

## Message Text

UNCLASSIFIED

PAGE 01 BONN 04653 01 OF 02 142126Z  
ACTION EUR-12

INFO OCT-01 EA-12 ISO-00 CIAE-00 DODE-00 INR-10  
NSAE-00 PA-02 USIA-15 SP-02 /054 W  
-----107841 142133Z /75

R 141917Z MAR 78  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC 6758  
DEPARTMENT TREASURY  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO

UNCLAS SECTION 01 OF 02 BONN 04653

ALSO OECD AND EEC

E.O. 11652:N/A  
TAG: ECON, GW  
SUB: PRESS CONFERENCE ON US/FRG MONETARY MEASURES:

1. IN A PRESS CONFERENCE ON MARCH 13 FINANCE MINISTER MATTHOEFER AND BUNDESBANK PRESIDENT EMMINGER CONVEYED THE JOINT US/FRG STATEMENT ON MONETARY MEASURES AND REPLIED TO QUESTIONS OF ASSEMBLED JOURNALISTS. IN REPLY TO A QUESTION ON U.S. BORROWING FUNDS ABROAD, FINANCE MINISTER MATTHOEFER SAID THAT THE FRG NEVER REQUESTED THAT THE US BORROW LONG-TERM FUNDS ABROAD TO COUNTERACT THE DOLLAR'S DECLINE. WITH REGARD TO US LOANS DENOMINATED IN DEUTSCHEMARKS MATTHOEFER ADDED THAT SUCH LOANS "WERE NEVER ANTICIPATED AND WERE NOT ASKED FOR FROM OUR SIDE". HE CONTINUED THAT "THE QUESTION OF WHETHER GOLD SHOULD BE SOLD OR PURCHASED IS ALWAYS UNDER CONSIDERATION. HOWEVER, UP TO THE PRESENT THERE HAS BEEN NO INSTANCE WHEN GOLD SALES  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 04653 01 OF 02 142126Z

WOULD HAVE BEEN CONSIDERED APPROPRIATE, BUT GOLD SALES ARE A DEVICE AMONG OTHERS WHICH IS BEING HELD IN RESERVE".

2. BUNDESBANK PRESIDENT EMMINGER AGREED WITH A QUESTIONER THAT DOLLAR PURCHASES BY THE BUNDESBANK WOULD INCREASE BANK LIQUIDITY IN THE FRG BUT

WAS CONFIDENT THAT THE BULK OF ANY LIQUIDITY INCREASE  
COULD BE NEUTRALIZED. HE POINTED OUT THAT  
CURRENTLY BANK LIQUIDITY IS SEVERAL BILLION  
LOWER THAN IN DECEMBER DUE TO OPEN MARKET POLICY  
MEASURES OF THE BUNDESBANK, INCREASED BORROWINGS BY  
PUBLIC AUTHORITIES AND OTHER MONETARY MEASURES.  
EMMINGER ADDED THAT IN FEBRUARY CENTRAL BANK MONEY  
WAS 11 PERCENT HIGHER THAN A YEAR AGO. HE WAS CON-  
FIDENT , HOWEVER, THAT THIS RATE OF GROWTH WOULD  
DECLINE IF THE RECENT INFLOWS OF SPECULATIVE FUNDS  
WERE NEUTRALIZED.

3. EMMINGER POINTED OUT THAT THERE WERE NO DIFFERENCES OF  
OPINION BETWEEN THE GERMANS AND THE FEDERAL RESERVE  
IN DETERMINING WHETHER EXCHANGE MARKET DEVELOPMENTS  
WERE "CLEARLY DISORDERLY". EMMINGER WHEN ASKED  
REFRAINED FROM QUOTING A DEFINITE AMOUNT ON THE USE  
OF THE SWAP AGREEMENT BY THE U.S. HE SAID, HOWEVER,  
THAT THE FEDERAL RESERVE HAS USED ABOUT THREE QUARTERS  
OF ITS LINE AND THAT, IN ADDITION, THERE ARE UNUTILIZED  
FUNDS IN THE SWAP LINE OF THE TREASURY.

4. MATTHOEFER WAS ASKED WHETHER THE PASSAGE  
ABOUT LST QUARTER ECONOMIC RESULTS MEANS THAT IN THE  
SPRING OF THIS YEAR THE FEDERAL GOVERNMENT SHOULD BE  
ABLE TO DETERMINE WHETHER THE FRG'S 3.5 PERCENT GROWTH  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BONN 04653 01 OF 02 142126Z

GOAL FOR 1978 WOULD BE ACHIEVED, AND, IF THIS CANNOT  
BE DETERMINED, WHETHER THE FRG MUST TAKE ADDITIONAL  
STIMULATIVE MEASURES. HE REPLIED THAT HE WOULD NOT  
INTERPRET THE LANGUAGE IN THAT WAY. IN THIS REGARD, HE  
COMPLAINED ABOUT THE INSUFFICIENCY OF FRG STATISTICS.  
HE SAID, WHILE THE US HAS DEVELOPED A COMPREHENSIVE

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BONN 04653 02 OF 02 142110Z  
ACTION EUR-12

INFO OCT-01 EA-12 ISO-00 CIAE-00 DODE-00 INR-10

NSAE-00 PA-02 USIA-15 SP-02 /054 W

-----107553 142133Z /75

R 141917Z MAR 78

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6759

DEPARTMENT TREASURY

INFO AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

UNCLAS SECTION 02 OF 02 BONN 04653

SYSTEM OF LEADING ECONOMIC INDICATORS, THE FRG REQUIRES TOO LONG A TIME TO ARRIVE AT CONCLUSIONS ON ECONOMIC TRENDS OR DEVELOPMENTS. THUS, "THE FEDERAL GOVERNMENT CANNOT YET MAKE A STATEMENT ON HOW THIS GOAL WHICH REQUIRES AN ANNUALIZED RATE OF INCREASE OF 4, 5 OR 6 PERCENT IN THE LAST QUARTER WILL DEVELOP IN REALITY". HE ADDED: "THE FEDERAL GOVERNMENT DOES NOT INTEND TO TAKE ANY NEW ECONOMIC MEASURES, AND I ASK THAT YOU DO NOT INTERPRET THIS STATEMENT IN THAT WAY".

5. WITH REGARD TO THE PASSAGE "ADDITIONAL MEASURES TO OVERCOME FUNDAMENTAL ECONOMIC PROBLEMS" MATTHOEFER POINTED OUT THAT THESE WOULD, AMONG OTHER THINGS, DEAL WITH STRUCTURAL BALANCE OF PAYMENTS DEFICITS, STRUCTURAL UNEMPLOYMENT IN MANY COUNTRIES AND INFLATIONARY PRESSURES WHICH IMPEDE EFFORTS TO ACHIEVE FULL EMPLOYMENT.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 04653 02 OF 02 142110Z

6. IN GENERAL MATTHOEFER DESCRIBED THE CONSULTATIONS WITH THE US AS "VERY FRIENDLY AND INFORMATIVE DISCUSSIONS BETWEEN PEOPLE WHO KNOW WELL AND RECOGNIZE CLEARLY THE PROBLEMS OF BOTH SIDES". "WITH THE AMERICANS WE ARE IN VERY CLOSE AND FRIENDLY CONTACT. I WISH TO EMPHASIZE THIS PARTICULARLY".

MEEHAN

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS CONFERENCES, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BONN04653  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780113-1189  
**Format:** TEL  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780373/aaaacjos.tel  
**Line Count:** 165  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** a0f8f5c7-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 01 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3345937  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESS CONFERENCE ON US/FRG MONETARY MEASURES  
**TAGS:** ECON, GE, (MATTHOEFER, HANS)  
**To:** STATE TRSY  
**Type:** TE  
**vdkgvkey:** odbc://SAS/SAS.dbo.SAS\_Docs/a0f8f5c7-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014