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THE WHITE HOUSE

EXCHANGE OF TOASTS
BETWEEN THE PRESIDENT
AND

HELMUT SCHMIDT
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY

THE STATE FLOOR

10:00 P.M. EST

THE PRESIDENT: Mr. Chancellor, it is a great privilege and a pleasure for me and our people to have you and your Foreign Secretary, Mr. Genscher, and the others from your party visiting us in Washington on this occasion.

We, of course, feel that this gathering is a reaffirmation of the longstanding friendship of your people as well as ours, your government as well as ours, a friendship that has a very broad base in military security, economic relations, people to people relations.

Of course, the pages of history in the United States are filled with contributions made over the 200 years of our Nation's history, contributions made by people from your country.

It goes back as far as Baron Von Steuben, who was probably the finest military training officer, as well as fighting officer, who took a pretty ragged American outfit at Valley Forge and made it capable and competent to meet the challenges in the next spring.

And, of course, Abraham Lincoln had a very outstanding German who was a member of his Cabinet, who contributed significantly to our history in that day and that era.

Of course, the contribution by people from Germany to our country also includes the arts, it includes science, it includes literature, and, as Larry Brown and I know, there are some outstanding Germans who have contributed to our proficiency in athletics, one who may come to mind for some of us in the older age group.

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Lou Gehrig was probably a legendary baseball player in our athletic history and his ancestry, of course, was that of your country. But with the people who have helped to make America great, and those that are working with us today in the field of the military, the economic areas, the rapport I think is good for not only each of us but for the world at large.

Twenty-five years of your history has been a period of 25 years of close personal relationship to the United States, and vice versa.

We seem to have the same philosophical views, the same ideological opinions as to how you can move ahead. We tend to subscribe in America to the views of one of Germany's greatest minds, one of the world's greatest -- I am told, as I read history -- Goethe. He once wrote that we can only earn our freedom and our existence by struggling for it every day.

For 25 years, day in and day out, the Federal Republic and the United States have worked together for a freer, better world in a spirit of mutual friendship and great mutual respect.

So, it is my privilege, Mr. Chancellor, in the spirit of our friendship and cooperation and mutual interest, to offer a toast to you and all that you embody and that of your great country.

To the Chancellor and to the Federal Republic and its people.

CHANCELLOR SCHMIDT: Mr. President, Mrs. Ford, ladies and gentlemen:

I would like to thank you, Mr. President, for the kind and warm words you have addressed to my party and to me. I think one of the two of us has to confess to this distinguished gathering that, despite the fact that we did not intend to solve any bilateral problems between ourselves, because we don't have any bilateral problems (Laughter) nevertheless we did make a bilateral agreement just tonight insofar as we agreed to put away the speeches which were made for us. (Laughter)

And so, the President did and I am going to do it, but we allowed for just one quotation from the speeches. You will later on detect me, or observe me looking to my paper once, but before so doing, I would like to point out that I think you were especially generous, Mr. President, in talking of the last 25 years of our really very good and ever-improving relationship, a relationship between your great country and ours.

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You were very gracious not to mention periods of history before that -- I will not dig into it. But: I would like to say that my compatriots and I, myself, we are really thankful for the great help which we have received from your people immediately after the war and that we also are thankful for having had your assistance, your standing firm on matters vital for our own sake; for instance, for your standing firm on Berlin all these years.

You have just come back to the United States from a meeting with the number one man of the Soviet Union. From what I understand from your report to us, you have clearly added one step further in the policy of bringing about balance in the world and the stability of that balance; and bringing about detente, if you wish to call it that, a policy which we have followed, both of our nations, both of our governments, parallel to each other, as we have all these long decades followed in common the policy of making ourselves capable, if need should arise, to defend ourselves against threats or pressures from outside.

It seems to me that so far we have been very successful together with our other partners within the Atlantic Alliance. In the meantime, new problems have come up which we did not foresee ten years ago -- referring to the Middle East or referring to the oil price explosion -- I think one might call it an explosion -- and all our economies so far have not adapted to that enormous change, whether it is in the field of real incomes, whether that is in the field of balance of payments, whether it is in the field of aggravating the process of inflation.

We have talked at length today, and also your Secretaries and aides and my party have talked at length about economic problems. We have exchanged our analyses, we have exchanged our attitudes, our plans for future actions, advice was given freely and taken from both sides -- this is the point where I have to look to my paper (Laughter) -- because I wrote down in my own handwriting a little quote.

I think it is from some American. He is not as famous as Goethe. Nevertheless, it reads: "Free advice is the kind that costs you nothing unless you act upon it." (Laughter)

So, I warn you, Mr. President, to be careful in acting upon our advice, and we will be careful on our side as well.

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But coming back to a more serious aspect of the matter, I think I could say on behalf of my party, especially my colleague Genscher, and the rest, that we were very thankful for this free exchange of analyses and talks and of the plans we might put into operation in the next time, because we do really feel that your great country, five times as big -- I mean in economic size -- than ours, and our second biggest in terms of foreign trade, we do really feel that both our responsibilities, vis-a-vis the world's economy as a whole and the other partners in the free world economy, request from us that we try as much as one can to coordinate our economic policies as we have coordinated our defense policies, as we have coordinated our detente policies, as we tried to coordinate our policies all over the globe.

Now, at this present stage I think in the economic field there lies a great part of our faith, not only of your people, also of ours, also of other people.

If the economic future becomes bleak and uncertain, economic uncertainty and economic failure can lead to economic unrest not only, but also social unrest and also domestic political unrest in a number of countries, not in the first instance in the United States of America, not in the first instance of our country, but we might be infected in the course of time.

I think all my compatriots heard with great satisfaction what you said this afternoon about you would not permit an aggravation of the downward trend of the economy, which at present is characterizing all our economies.

I am not going to too much dig into that field. I only wanted -- using this as an example, the economic exercise of ours as an example -- to express again, sir, our gratitude for this really free, and frank, and candid exchange of views and to express our gratitude for the endeavor on both sides to coordinate and harmonize our policies which, in fact, does not mean that both of our parts have to exactly operate along the same lines, but means that we will have to follow complementary policies in order to achieve the same goal that we have in common.

Ladies and gentlemen, I would like to rise and drink to the President of the United States and our charming hostess.

END (AT 10:14 P.M. EST)