THE WHITE HOUSE WASHINGTON

April 11, 1978

Dear Helmut:

I am grateful for the encouraging messages of support and cooperation that you sent me via Henry Owen. I am glad that you and I agree on the need for a concerted economic approach to the industrial nations' problems, both in the months ahead and at the Summit.

The U.S. will try to make its contribution -- by adopting stronger anti-inflation measures and by moving on the energy front. I share your view about the key importance of both these actions. I am making a major speech outlining specific actions against inflation today.

I welcome your willingness to take stimulus measures, if needed to fulfill Germany's growth target, and I understand the importance of avoiding any public discussion of these measures until and unless the need arises. I realize that if such measures prove necessary, their timing has to take account of German domestic political and economic factors; I hope you will agree that if a decision cannot be taken by mid-spring, as implied in our agreed March 13 statement, a decision at the Summit would be of great importance in underlining the fact that our actions are part of a package of mutually reinforcing measures.

I will write you again, after Prime Minister Fukuda has been here in early May, to let you know what passed between us about these matters. Meanwhile, Helmut, I want you to know how much I appreciate the opportunity to consult and cooperate with you closely on these issues.

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I am glad that you are devoting so much time and attention to planning the Summit meeting. This bodes well for its success. The reports of your views and of the Summit Preparatory Group's work lead me to conclude that we are now on firm ground in fixing the date definitely for July 16.

Sincerely,

Timney Carter

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