkt, dass derartige Treffen nützliche Beiträge für den Entscheidungsprozess der Regierungen liefern können.

Ich halte es jetzt, nachdem die Pariser Vorkonferenz unterbrochen werden musste, für zweckmässig, die Absicht zu verwirklichen, die auch die Sachverständigen in New York empfohlen haben, nämlich ein Treffen dieser Gruppe mit Sachverständigen aus einigen Produzentländern zu arrangieren.

Sie wissen, dass der Gedanke an eine solche private Konferenz ursprünglich aus einem über den iranischen Wirt-

The President  
The White House  
Washington, D.C.

DECLASSIFIED  
E.O. 12068, SEC. 3.5  
NSC MEMO, 11/24/96, STATE DEPT. GUIDELINES *State Review 9/16/03*  
BY *WJ*, NARA, DATE *3/15/04*



schaftsminister Ansari zwischen mir und dem Schah von Iran geführten Meinungs austausch stammt. Ich halte es deshalb auch für richtig, den Schah jetzt in die Bemühungen um das Zustandekommen einzuschalten. Zu diesem Zweck habe ich Herrn Ansari nach Bonn eingeladen, um mit ihm über das zweckmässigste Verfahren zu sprechen.

Ich gehe davon aus, dass sie grundsätzlich mit meinem Bestreben einverstanden sind, den in Paris zunächst abgerissenen Faden auch mit Hilfe dieses Treffens privater Experten weiter zu spinnen und hoffe, dass George Shultz auch für die nächste Runde zur Verfügung steht.

Im gleichen Sinne habe ich an Präsident Giscard d'Estaing und an Premierminister Wilson geschrieben.

Mit freundlichen Grüßen

Ihr  
Helmut Schmidt"

A courtesy translation reads as follows:

" Federal Republic of Germany                      Bonn, 21 April 1975  
The Federal Chancellor

Dear Mr. President,

I refer to your letter of March 3 on the question of the private meeting of oil and financial experts. You will no doubt have received a report from George Shultz on the meeting held in New York on 22 and 23 March. I share to a very large extent the views expressed in that report and feel more than ever strengthened in my conviction that such meetings can be helpful to governments in their decision-making.

Now that the preliminary conference in Paris has had to be suspended, I think it would be expedient to arrange, as the experts themselves recommended in New York, a meeting between them and experts from several producer countries.



As you know, the idea of such a private meeting originated from an exchange of views between the Shah of Iran and myself conducted through the Iranian Minister of Economics, Mr. Ansari. I think, therefore, that the Shah should now be brought into our efforts to arrange the meeting. To that end I have invited Mr. Ansari to come to Bonn to discuss what would be the most suitable procedure.

I start from the assumption that you agree in principle with my efforts to take up again with the help of this private meeting of experts the threads that have for the time being been broken in Paris, and hope that George Shultz will be available for the next round also.

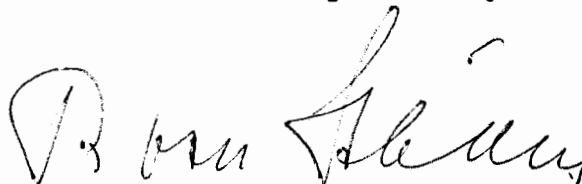
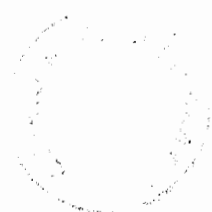
I have written in a similar vein to President Giscard d'Estaing and Prime Minister Wilson.

With warm regards,

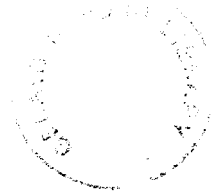
Sincerely

Helmut Schmidt"

Respectfully

A handwritten signature in cursive script, appearing to read "H. Schmidt".

C



~~CONFIDENTIAL~~

SUBJECT: George Shultz' Summary of Oil Experts Meeting  
in New York City March 22-23

1. The reaction of their respective governments to the first meeting of the Group of Five was favorable and generally supportive. There was a general feeling that there was growing pressure on producers, with price weakness and decreased export volume creating different problems for individual producers. They stressed the importance of not underestimating the explosiveness of the situation and the need for caution in the PrepCon meeting on April 7.

2. They reviewed their previous discussions on oil prices which they agreed would continue under pressure. They also concluded that declining export revenue combined with accelerating imports would reduce surplus OPEC foreign exchange generation. Although this would reduce OPEC assistance to LDGs, they urged that we press OPEC to bear a greater share of the burden of supporting weak industrialized nations, such as Italy. At the same time the industrialized nations must be giving greater attention to the control of inflation and oil conservation measures to stabilize their economies.

3. They considered the IEA financial safety net as an important subject, but did not discuss it in detail because it was viewed as essentially "settled." They accepted the IEA objective of protecting investment in development of alternative energy sources but evidenced little enthusiasm for the floor price scheme.

4. With regard to OPEC investment in the industrialized countries they were opposed to more legislative controls but felt that we should urge producer governments to clear major investments with us in advance.

5. With regard to the Roosa Plan for establishment of a diversified mutual fund, it was concluded that this was a constructive idea which deserved discussion, but that this was a scheme which would probably develop naturally in the market place and government action relating to such a fund was not necessary and could be harmful.

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E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES

BY lba, NARA, DATE 3/5/04



6. On international monetary issues it was the consensus view that we should not object to producers stating the oil price in SDR units but that actual payments must still be made in national currencies, primarily the dollar. They also agreed that there was no evidence of any attempt to use petrodollars to disrupt international currency markets, but that we should involve Saudi Arabia, and perhaps others, in a more meaningful participation in international monetary affairs.

7. With regard to the April 7 PrepCon it was felt that we should avoid substantive discussion restricting consideration to procedural issues only. To achieve this objective we should send technical level representatives operating under close instructions.

They also urged that we not bring up the question of oil price and attempt to avoid this as a confrontational issue. They are opposed to indexation and feel that we should not compromise on this issue. It was recommended that we should not be in any hurry in arranging for a full producer-consumer conference leaving the specific date open until further preparations have been completed satisfactorily.

It was felt that we should push for an agenda limited to two major subjects:

- cooperative efforts to support industrial development of OPEC countries, and
- constructive employment of OPEC surplus funds through investment in the industrialized nations.

8. Addressing the question of their enlarged group to include five representatives of OPEC nations, it was felt that the approach should be cooperative with a positive tone but keyed to exploration of matters of joint concern without commitment. The producer country attendees could be private sector but with support of their respective governments. It was felt that this meeting should take place after the PrepCon on April 7 for purposes of assessing the results of that meeting. It was tentatively agreed that this would be held at Kronberg where Chancellor Helmut Schmidt could perform the host functions.





EMBASSY  
OF THE  
FEDERAL REPUBLIC OF GERMANY  
WASHINGTON, D. C.

April 29, 1975

My dear Mr. President,

in the absence of Ambassador von Staden I have the honor to forward to you the original of Federal Chancellor Schmidt's letter dated April 21, 1975.

Respectfully



Minister

The President

The White House

Washington, D.C.



Bonn, den 21. April 1975

Sehr geehrter Herr Präsident,

ich komme zurück auf Ihr Schreiben vom 3. März zur Frage der privaten Treffen von Sachverständigen für Erdöl- und Finanzierungsfragen. Sie haben wohl von George Shultz den Bericht über die Sitzung am 22. und 23. März in New York erhalten. Ich teile die darin zum Ausdruck kommenden Meinungen sehr weitgehend und fühle mich noch mehr als zuvor in der Überzeugung bestärkt, daß derartige Treffen nützliche Beiträge für den Entscheidungsprozeß der Regierungen liefern können.

Ich halte es jetzt, nachdem die Pariser Vorkonferenz unterbrochen werden mußte, für zweckmäßig, die Absicht zu verwirklichen, die auch die Sachverständigen in New York empfohlen haben, nämlich ein Treffen dieser Gruppe mit Sachverständigen aus einigen Produzentenländern zu arrangieren.

Sie wissen, daß der Gedanke an eine solche private Konferenz ursprünglich aus einem über den iranischen Wirtschaftsminister Ansari zwischen mir und dem Schah

Seiner Exzellenz  
dem Präsidenten der Vereinigten  
Staaten von Amerika  
Herrn Gerald Ford

Washington

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BY ldg, NARA, DATE 3/5/04

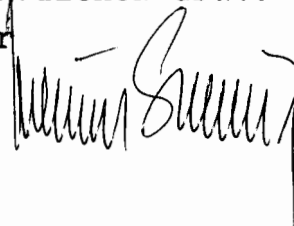
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Ich gehe davon aus, daß Sie grundsätzlich mit meinem Bestreben einverstanden sind, den in Paris zunächst abgerissenen Faden auch mit Hilfe dieses Treffens privater Experten weiter zu spinnen und hoffe, daß George Shultz auch für die nächste Runde zur Verfügung steht.

Im gleichen Sinne habe ich an Präsident Giscard d'Estaing und an Premierminister Wilson geschrieben.

Mit freundlichen Grüßen

Ihr



Seiner Exzellenz  
dem Präsidenten der Vereinigten Staaten  
von Amerika

Herrn Gerald Ford

W a s h i n g t o n





**BUNDESREPUBLIK DEUTSCHLAND  
DER BUNDESKANZLER**

EMBASSY OF THE FEDERAL REPUBLIC OF GERMANY  
WASHINGTON, D. C. 20007

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The President

The White House

Washington, D.C.



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