

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Count Otto Lambsdorff
Ambassador Von Staden, FRG
Lt. Gen. Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

DATE AND TIME: Friday - February 14, 1975
12:30 p.m.

PLACE: The Oval Office
The White House

Lambsdorff: I bring you the best regards of Chancellor Schmidt and Minister Genscher.

President: We had a very constructive group of meetings. Please give them my regards. I understand you have been meeting with my economic advisers.

Lambsdorff: We appreciate very much your ideas on energy and especially on the floor price. I especially see the Economic Community supporting it, and I hope Germany will follow. I have been for it for a long time.

There must be some safeguard for development of alternative sources whether it is by a tariff or a floor price. And it must be done by the consumers together.

President: I am encouraged by the cooperation we have had so far among the consumers. It will be good not only in developing cooperation, but for development of alternative sources of energy too.

Lambsdorff: Yes. As you know, we can't achieve energy independence, but we are trying. Without rationing. We have done it with prices.

President: We are trying too, if Congress will go along.

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~~TOP SECRET~~ - XGDS (3)
CLASSIFIED BY: HENRY A. KISSINGER

DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, WAGNER, STATE DEPT. GUIDELINES State Review 3/11/04
BY John, NARA, DATE 5/12/04

Lambsdorff: Compared with our experience, your suggestions of doing it with price are the right way.

President: Tell Chancellor Schmidt that many of his economic proposals are along the lines we have gone. We are trying to stimulate the economy.

Lambsdorff: We are trying to make the balance between inflation and stimulation. I think the U. S. economy is not as bad as the papers say. I see the first signs of recovery here and in my country.

President: In yours too?

Lambsdorff: Some of the first figures indicate that it will be not so long a recession. We did have a sharp break, with unemployment, which was frightening. But we are coming out of it now.

President: We have had a sharp inventory liquidation.

Lambsdorff: Ours was not so much, because we never have so much inventory buildup. A crucial figure for us is the jobs available -- and that is going up now. In a few months I think we will see an upturn.

President: How about the other countries?

Lambsdorff: The French are doing okay. The Dutch were hit hard but are coming along. The Italians have done better than anyone says. Without the oil, they would have had a balance of payments surplus over the past two months. I am most worried about Britain.

President: I notice the railroad workers there had a 40% wage increase.

Lambsdorff: They think you can finance everything with inflation. They are still following the old Keynes method and it doesn't work. Carrying Britain will be a heavy burden.

President: Their referendum on membership will be this summer.

Lambsdorff: I am sure it will be a positive vote. We have always been in favor of it politically. Economically, it will be a burden.

President: My impression is they are just trying to hang on, waiting for the North Sea oil.



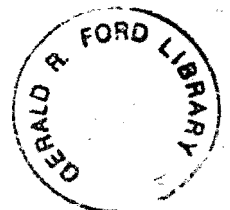
Lambsdorff: I think they may have to mortgage it ahead of time.

President: It was a real pleasure meeting the Foreign Minister and having a long talk with the Chancellor. We count on you as friends, and as strong leaders of the West. We feel we have the best kind of relationship and we are anxious that it be continued.

Lambsdorff: We have no bilateral problems. I think our relations could not be better.

President: Thank you very much for coming. I appreciated your appraisal of the situation.

Lambsdorff: Thank you for receiving me.



Pf Jarrett Lammaluff Arch-Von Studers
14 Feb

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h Encouraged by our experience, your suggestion
of doing it w/ price one a right way

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are along a line we have gone & we are
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of recovery here in my country

P Yours etc

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P We have had sharp inv. expansion

L Don't get so much because we never had so much inv. building. A crucial figure for us is jobs available - & that is going up even in a few months I think we will see it then

P Hear about other countries

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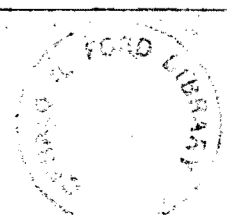
L I am sure it will be a positive vote. We have always been in favour politically. Economically it will be a disaster.

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fact



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I ^{appreciate} ~~am~~ glad you ^{appreciated} ~~appreciate~~ the situation

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