

Schmidt boosted at home by the Reagan summit

by Susan Welsh

West German Chancellor Helmut Schmidt returned home from his May 20-23 trip to the United States bolstered against his domestic opponents by his obvious personal rapport with President Ronald Reagan. Before the Washington summit meeting, Schmidt's enemies—at home and in the pseudoconservative U.S. Heritage Foundation think tank—sought to portray him as a weak and flailing politician deserving only of Reagan's contempt. But after the summit, analysts on both sides of the Atlantic agreed that Reagan sees in Schmidt his staunchest ally in the Western alliance. "One should not underestimate the fact that there has been established a personal friendship between Schmidt and Reagan," commented the left-liberal daily *Frankfurter Rundschau* with evident distress May 25.

Schmidt reported to the West German parliament, the Bundestag, on the results of his trip May 26, and then sailed through a vote on defense policy which had been portrayed in the press as a virtual confidence vote on his government. The Bundestag voted 254 to 236 to back Schmidt's policy of support for NATO's "Euromissile" decision. The controversial NATO decision calls for deployment of American Pershing II and cruise missiles in Western Europe in case efforts to reach arms control agreements with the Soviet Union fail. Schmidt had threatened on the eve of his U.S. trip to resign if his Social Democratic Party failed to back him in this policy, and warned that the SPD might no longer be in the government following the Bundestag vote. But only six SPD parliamentarians joined the opposition parties in voting against Schmidt, with five SPDers abstaining.

The relative success of Schmidt's meeting with Reagan dealt a blow to the gameplan of the Heritage Foundation and the Socialist International: to set a radicalized "socialist" Europe on a collision course with a "reactionary" America aligned with Britain's Thatcher.

The key issue of the summit, the high interest-rate policy of the U.S. Federal Reserve, was not resolved. Schmidt had announced beforehand that one of his top priorities would be to explain to Reagan how the Fed's measures are wrecking the economies of Western Europe. The U.S. administration remains factionally divided over this issue, with the "monetarists" still on top. But Schmidt expressed confidence, in a press conference May 23, that Reagan would take steps to bring interest rates down before the Ottawa summit of Western leaders in July.

If Schmidt and the U.S. population can indeed convince Reagan to dump the monetarist policies of Federal Reserve Chairman Paul Volcker et al., the way would be cleared for a U.S. linkup to the European Monetary System. The EMS, founded two years ago by Schmidt and French President Valéry Giscard d'Estaing as the mechanism to launch a global economic recovery, was placed in serious jeopardy by the defeat of Giscard in the French presidential elections May 10. Some of President François Mitterrand's advisers are already calling for France to pull out of the EMS.

In an effort to contain the damage caused by Mitterrand's election, Schmidt stopped by for a three and a half hour meeting with the new French president on his way home from Washington. The two leaders declared that

the Franco-German alliance would continue, and Mitterrand pledged to try to keep the French franc in the "snake" of EMS currencies, while Schmidt said that the Federal Republic of Germany would help to defend the franc, which has been plunging on the currency markets since Mitterrand's election. With the franc going through the floor, Mitterrand was in no position to refuse German assistance.

Schmidt's Paris visit had the additional purpose of outflanking Social Democratic Party chairman Willy Brandt, commented the daily *Die Welt* May 25. Brandt and Mitterrand are friends and key figures in the Socialist International, which Brandt heads. Brandt campaigned actively on Mitterrand's behalf, challenging Schmidt's personal and political alliance with Giscard. When Mitterrand won the election, Brandt snidely offered Schmidt his services to "mediate" relations with the new French president should any "difficulties" arise between them. Brandt, in other words, is out to capture German foreign policy on behalf of the Socialist International, reducing his enemy Schmidt to the status of a figurehead in the chancellery.

The Socialist International hoped to capitalize on Mitterrand's victory to usher in socialist governments in Italy, Sweden, and the Netherlands. But in each of these countries, the Socialist plan has met major obstacles. Italian Socialist Bettino Craxi is enmired in the biggest scandal in postwar Italian history.

In Sweden, a power play by former Socialist Prime Minister Olof Palme has been at least temporarily stalled. Palme engineered the fall of the center-right government of Premier Thorbjörn Fälldin early in May, in hopes of launching new elections that would return the Socialists to power. But this scenario was averted when the Moderate Party, formerly one of Fälldin's coalition partners, agreed to tolerate a minority government under Fälldin rather than support Palme's bid for re-election.

In the Netherlands, the Socialist International plan to overturn the Christian Democratic government of premier Andries Van Agt received a setback in parliamentary elections May 26. The Labor Party under socialist Joop den Uyl lost votes, ceding its position as the largest parliamentary party to the Christian Democrats.

'Greenie' mayor resigns

Commenting May 27 on Schmidt's Bundestag success, the Munich daily *Süddeutsche Zeitung* called it a victory for the chancellor, but added that Schmidt's troubles are by no means over since he is "sitting on top of a volcano which could explode at any time."

This is true enough, since the Brandt-run destabilization of Schmidt continues. But indications of a counterattack by pro-Schmidt forces have also emerged, including tacit support from elements of the opposition Christian Democratic Union.

Most significant in this respect was the resignation May 25 of Hamburg Mayor Hans-Ulrich Klose, a leading environmentalist in the SPD. Klose gained international notoriety for his effort to block the construction of a nuclear power plant at Brokdorf in the state of Schleswig-Holstein, just outside Hamburg. Despite Klose's success in securing a vote in the city SPD executive against the project, the city council and the state-owned Hamburg utility company Hamburger Elektrizitätswerke (HEW) are sticking with their commitment to help finance the plant. Schleswig-Holstein governor Gerhard Stoltenberg, a Christian Democrat, has repeatedly said that the plant will be built whether Hamburg participates in it or not—also underlining that the Schmidt government in Bonn supports the project. Unable to counter these obstacles, Klose resigned.

The day before the resignation, Governor Stoltenberg said in an interview to *Welt am Sonntag* newspaper that he does not agree that a split is imminent in Bonn's governing coalition. This is in conspicuous contrast to the general line of the CDU that Schmidt is on his last legs and that the liberal Free Democratic Party is about to bolt from its coalition with the Social Democrats. Coming from Stoltenberg, who participated in a kind of "grand coalition" of pronuclear energy forces in all parties against Klose and the environmentalists, this amounts to a virtual vote of confidence in the chancellor.

Apart from Klose, the leading lights of the SPD's opposition to Schmidt are Brandt, general manager Peter Glotz, and Brandt's old sidekick Egon Bahr. Glotz and Bahr have been exerting behind-the-scenes pressure on Schmidt to meet with leaders of the Socialist International-controlled "peace movement." So far this has been blocked by Schmidt and Herbert Wehner, the SPD deputy chairman and gray eminence who believes that "dialogue" with youthful rioters and terrorists has its limits.

Bahr has called for a full-scale mobilization of the SPD for disarmament, while Glotz is demanding the reorientation of the SPD toward the counterculture. In an interview with *Der Stern* magazine May 21, Glotz declared that Mitterrand's victory signals the end of the "neoconservative wave" sweeping the Western nations. The SPD's problem, he said, is that it "made the big mistake of escaping into society," abandoning its traditional role as the party of the "subculture."

Mayor Klose is just the first of the many heads that will have to roll if West Germany's political life is to regain its rationality and Schmidt's position to be truly secured. Essential to this is the economic and political cooperation with the Bonn government which was tentatively initiated during the Schmidt-Reagan summit. It's now Reagan's choice.