WHORM Subject File Code: CO054-02
(Countries: Germany, Federal Republic of (West))
Case file Number(s): 094000-109999
Box: 76

/oa

ID #094843

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

CO054-02

☐ O - OUTGOING

☐ H - INTERNAL

☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 83/04/13

Name of Correspondent: Ambassador of the Federal Republic of Germany

☑ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Unopened

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
NS Clar	ORIGINATOR	83/04/14		C	83/04/13 CS
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:
- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: Original to Loretta Brayton

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: _____ Individual Codes: __.____ __.____ __.____

Prime Subject Code: __ ____.__ Secondary Subject Codes: __ ____.__ __ ____.__

__ ____.__ __ ____.__

__ ____.__ __ ____.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __ __	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

CLn - First Lady's Correspondence
- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

CBn - Presidential & First Lady's Correspondence
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

NATIONAL SECURITY COUNCIL ID 8302078

REFERRAL DATE: 13 APR 83

MEMORANDUM FOR: STATE SECRETARIAT

DEPARTMENT OF STATE

DOCUMENT DESCRIPTION: TO: PRESIDENT

SOURCE: KOHL, HELMUT

DATE: 12 APR 83

KEYWORDS: GERMANY F R HS KOHL, HELMUT

SUBJ: RESPONSE TO PRES CONGRATULATORY MSG ON MAR 6 ELECTION

REQUIRED ACTION: FOR INFORMATION

DUEDATE:

COMMENTS:

Cathy Millerson

FOR MICHAEL O WHEELER

STAFF SECRETARY

NSC/S PROFILE UNCLASSIFIED ID 8302078

RECEIVED 29 MAR 83 09

TO CLARK FROM HILL DOCDATE 28 MAR 83

WHEELER 29 MAR 83

KEYWORDS: GERMANY F R HS KOHL, HELMUT

SUBJECT: PRES CONGRATULATORY MSG TO CHANCELLOR KOHL ON 6 MAR ELECTION

ACTION: PREPARE MEMO WHEELER TO HILL DUE: 29 MAR 83 STATUS C FILES WH

FOR ACTION	FOR CONCURRENCE	FOR INFO
FORTIER		KRAEMER
		MYER
		WHEELER

COMMENTS

REF# 8309125 LOG NSCIFID (H / M)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	2 4/13	Send Thank You ltr		DF, State
				MW

DISPATCH 4/13 cm W/ATTCH FILE ____ (C)

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

Dear Mr. President:

I have the honor to transmit to you the following telegram from Federal Chancellor Helmut Kohl:

"Dear Ronald,

I was delighted to receive your congratulations on my reelection as Chancellor of the Federal Republic of Germany. Thank you very much for your good wishes.

I think it is of great symbolic value that my first visit abroad after the elections will be to Washington.It will demonstrate our common commitment to strengthening the Alliance and to deepening the relationship between our two countries.

The President
The White House
Washington, D.C.

I am looking forward to seeing you this week.

Sincerely,

Helmut"

Respectfully yours,

Peter Hermes

Peter Hermes

Washington, D.C. April 12, 1983

5

/ DG

ID #094850

C0054-02

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING

☐ H - INTERNAL

☑ I - INCOMING

Date Correspondence Received (YY/MM/DD) 83104 19

Name of Correspondent: Embassy of the Federal Republic of Germany

☑ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Unopened

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
NSC Clr	ORIGINATOR	83 04 20		C	83 04 19
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

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- X - Interim Reply

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- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

DG

Comments: Lebanon Crisis retained by NSC/S

Keep this worksheet attached to the original incoming letter.
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5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: S Individual Codes: 3200 __.____ __.____

Prime Subject Code: CO 05202 Secondary Subject Codes: __ ___.__ __ ___.__
__ ___.__ __ ___.__
__ ___.__ __ ___.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __ __	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence
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- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

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- n - 1 - Nancy Reagan
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- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

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

WHITE HOUSE
CORRESPONDENCE
TRACKING
094850

The President

The White House

Washington, D.C.

WHITE HOUSE MAIL
RECEPTION AND SECURITY
OFFICE

2

ID #094852

CO054-02

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING

☐ H - INTERNAL

☑ I - INCOMING

Date Correspondence Received (YY/MM/DD) 83 04 20

Name of Correspondent: Embassy of the Federal Republic of Germany

☑ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Unopened

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
NSC Clar	ORIGINATOR	83 04 21		C	83 04 21
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

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X - Interim Reply

DISPOSITION CODES:

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C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: Returned by NSC

Loretta

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5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: S Individual Codes: 3.200 _.____ _.____

Prime Subject Code: CO 054.02 Secondary Subject Codes: __ ____.__ __ ____.__

__ ____.__ __ ____.__

__ ____.__ __ ____.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __ __	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

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- n - 3 - Mrs. Ronald Reagan

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- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

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

WHITE HOUSE
CORRESPONDENCE
TRACKING
094852

The President

The White House

Washington, D. C.

WHITE HOUSE MAIL
RECEPTION AND SECURITY
OFFICE

1983 APR 29 PM 10 31

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CO054-02
PR015
Pu

WPC HAS SEEN

FG006-12

MEMORANDUM

NATIONAL SECURITY COUNCIL

INFORMATION

July 27, 1982

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DENNIS BLAIR/JIM RENTSCHLER

SUBJECT: German Public Opinion

Yesterday Dick Pipes forwarded to you a clipping from the Frankfurter Allgemeine Zeitung with poll results saying that "39% of Germans polled said that they believed their country should not identify itself either with the USSR or the USA but cooperate equally with both, i.e., pursue neutrality."

This troubling statistic needs to be put into context. The phrase, "pursue neutrality" was not in the question asked by the pollsters - it is Dick's addition. Polls by USICA over the years have probed neutralist tendencies carefully and found a remarkably steady preference by Germans for alignment with the U.S. through NATO to neutrality. Four polls between March, 1981, and April, 1982, for example, show 65-70% preference for NATO, 13-18% preference for neutrality, and 17-19% responding "Don't know." It is also worth noting that the Frankfurter Allgemeine article gave no information on the size of the poll sample, the use of control questions or the trend shown in similar poll results.

cc: Pipes
Robinson
Bailey

NSC# 8205279
8205433

MW

5275

MEMORANDUM

NATIONAL SECURITY COUNCIL

WPC HAS SEEN

July 26, 1982

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: RICHARD PIPES RP

SUBJECT: German Public Opinion

The attached clipping from the leading German daily, Frankfurter Allgemeine Zeitung, has two interesting items of information:

-- As a result of President Reagan's trip to Germany, his favorable rating among Germans has risen in a matter of weeks from 33 percent to 40 percent, while the proportion of those who had an unfavorable impression of him declined from 36 percent to 31 percent.

-- In June, 39 percent of Germans polled said that they believed their country should not identify itself either with the USSR or the USA but cooperate equally with both, i.e., pursue neutrality.

Attachment

cc: Norman Bailey
James Rentschler
Roger Robinson

Reagan gewinnt an Sympathie

Reu. FRANKFURT, 19. Juli. Der kurze Besuch des amerikanischen Präsidenten in der Bundesrepublik hat zu Einstellungsänderungen in der deutschen Bevölkerung geführt. Das glaubt das Institut für Demoskopie Allensbach aus den Ergebnissen zweier Umfragen herauslesen zu dürfen, die es kurz vor und kurz nach dem Reagan-Besuch gehalten hat. Eine gute Meinung über Reagan hatten im Juli und im Dezember 1981 ein Drittel der Bevölkerung von 16 Jahren an. Im Juni dieses Jahres war das, kurz vor dem Besuch des amerikanischen Präsidenten, nicht anders. Aber wenige Tage später war der Anteil der Wohlmeinenden auf 40 Prozent gestiegen. Der Prozentsatz derer, die angaben, sie hätten keine gute Meinung von Reagan, war von 38 Prozent im Dezember auf 36 Prozent im Juni kurz vor Reagans Besuch und 31 Prozent nach seinem Besuch gesunken. Daß der amerikanische Präsident auch nach Berlin reiste, fanden vor dem Besuch 73 Prozent und nach dem Besuch 76 Prozent gut. Nur 9 beziehungsweise 8 Prozent hielten nichts davon. Der Rest war unentschieden. Von dem Bild, das man vom amerikanischen Präsidenten hat, hängt zu einem Teil das Urteil ab, ob die deutschen Politiker in Zukunft enger mit den Vereinigten Staaten zusammenarbeiten sollten oder nicht. Im Januar meinten das 42 Prozent, im April 43, im Juni vor Reagans Besuch 51, kurz nach seinem Besuch 54 Prozent. Schon die Erwartung des Besuchs hätte nach der Allensbacher Interpretation die Stimmung verbessert. Daß „wir" lieber enger mit der Sowjetunion zusammenarbeiten sollten, wünschte nur ein Prozent. 39 Prozent traten im Juni dafür ein, mit beiden Großmächten gleich eng zu kooperieren.

Frankfurter Allgemeine Zeitung

July 20, 1982

179

National Security Council
The White House

RECEIVED

Package # 5433

82 JUL 27 P1:03

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	1		
Bud McFarlane			
Jacque Hill	2	✓	
Judge Clark	3	✓	I
John Poindexter			
Staff Secretary		MW	
Sit Room			

I–Information A–Action R–Retain D–Dispatch N–No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other

COMMENTS

National Security Council
The White House

278

RECEIVED

Package # 5275

82 JUL 27 A11 : 05

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	1		
Bud McFarlane			
Jacque Hill	2	✓	
Judge Clark	3	✓	A
John Poindexter			
Staff Secretary	4	MW	
Sit Room			

I–Information A–Action R–Retain D–Dispatch N–No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other_____

COMMENTS

NSC/S PROFILE UNCLASSIFIED ID 8205433

RECEIVED 27 JUL 82 13

TO CLARK FROM BLAIR DOCDATE 27 JUL 82

RENTSCHLER 27 JUL 82

KEYWORDS: GERMANY MEDIA

NATO

SUBJECT: GERMAN PUBLIC OPINION

ACTION: FOR INFORMATION DUE: STATUS IX FILES

FOR ACTION	FOR CONCURRENCE	FOR INFO
CLARK		PIPES
		ROBINSON
		BAILEY
		SIMS

COMMENTS

REF# LOG 8205279 NSCIFID (R /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
C	8/2	Noted by Clark		SB, RE

DISPATCH _____ W/ATTCH FILE (C)

NSC/S PROFILE UNCLASSIFIED ID 8205279

RECEIVED 27 JUL 82 12

TO CLARK FROM PIPES DOCDATE 26 JUL 82

KEYWORDS: GERMANY F R MEDIA

SUBJECT: GERMAN PUBLIC OPINION

ACTION: FOR INFORMATION DUE: STATUS IX FILES

FOR ACTION	FOR CONCURRENCE	FOR INFO
CLARK		BAILEY
		ROBINSON
		RENTSCHLER

COMMENTS

REF# LOG NSCIFID (M /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	C 8/2	Noted by Clark		RP

DISPATCH _____ W/ATTCH FILE ~~(C)~~ (C) RH

7

54-02

Dg

ID # 096027

C0054-02

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING

☐ H - INTERNAL

☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 82 08 27

Name of Correspondent: Embassy of the Federal Republic of Germany

☑ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Unopened

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
NSC Clar	ORIGINATOR	82 08 30		C	82 08 30
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
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Comments:

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5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: S Individual Codes: 3.200 __.____ __.____

Prime Subject Code: CO 054.02 Secondary Subject Codes: PP ___.__ __ ___.__

__ ___.__ __ ___.__

__ ___.__ __ ___.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __ __	_____	Time: _____	P. _____
DSP	_____	Time: _____	Media: _____

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

The President

The White House

Washington, D.C.

NSC copy

2

MPD/

DOCUMENT NO. 098025 PD

CO 054-02

OFFICE OF POLICY DEVELOPMENT PU

STAFFING MEMORANDUM

DATE: 10/19/82 ACTION/CONCURRENCE/COMMENT DUE BY: FYI

SUBJECT: West Germany: End of 'The Miracle' - article by John Dornberg from Dun's Business Month

	ACTION	FYI		ACTION	FYI
HARPER	☐	☐	DRUG POLICY	☐	☐
PORTER	☐	☐	TURNER	☐	☐
BARR	☐	☐	D. LEONARD	☐	☐
BOGGS	☐	☐	OFFICE OF POLICY INFORMATION		
BRADLEY	☐	☐	HOPKINS	☐	☐
CARLESON	☐	☐	COBB	☐	☐
DENEND	☐	☐	PROPERTY REVIEW BOARD	☐	☐
FAIRBANKS	☐	☐	OTHER		
FERRARA	☐	☐	_____	☐	☐
GALEBACH	☐	☐	_____	☐	☐
GARFINKEL	☐	☐	_____	☐	☐
✓ GUNN	☐	☒	_____	☐	☐
B. LEONARD	☐	☐	_____	☐	☐
LI	☐	☐	_____	☐	☐
MONTOYA	☐	☐	_____	☐	☐
ROCK	☐	☐	_____	☐	☐
ROPER	☐	☐	_____	☐	☐
SMITH	☐	☐	_____	☐	☐
UHLMANN	☐	☐	_____	☐	☐
ADMINISTRATION	☐	☐	_____	☐	☐

REMARKS:

Please return this tracking sheet with your response

Edwin L. Harper
Assistant to the President
for Policy Development
(x6515)

To: W. Gunn FYI. Competition from another view.

modities as dairy products, sugar, cotton and peanuts."

An angry Cresson adds: "The U.S. runs a $7.3 billion agricultural trade surplus with us, so what is all the fuss about?" Replies one of Block's aides: "Because if it weren't for the CAP, our trade surplus would be double"—the sort of answer that infuriates European farmers and their champions.

Given the level of ill feeling generated by recent agricultural and industrial disputes, and the prospect of future battles in high technology and autos, politicians on both sides of the Atlantic have been warning against the dangers of a trade war. Wilhelm

Warning to the U.S.

Haferkamp, External Relations Commissioner of the EEC, is particularly fearful of the long-term impact of present disputes and has warned both the Congress and the Reagan Administration against treading the path of protectionism.

Moreover, there is growing concern that tensions are now so acute that they threaten the political and security coherence of the Western alliance. Warns Assistant Secretary of State for Economic Affairs Robert Hormats: "If our economic differences are permitted to fester, they will spill over into other noneconomic elements in our relationship, with poisonous effects in international politics." This theme is taken further by European Commissioner Ivor Richard, who believes that growing mistrust in the trade and economic sphere has fueled broader misunderstandings. These are precisely the issues that are likely to surface at Versailles, where France is preparing to lead an onslaught against current U.S. economic policy, and Germany will challenge Washington's political and economic attitude towards the Soviet Union.

Richard believes that the differences over both these issues have been mounting steadily in recent months. In his opinion, the more important is the widening gap over what the Western reaction to the Kremlin should be, given its continuing support for General Wojciech Jaruzelski's crackdown in Poland.

Europeans have resisted heavy U.S. pressure for tougher sanctions against the Soviets, but President Ronald Reagan is reportedly ready to launch a new appeal at Versailles to persuade Europeans to rethink their decision to buy natural gas from Siberian fields. Europeans are going to resist, however. Otto Wolff von Amerongen, president of the West German Chamber of Industry and Commerce and a leading and powerful opponent of Washington's policy of "reward or punishment" of Moscow, argues that it is one thing for the U.S. to propose sanctions, especially when they do not include a grain embargo, and quite another for Germany, which has a profitable $11 billion trade with the Eastern bloc.

The real fireworks at Versailles are likely to come when France launches a concerted attack on U.S. economic policies, especially high interest rates, which, many leading officials on this side of the Atlantic believe, are "exporting the U.S. recession to Europe."

Even though U.S. interest rates have come down from their high, West German Chancellor Helmut Schmidt, the most important European leader, reportedly still finds American interest rate levels "formidable" and an obstacle to economic recovery. Even Reagan's leading supporter in Europe, British Prime Minister Margaret Thatcher, is moving steadily into the Franco-German camp. She is convinced by the reasoning of Chancellor of the Exchequer Sir Geoffrey Howe

Britain's bind

and the Bank of England that continuing high interest rates on the far side of the Atlantic could dampen U.K. economic recovery, just as it is beginning to gather momentum.

But although European-U.S. differences are quite likely to dominate the summit, both sides have deep grievances against the Japanese, which are sure to surface. Remarks a French official: "The Europeans and Americans are going to have to let each other out of the dock for part of the time, because they've both got some pretty tough things to say to the Japanese. Let's be frank, it's the Japanese rather than the U.S. or EEC that is the real threat to the future of multilateral world trade."

But given the current tensions, most of the fireworks at Versailles are likely to be between the Europeans and the Americans.

—DAVID FAIRLAMB

West Germany: End of 'The Miracle'

Not only the recession, but more basic problems have derailed the "locomotive" economy.

West Germany, Europe's long-time "locomotive" economy, is currently in its worst slump since the end of World War II. And there is very little prospect that the recession, which is now almost two years old, will bottom out before the end of the year.

By comparison with their neighbors, notably the British, the French and the Belgians, the West Germans are still doing fairly well, and at first sight it may seem absurd to talk about

 DUN'S BUSINESS MONTH SOURCE:

the failings of Europe's most powerful economy.

But by their own standards—in essence, the "economic miracle" for which they were famed and envied from the 1950s through the 1970s—the West Germans see Armageddon at hand.

Here are some of the statistics the Germans find so frightening:

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If anything has kept the recession from turning into a depression, it is that over the past nine months or so exports have surged to compensate for the downward spiral in the home market. But the export "boom" is due almost entirely to the recent depreciation of the deutschemark, thus making German goods more competitive abroad. The fading value of the DM, however, is a double-edged sword, for it has also raised the cost of imports, especially oil, and fanned domestic inflation.

The change in the economic climate after a period of unparalleled prosperity has come not merely as a shock, but it has also challenged many of the assumptions on which the country's social consensus and its democratic institutions are based.

"West Germans today are afraid of the future," says Karl Otto Pöhl, president of the Bundesbank, the powerfully independent central bank. "Resignation and pessimism are more widespread than at almost any time since the war. No less than 68% of the adult populace faced the start of this year with foreboding, expecting the economy to worsen. Only 32% looked forward to 1982 with any measure of confidence. That is the most pessimistic outlook pollsters here have ever registered."

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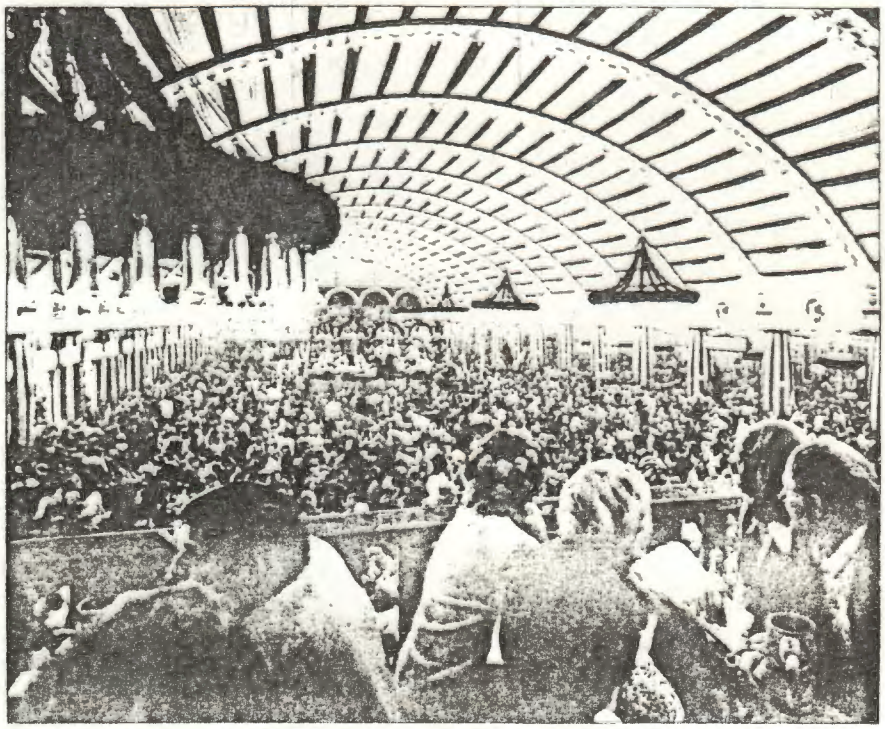
Some of the trouble, to be sure, is cyclical: the same downturn all other industrial societies are experiencing,



Munich's Oktoberfest: With holidays and other time off, the Germans put in fewer days on the job than any other Western workers

Flawed model

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Most of the answers being put forth are sugar-coated slogans and platitudes. The implication is that though

the Germans are unaccustomed to what is happening, and may have trouble adjusting, it does not signify the end of their world.

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But more and more businessmen, economists, bankers, financial experts and politicians have begun admitting that the present troubles may not be as temporary as they appear at first glance. The causes for West Germany's malaise, they concede, may be more fundamental, with roots deeper than merely a downswing in the business cycle.

For the first time in a generation, the assumed power and efficiency of West Germany's industrial machine is being questioned. So is the vaunted 100 year-old social welfare system, which swallows 38% of total government spending and, in fact, costs each and every citizen $4,000 per year.

Former Finance Minister Hans Matthofer, who was recently shifted to Postal Minister in a widespread Cabinet shakeup, says, "We are simply living beyond our means." Adds Pöhl: "We must earn what we want to spend—whether it is 75 billion marks a year on oil, or 40 billion marks annually on traveling and vacationing abroad. We must rediscover the virtues of the 1950s and 1960s."

A more pertinent reason the economy is flagging is that intensified competition, especially from the Far East, has made huge inroads not only into Germany's international markets but its domestic one as well. "The slogan 'Made in Germany' no longer has the glitter and ring it used to have," laments Otto Wolff von Amerongen, president of the German Chamber of Commerce and Industry. "Competitively speaking, we have our backs to the wall."

Germany's current malaise stems in large part from thirty postwar years of seemingly unlimited growth and much envied prosperity, which took their toll in changing habits and attitudes about work and in cozy assumptions about productivity. The Germans not only became complacent about their economy but, surprising as it may sound, turned lazy.

"The slogan 'Made in Germany' no longer has the glitter and ring it used to have."

In fact, once famed—and feared—for their diligence, the originators of the work ethic are today's international champions at goofing off. To judge not only from the dry statistics but the frustrating experiences of daily life, the once vaunted German work ethic has gone on an indefinite coffee break and is obsessed with "quitting time," "closing time," "leisure time" and "vacation time." And not just the workers. "Everyone," says Walther Leisler Kiep, the Christian Democratic Party's Treasurer and self-made financial wizard. "That includes the entrepreneurs, the managers, the independent craftsmen, the tradesmen and the civil servants."

According to the terms of his trade union contract, the average German works fewer hours per year—1,792—than anyone else in the key industrial nations. The average Swede, for example, is supposed to put in 1,808 hours, the Frenchman 1,832, the Dutchman 1,848, the Italian 1,856, the American 1,888 and the Japanese a whopping 2,056.

In practice, however, the German worker puts in even fewer hours, due to illness and the proverbial "blue Monday." This accounts for more than 8% of contractual work time so that the average worker really puts in only 1,641 hours, or about 205 real working days a year; only the Swedes and the Dutch put in less time.

West Germans now put in fewer days on the job, while getting paid for it, than people anywhere in the Western world. In industry, average annual paid vacations, guaranteed by law or union-management negotiations, are six weeks. Most executives have at least eight weeks off.

In addition, there are the legal holidays—thirteen to sixteen, depending on regional differences. Not only do Germans celebrate every major and minor Catholic and Protestant feast, but they celebrate them twice as long as people in other countries. Christmas lasts three days, from noon December 24 through December 26 (Boxing Day). Then comes the protracted New Year's celebration. And in Bavaria, where Epiphany Day (January 6) is also a legal holiday, most businesses simply shut down from December 23 to January 7.

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Since many places, especially in residential areas, also close voluntarily for two to three hours at lunchtime, businesses tend to be shut precisely when customers have time to shop.

The regulation is rigorously enforced by the police, with violations subject to draconian penalties and stiff fines. What it means in practice is that in the entire nation it is impossible to buy so much as a loaf of bread, a quart of milk, a can of beans or anything else after 6:30 p.m. Says one American economist working in Dusseldorf: "I'm convinced that the closing law is such a dampener on business that it accounts for 200,000 of the unemployed."

Meanwhile, the five-day work week has shrunk to four-and-a-half. Rare is the office where anyone can be found at a desk or phone after noon on Fridays.

Those who still feel overworked after all that leisure and vacation time have a further option: the six weeks of annual sick leave—at full pay—to which everyone is entitled. This may be followed by up to six weeks' paid convalescent cure at a spa every two years. This sick-leave system tends to find expression in such popular and oft-heard phrases as, "I think I'll take my flu this week," or "He's celebrating a grippe."

The average West German blue- or white-collar worker now reports ill about seventeen days a year, compared to seven or so in the U.S. and four in Japan. On any given day of the year, 7.5% of West Germany's labor force is out due to sickness. That amounts to more than 1.6 million people daily.

Illness, thanks to the cradle-to-grave social safety net, which the Bundesbank's Pöhl has called a "social hammock," is no longer an income risk but almost an advantage. Workers stand to gain by going on sick leave—real or feigned. The financing of this system has driven mandatory paycheck deductions up so much that employees take home only 40 cents-to-50 cents of every additional dollar they earn. No wonder they prefer the time off to working harder for extra pay or a raise. At least that's not taxable.

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Neither, for that matter, is unemployment pay, which equals 68% of the last net salary for a full year and 58% thereafter. The current annual bill for that dole is about $8 billion. Add to that the rising cost of social security—$250 billion last year compared to only $15 billion in 1960—which is borne partially by employers. So it's not surprising that Germany's hourly labor costs are now the world's third highest, after Belgium and Sweden.

The most striking example of this is in the automobile industry, where the average German worker costs his employer $18,727 per year, compared to a Japanese worker's cost of only $13,270. Volkswagen executives have estimated that their U.S. employees work 42 more days annually than their opposite numbers in Wolfsburg.

Given these excessive labor costs, it's not surprising that German goods are being priced out of their traditional markets. In seven key product sectors, Japan now leads Germany in the share of industrial exports in four, and the U.S. is way ahead of both countries in a fifth—computers and electronic office equipment.

Japan's edge

German goods are also losing out to foreign competition on the home market. The Japanese have gained a 60% share of the German hi-fi business, 20% of the ball bearing sector, 80% of the motorcycle market, and, except for the Leica, the only brand-name German camera still made in Germany (Rolleiflex is manufactured in Singapore), virtually dominate the optical and photographic sector.

Automobiles are an equally glaring case. In the land where all those Volkswagens, Mercedes and Audis are made, people now drive Mazdas, Toyotas and Datsuns, which have gained a 10% share of the new-car market in only three years' time. The reasons? Price is certainly one. They cost less, have more extras as standard equipment and operate more economically. But quality has been another factor. The consensus of auto critics and owners is that the Japanese cars are "better made, need fewer repairs and last longer."

So is the West German not only getting lazy but also sloppy? No one here would go that far, but as Otto Wolf von Amerongen has put it politely: "We are discovering that others can make things as well, perhaps better."

There is also the inflexibility on management's part in meeting new challenges and market conditions. One reason the Japanese cars have done so exceptionally well in Germany is clever marketing and quick adjustment to German tastes and driving styles. "We lack marketing know-how and need to study foreign markets better," concedes Otto Esser, the president of the German Federation of Employers.

Moreover, for all its past reputation as a producer of well-engineered, reliable and efficient industrial goods, West Germany's performance at the technological cutting edge is now modest—due to reduced inventiveness, retarded application of new technologies, and declining investment, especially in growth industries. "If we are to prevail in world markets and regain lost terrain," insists Economics Minister Count Otto Lambsdorff, "we need more innovation, more intelligent products and more efficient processes."

Innovation, ingenuity and investment were the "Three I's" that did much to fuel West Germany's "miracle." But nowadays it is a country that buys more licenses, franchises and processes from abroad than it sells. It is a poor third, behind the U.S. and Japan, in what it spends, proportionate to GNP, on research and develop-

ment. Though not even twice as populous, Japan has three times as many engineers and technicians engaged in industrial research and development as Germany.

While the number of patents for which Germans apply has declined steadily during the past decade, Japanese and American applications have increased. In fact, the Japanese now account for almost 25% of all new patents registered annually in Germany itself.

Germany is almost an underdeveloped land, both in production and application, when it comes to the most modern technologies, especially micro-computers and electronics. Traditional German exports—for example, machine tools—are losing market shares because they do not use the new technologies. "Our technological standards are simply too low in too many fields," says Andreas von Bulow, the minister of research. "Our scientific landscape has become crusty and we are losing ground rapidly."

One reason for the gap is that there is no vast defense industry, whose fallout benefits the rest of the country. Another is the inhibiting hierarchical organization of research at scientific, technological and industrial institutes, which has prompted the exodus of some of the country's finest brains to lands of better opportunity and less professional frustration. But most important has been the decline in investment.

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As recently as 1971, new capital investment equaled almost 25% of GNP. By 1981, it had dwindled to less than 20%, the lowest rate in decades and far below Japan's 32%. There are too many obstacles and disincentives to investment: the tax system with its inordinately disadvantageous write-off and depreciation allowances, the bureaucratic hindrances and the antitechnological mood in the country. Labor has opposed many processes for fear they will eliminate even more jobs. Environmental laws have prevented the installation of new techniques, and the ecologically oriented "no growth" movement is spreading among Germany's youth.

"We cannot survive without exporting," says von Amerongen. "How can we possibly sell our advanced nuclear-power technology abroad when we cannot produce or install it at home because of the anti-atomic movement?"

Meanwhile, much of the capital not being put to use at home is emigrating—to the U.S., Latin America, the Middle East and elsewhere. Accumulated West German investments abroad—more than one-fifth of them in the U.S.—now exceed foreign investments in Germany by a ratio of almost four-to-three.

Some of that capital is seeking lu-

crative investment opportunities abroad. But a great deal of it is simply fleeing what appears to be a deteriorating economy at home or looking for lower labor and production costs. Whatever the cause, the emigration process is exacerbating West German's persistent payments and current account headaches.

There are, of course, other causes for the deficits: the high price of oil, which provides nearly half of West Germany's energy needs and 97% of which is imported; the $3 billion that the 2 million foreign workers and their 2.5 million dependents send back home each year; and various "invisibles," such as the decline in the sale of German technological licenses and franchises on inventions.

Also exacerbating the payments problem is the Germans' *wanderlust.* More than one-third of the population vacations abroad each year, primarily in search of the sunshine so notoriously scarce at home. Well, with all those holidays and six weeks off, why not? But no other people in the world spend as much on their travel habit—almost $17 billion last year. Since foreign tourists traveling in West Germany spent only $6 billion, the net deficit was a whopping $11 billion.

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Germany's problems are further aggravated by the inexorable growth of government. Within one decade, from 1970 to 1979, general government expenditures increased by almost one-fourth, from 37.5% of GNP to 46.4%. Only four other European countries—Belgium, Holland, Great Britain and Sweden—spend more. The Japanese share, by comparison, is 30.4%.

In no other Common Market country are there, proportionally, as many tenured civil servants. Some 3.7 million full-time and nearly 600,000 part-time employees—more than 16% of the labor force—make up the public payroll as federal, state, county and municipal workers of one kind or another.

"The state," says the Christian Democrats' Kiep, "is destroying incentives and initiative, hampering investment and stiffling economic recovery and growth."

West Germany's system of social benefits dates from the days of Bismarck, more than a century ago. But today it is a volatile issue. Every serious economist agrees that cutting social spending is vital to reactivating the economy. But no serious politician would dare to dig his own grave by trying to scrap the sacrosanct structure or trimming the benefits of the good life to which West Germans became accustomed during the "miracle years."

That is why the miracle is over and why gloomsday could, indeed, turn into doomsday. —JOHN DORNBERG

file / competition

modities as dairy products, sugar, cotton and peanuts."

An angry Cresson adds: "The U.S. runs a $7.3 billion agricultural trade surplus with us, so what is all the fuss about?" Replies one of Block's aides: "Because if it weren't for the CAP, our trade surplus would be double"—the sort of answer that infuriates European farmers and their champions.

Given the level of ill feeling generated by recent agricultural and industrial disputes, and the prospect of future battles in high technology and autos, politicians on both sides of the Atlantic have been warning against the dangers of a trade war. Wilhelm

Warning to the U.S.

Haferkamp, External Relations Commissioner of the EEC, is particularly fearful of the long-term impact of present disputes and has warned both the Congress and the Reagan Administration against treading the path of protectionism.

Moreover, there is growing concern that tensions are now so acute that they threaten the political and security coherence of the Western alliance. Warns Assistant Secretary of State for Economic Affairs Robert Hormats: "If our economic differences are permitted to fester, they will spill over into other noneconomic elements in our relationship, with poisonous effects in international politics." This theme is taken further by European Commissioner Ivor Richard, who believes that growing mistrust in the trade and economic sphere has fueled broader misunderstandings. These are precisely the issues that are likely to surface at Versailles, where France is preparing to lead an onslaught against current U.S. economic policy, and Germany will challenge Washington's political and economic attitude towards the Soviet Union.

Richard believes that the differences over both these issues have been mounting steadily in recent months. In his opinion, the more important is the widening gap over what the Western reaction to the Kremlin should be, given its continuing support for General Wojciech Jaruzelski's crackdown in Poland.

Europeans have resisted heavy U.S. pressure for tougher sanctions against the Soviets, but President Ronald Reagan is reportedly ready to launch a new appeal at Versailles to persuade Europeans to rethink their decision to buy natural gas from Siberian fields. Europeans are going to resist, however. Otto Wolff von Amerongen, president of the West German Chamber of Industry and Commerce and a leading and powerful opponent of Washington's policy of "reward or punishment" of Moscow, argues that it is one thing for the U.S. to propose sanctions, especially when they do not include a grain embargo, and quite another for Germany, which has a profitable $11 billion trade with the Eastern bloc.

The real fireworks at Versailles are likely to come when France launches a concerted attack on U.S. economic policies, especially high interest rates, which, many leading officials on this side of the Atlantic believe, are "exporting the U.S. recession to Europe."

Even though U.S. interest rates have come down from their high, West German Chancellor Helmut Schmidt, the most important European leader, reportedly still finds American interest rate levels "formidable" and an obstacle to economic recovery. Even Reagan's leading supporter in Europe, British Prime Minister Margaret Thatcher, is moving steadily into the Franco-German camp. She is convinced by the reasoning of Chancellor of the Exchequer Sir Geoffrey Howe

Britain's bind

and the Bank of England that continuing high interest rates on the far side of the Atlantic could dampen U.K. economic recovery, just as it is beginning to gather momentum.

But although European-U.S. differences are quite likely to dominate the summit, both sides have deep grievances against the Japanese, which are sure to surface. Remarks a French official: "The Europeans and Americans are going to have to let each other out of the dock for part of the time, because they've both got some pretty tough things to say to the Japanese. Let's be frank, it's the Japanese rather than the U.S. or EEC that is the real threat to the future of multilateral world trade."

But given the current tensions, most of the fireworks at Versailles are likely to be between the Europeans and the Americans.

—DAVID FAIRLAMB

West Germany: End of 'The Miracle'

Not only the recession, but more basic problems have derailed the "locomotive" economy.

West Germany, Europe's long-time "locomotive" economy, is currently in its worst slump since the end of World War II. And there is very little prospect that the recession, which is now almost two years old, will bottom out before the end of the year.

By comparison with their neighbors, notably the British, the French and the Belgians, the West Germans are still doing fairly well, and at first sight it may seem absurd to talk about

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the failings of Europe's most powerful economy.

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Meanwhile, the five-day work week has shrunk to four-and-a-half. Rare is the office where anyone can be found at a desk or phone after noon on Fridays.

Those who still feel overworked after all that leisure and vacation time have a further option: the six weeks of annual sick leave—at full pay—to which everyone is entitled. This may be followed by up to six weeks' paid convalescent cure at a spa every two years. This sick-leave system tends to find expression in such popular and oft-heard phrases as, "I think I'll take my flu this week," or "He's celebrating a grippe."

The average West German blue- or white-collar worker now reports ill about seventeen days a year, compared to seven or so in the U.S. and four in Japan. On any given day of the year, 7.5% of West Germany's labor force is out due to sickness. That amounts to more than 1.6 million people daily.

Illness, thanks to the cradle-to-grave social safety net, which the Bundesbank's Pöhl has called a "social hammock," is no longer an income risk but almost an advantage. Workers stand to gain by going on sick leave—real or feigned. The financing of this system has driven mandatory paycheck deductions up so much that employees take home only 40 cents-to-50 cents of every additional dollar they earn. No wonder they prefer the time off to working harder for extra pay or a raise. At least that's not taxable.

A German worker costs his boss $18,727 a year, while a worker in Japan costs only $13,270.

Neither, for that matter, is unemployment pay, which equals 68% of the last net salary for a full year and 58% thereafter. The current annual bill for that dole is about $8 billion. Add to that the rising cost of social security—$250 billion last year compared to only $15 billion in 1960—which is borne partially by employers. So it's not surprising that Germany's hourly labor costs are now the world's third highest, after Belgium and Sweden.

The most striking example of this is in the automobile industry, where the average German worker costs his employer $18,727 per year, compared to a Japanese worker's cost of only $13,270. Volkswagen executives have estimated that their U.S. employees work 42 more days annually than their opposite numbers in Wolfsburg.

Given these excessive labor costs, it's not surprising that German goods are being priced out of their traditional markets. In seven key product sectors, Japan now leads Germany in the share of industrial exports in four, and the U.S. is way ahead of both countries in a fifth—computers and electronic office equipment.

Japan's edge

German goods are also losing out to foreign competition on the home market. The Japanese have gained a 60% share of the German hi-fi business, 20% of the ball bearing sector, 80% of the motorcycle market, and, except for the Leica, the only brand-name German camera still made in Germany (Rolleiflex is manufactured in Singapore), virtually dominate the optical and photographic sector.

Automobiles are an equally glaring case. In the land where all those Volkswagens, Mercedes and Audis are made, people now drive Mazdas, Toyotas and Datsuns, which have gained a 10% share of the new-car market in only three years' time. The reasons? Price is certainly one. They cost less, have more extras as standard equipment and operate more economically. But quality has been another factor. The consensus of auto critics and owners is that the Japanese cars are "better made, need fewer repairs and last longer."

So is the West German not only getting lazy but also sloppy? No one here would go that far, but as Otto Wolf von Amerongen has put it politely: "We are discovering that others can make things as well, perhaps better."

There is also the inflexibility on management's part in meeting new challenges and market conditions. One reason the Japanese cars have done so exceptionally well in Germany is clever marketing and quick adjustment to German tastes and driving styles. "We lack marketing know-how and need to study foreign markets better," concedes Otto Esser, the president of the German Federation of Employers.

Moreover, for all its past reputation as a producer of well-engineered, reliable and efficient industrial goods, West Germany's performance at the technological cutting edge is now modest—due to reduced inventiveness, retarded application of new technologies, and declining investment, especially in growth industries. "If we are to prevail in world markets and regain lost terrain," insists Economics Minister Count Otto Lambsdorff, "we need more innovation, more intelligent products and more efficient processes."

Innovation, ingenuity and investment were the "Three I's" that did much to fuel West Germany's "miracle." But nowadays it is a country that buys more licenses, franchises and processes from abroad than it sells. It is a poor third, behind the U.S. and Japan, in what it spends, proportionate to GNP, on research and develop-

ment. Though not even twice as populous, Japan has three times as many engineers and technicians engaged in industrial research and development as Germany.

While the number of patents for which Germans apply has declined steadily during the past decade, Japanese and American applications have increased. In fact, the Japanese now account for almost 25% of all new patents registered annually in Germany itself.

Germany is almost an underdeveloped land, both in production and application, when it comes to the most modern technologies, especially micro-computers and electronics. Traditional German exports—for example, machine tools—are losing market shares because they do not use the new technologies. "Our technological standards are simply too low in too many fields," says Andreas von Bulow, the minister of research. "Our scientific landscape has become crusty and we are losing ground rapidly."

One reason for the gap is that there is no vast defense industry, whose fallout benefits the rest of the country. Another is the inhibiting hierarchical organization of research at scientific, technological and industrial institutes, which has prompted the exodus of some of the country's finest brains to lands of better opportunity and less professional frustration. But most important has been the decline in investment.

Germany is almost underdeveloped when it comes to most modern technologies.

As recently as 1971, new capital investment equaled almost 25% of GNP. By 1981, it had dwindled to less than 20%, the lowest rate in decades and far below Japan's 32%. There are too many obstacles and disincentives to investment: the tax system with its inordinately disadvantageous write-off and depreciation allowances, the bureaucratic hindrances and the antitechnological mood in the country. Labor has opposed many processes for fear they will eliminate even more jobs. Environmental laws have prevented the installation of new techniques, and the ecologically oriented "no growth" movement is spreading among Germany's youth.

"We cannot survive without exporting," says von Amerongen. "How can we possibly sell our advanced nuclear-power technology abroad when we cannot produce or install it at home because of the anti-atomic movement?"

Meanwhile, much of the capital not being put to use at home is emigrating—to the U.S., Latin America, the Middle East and elsewhere. Accumulated West German investments abroad—more than one-fifth of them in the U.S.—now exceed foreign investments in Germany by a ratio of almost four-to-three.

Some of that capital is seeking lu-

crative investment opportunities abroad. But a great deal of it is simply fleeing what appears to be a deteriorating economy at home or looking for lower labor and production costs. Whatever the cause, the emigration process is exacerbating West German's persistent payments and current account headaches.

There are, of course, other causes for the deficits: the high price of oil, which provides nearly half of West Germany's energy needs and 97% of which is imported; the $3 billion that the 2 million foreign workers and their 2.5 million dependents send back home each year; and various "invisibles," such as the decline in the sale of German technological licenses and franchises on inventions.

Also exacerbating the payments problem is the Germans' *wanderlust.* More than one-third of the population vacations abroad each year, primarily in search of the sunshine so notoriously scarce at home. Well, with all those holidays and six weeks off, why not? But no other people in the world spend as much on their travel habit—almost $17 billion last year. Since foreign tourists traveling in West Germany spent only $6 billion, the net deficit was a whopping $11 billion.

In no other EEC nation are there proportionally more tenured civil servants.

Germany's problems are further aggravated by the inexorable growth of government. Within one decade, from 1970 to 1979, general government expenditures increased by almost one-fourth, from 37.5% of GNP to 46.4%. Only four other European countries—Belgium, Holland, Great Britain and Sweden—spend more. The Japanese share, by comparison, is 30.4%.

In no other Common Market country are there, proportionally, as many tenured civil servants. Some 3.7 million full-time and nearly 600,000 part-time employees—more than 16% of the labor force—make up the public payroll as federal, state, county and municipal workers of one kind or another.

"The state," says the Christian Democrats' Kiep, "is destroying incentives and initiative, hampering investment and stiffling economic recovery and growth."

West Germany's system of social benefits dates from the days of Bismarck, more than a century ago. But today it is a volatile issue. Every serious economist agrees that cutting social spending is vital to reactivating the economy. But no serious politician would dare to dig his own grave by trying to scrap the sacrosanct structure or trimming the benefits of the good life to which West Germans became accustomed during the "miracle years."

That is why the miracle is over and why gloomsday could, indeed, turn into doomsday. —JOHN DORNBERG

13

Copies Sent

Emily Lock	10/29/82

107297
3500
3300
C0054-02
LG WALLD

October 28, 1982

Dear Professor Haas:

The Mayor of Wallduern, Robert Hollerbach, recently informed me of the return of your great great grandfather's watch, along with other family memorabilia, to his city.

Coming on the eve of the Tricentennial of German emigration to America, that generous action on your part is to be commended as a marvelous contribution to the celebration when both nations will reaffirm their close friendship.

I am pleased to have played a role in the watch's return to Karl Haas' birthplace, and I thank you for the interesting description of "How to Meet Your Own Great Great Grandfather."

Sincerely,

RONALD REAGAN

Professor Robert Bartlett Haas
Rubensweg 8
7440 Nuertingen
Federal Republic of Germany

RR:NSC:rs--

cc: Mike Wheeler, NSC

10/28/82 Ronald Reagan ltr. to Hon. Robert Hollerbach

821028

October 28, 1982

Dear Mayor Hollerbach:

Thank you and the people of Wallduern for arranging the festival last August to commemorate the return of Karl Haas' watch and other family memorabilia to your city.

Thanks also for your kind letter and for the Wallduern commemorative medal. It will be a reminder to me of the ties that bind you and the citizens of Wallduern to the people of the United States.

Sincerely,

RONALD REAGAN

The Honorable Robert Hollerbach
Mayor
Das Rathaus
6968 Wallduern
Federal Republic of Germany

RR:NSC:rs--

cc: Mike Wheeler, NSC

821028

Jan McMinn asked that these be
typed, signed and mailed out.
(She does not need them back.)

Maureen Hudson

The President has seen ____ OK

PROPOSED LETTER OF THANKS TO PROFESSOR ROBERT HAAS

Dear Professor Haas,

The Mayor of Wallduern, Robert Hollerbach, recently informed me of the return of your great great grandfather's watch, along with other family memorabilia, to his city.

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I am pleased to have played a role in the watch's return to Karl Haas' birthplace and I thank you for the interesting description of "How to Meet Your Own Great Great Grandfather."

Sincerely,

Ronald Reagan

Professor Robert Bartlett Haas
Rubensweg 8
7440 Nuertingen
Federal Republic of Germany

cc: Mike Wheeler, NSC

The President has seen____

OK send these letters
RR

PROPOSED LETTER OF THANKS TO THE MAYOR OF WALLDUERN

Dear Mayor Hollerbach:

Thank you and the people of Wallduern for arranging the festival last August to commemorate the return of Karl Haas' watch and other family memorabilia to your city.

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Sincerely,

Ronald Reagan

The Honorable
Robert Hollerbach
Mayor
Das Rathaus
6968 Wallduern
Federal Republic of Germany

cc: Mike Wheeler, NSC

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3100
CO054-02
FG006-01

THE WHITE HOUSE

WASHINGTON

November 8, 1982

MEMORANDUM:

TO: ALL WHITE HOUSE/O.E.O.B. STAFF PASSHOLDERS

FROM: CAROL McCAIN

SUBJECT: ARRIVAL CEREMONY

The President and Mrs. Reagan cordially invite you, your family and guests to join them in welcoming His Excellency the Chancellor of the Federal Republic of Germany and Mrs. Kohl to the White House on Monday, November 15, 1982 at 11:00 A.M.

Entrance is through the Southwest Gate beginning at 10:15 A.M. Please present your pass and an officer will direct you to the correct area.

(ROHRABACHER/RR) NOVEMBER 15, 1982
11:00 A.M.

109469
3100
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SP
PR005-02

ARRIVAL CEREMONY FOR
CHANCELLOR KOHL

CHANC. KOHL & MRS. KOHL, ON BHLF OF .. AM. P., N & I ..HONORED & DELITED TO WELCM U TO WASH. BFOR MY VISIT TO..FED'L REPUBLIC OF GER. EARLIER THIS YR, CHANC. KOHL, WHO HAD NOT YET ATTAINED THE HIGH OFFICE HE NOW HOLDS, HELPED ORGANIZE SEV'L RALLIES. HE WANTED TO LET US KNOW WE WERE WELCM, & ..REASSURE ALL AM's OF..SINCERE GOODWILL OF..GERMAN P.

CHANC. KOHL, I APPRECIATED..MAGNIFICENT GESTURE. I UNDRSTND THAT, IN BONN WHERE SOME 75,000 P. ATTENDED..RALLY, ONE OF..BANNERS READ: "SAY SMTHING GOOD ABOUT AM." WELL, TODAY IT CERTAINLY MAKES ALL AM's HAPPY TO REPAY THIS COMPLIMNT/BCUS THERE R MANY GOOD THNGS..SAY ABOUT U, MR. CHANC/, ABOUT .. GERMAN P./& ABOUT..STRONG BOND THAT UNITES US.

Departure Statement for Chancellor Kohl

A RECNT STUDY REVEALED..TODAY MORE AM's TRACE..ANCESTRY TO YOUR CO. THAN TO ANY OTHER NATN. GERM. IMMIGRANTS PROVIDED .. HARD WORK & DETERMINATN THAT SETTLED MUCH OF..MIDWEST/ TAKING RUGGED FRONTIER LAND, LIKE THAT IN THE DAKOTAS, & REAPING FROM IT BOUNTIFUL HARVESTS THAT HELP FEED..WORLD.

IN OTHR INDUSTRIES, GERM. ENERGY & GERM. INGENUITY HELPED BUILD .. FACTORIES & FIRMS THAT CATAPULTED R STANDRD OF LIVING/& ELEVATED ..LOT OF ..COMMON MAN FROM A LIFE OF DRUDGERY TO NEW PROGRESS CONSISTENT WITH INDIVID. DIGNITY & RESPECT.

BUT AS U ARE AWARE MR. CHANC., IT WASN'T SIMPLY HARD WORK THAT BUILT AM;—IT WAS.. FREEDM AVAILABLE HERE, FREEDM TO WHICH GERMAN IMMIGRANTS GREATLY CONTRIBUTED.

ONE OF..FIRST PRECEDENTS FOR FREEDM OF.. PRESS, FOR XMPL, WAS ESTABLISHED WHEN PETER ZENGER/ A GERM. IMMIGRANT,/SPOKE OUT IN HIS NEWSPAPER AGNST .. ABUSE OF POWER BY A PUBLIC OFFICIAL. WHEN..JURY FREED ZENGER, THEY WERE LAYING FREEDM OF..PRESS AS A CORNERSTONE OF R DEMOCRATIC SYSTEM.

IN..MIDL OF..19TH CENT., WHEN TURMOIL WAS SWEEPING THRU WESTERN EUROPE, WE WERE .. RECIPIENT .. MANY POL. EXILES WHO MADE SIGNIFICANT CONTRIBUTNs TO AM. LIBERTY.

ONE OF..MOST REMARKABLE, CARL (SHIRTS), WAS 1 OF ..ORIGINAL MEMBRS OF .. REPUB. PRTY.

NOW U SEE 1 REASON WHY I PERSONALLY AM SO GRATEFUL, MR. CHANC.

WITH US TODAY TO GREET U IS..GROUP OF YNG. P. FROM YOUR CO. WHO ARE SPENDING .. AUTUMN MO's LIVING WITH AM. FAMILIES IN VIRG. THEY'RE PART OF..YOUTH XCHNG PROJECT BTWN R CO's. THS KINDS OF TIES BODE WELL FOR .. FUTURE.

THE FUTURE OF BOTH R NATNs DPNDS SO MUCH ON..FRIENDSHP & VALUES WE SHARE. IN THESE UNCERTAIN TIMES, WHEN A POWER TO THE EAST HAS BUILT..MASSIVE WAR MACHINE FAR IN EXCESS OF ANY LEGITIMATE DEFENSIVE NEEDS, THE WESTERN DEMOCRACIES MUST STAND FIRMLY TOGETHER IF R FREEDM & ..PEACE OF..WORLD ARE TO BE PRESERVED. THE G. P. ARE ON..FRONT LINES OF FREEDOM. WHEN I WAS IN YOUR CO. A FEW MO's AGO, I TOLD YOUR CITIZENS: YOU ARE NOT ALONE. WE ARE WITH YOU. WELL TODAY, MR. CHANC., I CAN TELL U WE ARE HAPPY THAT .. GERMAN P. ARE WITH US. THE W. DEMOCRACIES, THE FUTURE FREEDM OF MANKIND, & ..PEACE OF..WORLD WOULD BE FAR LESS SECURE IF IT WERE NOT SO.

YOUR PERSONAL COMMITMNT & THAT OF YOUR GOVT TO THE NEEDS OF OUR ALLIANCE ARE WELL APPRECIATED HERE, AS IS..DEPTH WHICH U ADD TO THE MEANING OF R COVENANT. IN TRUTH, AS U RECENTLY OBSERVED, WE ARE NOT A MILITARY ALLIANCE.

"THE COMMUNITY OF ARMS," U SAID, "IS THERE TO DFND THE COMMUNITY OF IDEAS. THE IMPORTANT POINT IS THAT WE HAVE COMN IDEAS REGARDING HUMAN RIGHTS, CIVIL RIGHTS, OUR MORAL VALUES, OUR MORAL LAWS."

I LOOK FORWARD ...TALKS TODAY. AS 1 WLD XPECT AT A MTG. OF..LEADERS OF 2 GRT. NATNs WHOSE INTERESTS ARE SO INTERTWINED, THERE R MANY VITAL ISSUES TO DISCUSS. AS ALL GOOD FRIENDS DO, WE WILL DISAGREE AT TIMES. BUT IN FREE SOCIETIES, WE R ACCUSTOMED TO DIFFERENCES & ALSO TO ..PEACEFUL RESOLUTN TO ACHIEVE COMN GOALS. AS WE STND HERE TODAY, I'M CONFIDENT ..R SHARED INTERESTS, R COMN VISION OF..FUTURE, & OUR JOINT COMMITMENT TO HUMAN FREEDM WILL OVERCM ANY DIFFERENCES BTWN OUR CO's. OUR GOVTs WL WORK IN..CLOSEST OF CONSULTATION & IN A SPIRIT OF AMITY & STRAIGHTFORWARDNESS. WE THNK U FOR COMING & IN..NAME OF..P. OF THE U.S.: WILLKOMMEN [VIHL-KOHM-EN]. (WELCOME)

# # #

OK

(Rohrabacher/BE)
November 13, 1982
4:00 p.m.

PRESIDENTIAL REMARKS: ARRIVAL FOR CHANCELLOR KOHL
MONDAY, NOVEMBER 15, 1982

Chancellor Kohl and Mrs. Kohl, on behalf of the American people, Nancy and I are honored and delighted to welcome you to Washington. Before my visit to the Federal Republic of Germany earlier this year, Chancellor Kohl, who had not yet attained the high office he now holds, helped organize several rallies. He wanted to let us know we were welcome, and to reassure all Americans of the sincere goodwill of the German people.

Chancellor Kohl, I appreciated that magnificent gesture. I understand that, in Bonn where some 75,000 people attended the rally, one of the banners read: "Say something good about America." Well, today it certainly makes all Americans happy to repay this compliment, because there are many good things to say about you Mr. Chancellor, about the German people and about the strong bond that unites us.

A recent study revealed that today more Americans trace their ancestry to your country than to any other nation. German immigrants provided the hard work and determination that settled much of the Midwest, taking rugged frontier land, like that in the Dakotas, and reaping from it bountiful harvests that help feed the world.

In other industries, German energy and German ingenuity helped build the factories and firms that catapulted our standard of living and elevated the lot of the common man from a life of drudgery to new progress consistent with individual dignity and respect.

But as you are aware Mr. Chancellor, it wasn't simply hard work that built America; it was the freedom available here, freedom to which German immigrants greatly contributed.

One of the first precedents for freedom of the press, for example, was established when Peter Zenger, a German immigrant, spoke out in his newspaper against the abuse of power by a public official. When the jury freed Zenger, they were laying freedom of the press as a cornerstone of our democratic system.

In the middle of the 19th century, when turmoil was sweeping through Western Europe, we were the recipient of many political exiles who made significant contributions to American liberty. One of the most remarkable, Carl Schurz [SHIRTS], was one of the originial memebers of the Republican Party. Now you see one reason why I personally am so grateful Mr. Chancellor.

With us today to greet you is a group of secondary school students from your country who are spending the autumn months living with American families in Virginia. They are part of a youth exchange program announced at the Versailles Summit in June. These kind of ties bode well for the future.

The future of both our nations depends so much on the friendship and values we share. In these uncertain times, when a power to the east has built a massive war machine far in excess of any legitimate defensive needs, the Western democracies must stand firmly together if our freedom and the peace of the world are to be preserved. The German people are on the front lines of freedom. When I was in your country a few months ago, I told your citizens: You are not alone. We are with you. Well today, Mr. Chancellor, I can tell you we are happy that the German

people are with us. The Western democracies, the future freedom of mankind, and the peace of the world would be far less secure if it were not so.

Your personal commitment and that of your government to the needs of our alliance are well appreciated here, as is the depth which you add to the meaning of our covenant. In truth, as you recently observed, we are not a military alliance. "The community of arms," you said, "is there to defend the community of ideas. The important point is that we have common ideas regarding human rights, civil rights, our moral values, our moral laws."

I look forward to our talks today. As one would expect at a meeting of the leaders of two great nations whose interests are so intertwined, there are many vital issues to discuss. As all good friends do, we will disagree at times. But in free societies, we are accustomed to differences and also to the peaceful resolution to achieve common goals. As we stand here today, I am confident that our shared interests, our common vision of the future, and our joint commitment to human freedom will overcome any differences between our countries. Our governments will work in the closest of consultation, and in a spirit of amity and straightforwardness. We thank you for coming and in the name of the people of the United States: WILLKOMMEN [VIHL-KOHM'-EN].*

* Welcome

(Rohrabacher/RR)
November 15, 1982
9:30 a.m.

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MONDAY, NOVEMBER 15, 1982

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* Welcome

(ROHRABACHER/RR) NOVEMBER 15, 1982
1:30 P.M.

DEPARTURE STATEMENT FOR
CHANCELLOR KOHL

CHANC. KOHL & I ..JUST CONCLUDED .. SERIES..CONVERSATNs..COVERED..WIDE RANGE OF POL. SECURITY,-& EC. ISSUES OF MUTUAL INTEREST TO R CO's. WE AGREED..CLOSE CONSULTATNs R NECESSARY, AS IN..PAST, & WE FULLY INTEND TO STAY IN CLOSE TOUCH. I WLD LIKE TO TAKE THS OPPORTUNITY TO ANNOUNCE:

AS PART OF R INITIATIVE TO INCRS CONTACTS BTWN..GER. & AM. PEOPLES, A HIGH-LEVEL COMMISSION FOR ..U.S.-GERM. TRICENTENNIAL HS BN FORMED. THIS GROUP WILL COORDINATE .. MANY ACTIVITIES CELEBRATING .. 300TH ANNIV. OF..ARRIVAL OF..1ST GERM. SETTLERS IN AM. AT GERMANTOWN, PA. CHANC. KOHL & I HV JUST MET WITH SEV'L DISTINGUISHED AM's, STANDING BHIND US NOW, WHO HV AGREED TO HELP IN THS EFFORT.

WE WL BE CLOSELY FOLLOWG THEIR PROGRESS.

IN 1983, WE WL COMMEMORATE..INNUMERABLE CONTRIBUTNs MADE TO AM. SOCIETY BY OUR FELLOW CITIZENS OF GERM. DESCENT/INCLUDING SEC'Y OF STATE SHULTZ,/WHOSE FOREBEARS CAME FROM S.W. GERMANY./EVENTS TO CELEBRATE .. ANNIVERSARY ..PLANNED BY MANY COMMUNITIES IN BOTH CO's.

THE COMMISSION WL REPRESNT ME THRUOUT .. COMMEMORATN. IT WILL BE CHAIRED BY ..FORMER NAT'L SEC. ADV. RICHARD ALLEN. CHARLES WICK, HEAD OF ..U.S. INFO. AGENCY,/CHIEF JUSTICE WARREN BURGER,/& OTHER DISTINGUISHED AM's, HV AGREED TO PLAY A PART./1 OF..HIGH POINTS OF..CELEBRATN WL TAKE PLACE IN PHILA. IN OCT. 83, AT A GALA BANQUET, WHICH BOTH PRES. CARSTENS OF ..FED'L REPUB. OF GERMANY & I HOPE TO ATTEND./THE U.S. CONG. IS MARKING .. OCCASION.

THE SEN. PASSED, & THERE IS NOW BFOR..HOUSE, A JOINT RESOLUTN PROCLAIMING 1983 AS .. GERMAN-AM. TRICENTENNIAL YEAR. I AM SURE THAT ..COMMEMORATN OF ..DEEP & LASTING FRIENDSHP BTWN OUR 2 CO's WILL BE A GREAT SUCCESS.

# # #

12

(ROHRABACHER/RR) NOVEMBER 15, 1982
7:30 P.M.

109470
3100
C0054-02
S0002
SP
PR005-02

DINNER TOAST FOR CHANCELLOR KOHL
Federal Republic of Germany

GD EVENING. IT IS INDEED..HONOR TO WELCM U CHANC. KOHL, MRS. KOHL & ALL..THOSE WHO HV JOINED US THS EVE. MR. CHANC, YOUR REPUTATN AS..HARDWORKING, STRAIGHTFORWARD & DECENT MAN PRECEDED U. & AFTER OUR MTGs TDAY, IT IS MY PLEASURE TO REPORT TO ..AM. P. THAT ALL ..THS THINGS ARE ABSOLUTELY TRUE.

OUR TALKS HV BN CORDIAL & VERY PRODUCTIVE. THS WL NOT SURPRISE ANYONE BCUS I NOTICED THAT ..PUNDITS REPORTED IN ADVANCE THAT WE ARE MEN OF A VERY SIMILAR PHILOSOPHY,— A PHILOSOPHY BASED ON INDIVIDUAL LIBERTY & ENTERPRISE, ON..RESPECT FOR FAMILY & THOSE FUNDAMENTAL VALUES THAT GAVE BIRTH TO & NOURISHED WESTERN CIVILIZATION.

CHANC. KOHL IS NOT ONLY A MAN WHOM I RESPECT, ...MAN I ENJOY. HE IS STRONG IN HIS BELIEFS BUT NEITHER STILTED NOR STUFFY. RECENTLY HE WAS ASKED ABOUT HIS POL. SUCCESS. "MY BIGGEST ASSET," HE ANSWERED, "IS THAT P. WOULD BUY A USED CAR FROM ME WITHOUT HESITATING. THAT MAY SOUND OLD FASHIONED & UNPROGRESSIVE. BUT IT's ALL THE SAME TO ME."

WELL, CHANC. KOHL, WHAT MANKIND NEEDS NOW IS MORE LEADERS WHO R WILLING TO PUSH ASIDE THE FALSE FRONT OF OFFICIALDOM & SPEAK WITH COMN SENSE & CANDOR. OF COURSE THE MORE DIRECT A POL. LEADER IS, THE MORE HE OPENS HIMSLF TO PERSONAL CRITICISM.

KONRAD ADENAUER, A MAN WHOM WE MUTUALLY ADMIRE & RESPECT, MST HV FACED..SAME PROBLEM WHEN HE NOTED THAT "A THICK SKIN IS A GIFT FROM GOD." TODAY, NO LESS THAN IN ADENAUER's TIME, IT TAKES A CERTAIN DEGREE OF TOUGHNESS TO BE A LEADER.

CHANC. KOHL, WE BOTH ENTERED OFFICE IN.. MIDST OF EC. CRISIS. WELCOMG U THIS MORNING, I NOTED R MUTUAL CONCERNS FOR..DFNS OF FREEDM. AFTER R TALKS TODAY, I AM ALSO CONVINCED THERE IS..BROAD AREA IN WHICH WE CN USE R FRIENDSHP TO PULL R CO's OUT OF..EC. CRISIS NOW ENGULFG MUCH OF ..WESTERN WORLD. THE IDEAS WE SHARE WL FACILITATE R COMMUNICATN & ACCELERATE R COOPERATION.

BOTH OF US, MR. CHANC., KNOW THT THERE IS NO EASY WAY TO SOLVE EC. PROBLMS;—NO SHORT CUT TO PROGRESS. BUT..GRAVITY OF .. CHALLENGE WE FACE WL NOT DISHEARTEN THS WHO BLIEVE IN FREEDM, BCUS TO HAVE FAITH IN FREEDM IS ALSO TO HAVE FAITH IN MANKIND.

AS A STUDENT WORKING YOUR WAY THRU SCHOOL, U ONCE HAD..JOB AS..STONE POLISHER — STARTG WITH DULL ROCKS & TURNING THEM INTO SMTHNG OF BEAUTY & VALUE. THAT IS WHAT WE MUST DO WITH..PROBLMS WE FACE TODAY:—TURN THEM INTO OPPORTUNITIES FOR PROGRS & SOCIAL ADVANCEMENT.

FRIEDRICH WEYERHAEUSER, 1 OF AM'S GREATEST ENTREPRENEURS, A MAN BORN IN YOUR CO., WAS ASKED ..SECRET OF HIS SUCCESS.

HIS ANSWER: "THE SECRET LAY SIMPLY IN MY WILL TO WORK. I NEVER WATCHED ..CLOCK & NEVER STOPPED BFOR I HAD FINISHED WHAT I WAS WORKING ON."

AS WE MOVE FORWARD, MR. CHANC., LET US REMEMBR THS WORDS. OUR JOB AS LEADERS OF 2 GREAT NATNS IS KEEPING .. PEACE, PRESERVING HUMAN FREEDM & IMPROVING .. MATERIAL WELL-BEING OF OUR P. IT IS A JOB IN WHICH WE CAN HELP EACH OTHR. IT IS A JOB WE WILL NEVER STOP TILL WE HV REACHED R GOALS.

IT IS A PLEASURE TO HV HAD THIS OPPORTUNITY TO DEEPEN OUR FRIENDSHP.

I NOW ASK U ALL TO JOIN ME IN A TOAST TO CHANC. & MRS. KOHL & TO THE FED'L REPUBLIC OF GERMANY.

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OK RR

(Rohrabacher/BE)
November 13, 1982
4:00 p.m.

PRESIDENTIAL REMARKS: DINNER TOAST FOR CHANCELLOR KOHL
MONDAY, NOVEMBER 15, 1982

Good evening. It is indeed an honor to welcome you Chancellor Kohl, Mrs. Kohl and all of those who have joined us this evening. Mr. Chancellor, your reputation as a hardworking, straightforward and decent man preceded you. And after our meetings today, it is my pleasure to report to the American people that all of these things are absolutely true.

Our talks have been cordial and very productive. This will not surprise anyone because I noticed that the pundits reported in advance that we are men of a very similar philosophy, a philosophy based on individual liberty and enterprise, on a respect for family and those fundamental values that gave birth to and nourished Western civilization.

Chancellor Kohl is not only a man whom I respect, he is a man I enjoy. He is strong in his beliefs but neither stilted nor stuffy. Recently he was asked about his political success. "My biggest asset," he answered, "is that people would buy a used car from me without hesitating. That may sound old fashioned and unprogressive. But it's all the same to me."

Well, Chancellor Kohl, what mankind needs now is more leaders who are willing to push aside the false front of officialdom and speak with common sense and candor. Of course the more direct a political leader is, the more he opens himself to personal criticism. Konrad Adenauer, a man whom we mutually admire and respect, must have faced this same problem when he

noted that "a thick skin is a gift from God." Today, no less than in Adenauer's time, it takes a certain degree of toughness to be a leader.

Chancellor Kohl, we both entered office in the midst of economic crisis. Welcoming you this morning I noted our mutual concerns for the defense of freedom. After our talks today, I am also convinced there is a broad area in which we can use our friendship to pull our countries out of the economic crisis now engulfing much of the Western world. The ideas we share will facilitate our communication and accelerate our cooperation.

Both of us, Mr. Chancellor, know that there is no easy way to solve economic problems, no short cut to progress. But the gravity of the challenge we face will not dishearten those who believe in freedom, because to have faith in freedom is also to have faith in mankind.

As a student you worked your way through school as a stone polisher -- starting with dull rocks and turning them into something of beauty and value. That is what we must do with the problems we face today: turn them into opportunities for progress and social advancement.

Friedrich Weyerhaeuser, one of America's greatest entrepeneurs, a man born in your country, was asked the secret of his success. His answer: "The secret lay simply in my will to work. I never watched the clock and never stopped before I had finished what I was working on."

As we move forward, Mr. Chancellor, let us remember those words. Our job as leaders of two great nations is keeping the

peace, preserving human freedom and improving the material well-being of our people. It is a job in which we can help each other. It is a job we will never stop till we have reached our goals.

It is a pleasure to have had this opportunity to deepen our friendship. I now ask you all to join me in a toast to Chancellor and Mrs. Kohl and to the Federal Republic of Germany.

(Rohrabacher/RR)
November 15, 1982
10:00 a.m.

PRESIDENTIAL REMARKS: DINNER TOAST FOR CHANCELLOR KOHL
MONDAY, NOVEMBER 15, 1982

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