

Two options confront Chancellor Schmidt

The following statement was issued last month by the executive committee of the European Labor Party (Europäische Arbeiterpartei—EAP) in West Germany. The party's chairman is Mrs. Helga Zepp-LaRouche.

Forces centered in London have a well-known plan for bringing down the government of Chancellor Helmut Schmidt, a plan to which U.S. Secretary of State Alexander Haig and Henry A. Kissinger have been accomplices—contrary to policies of the Reagan White House.

As stated by Harold van B. Cleveland and others, the first part of the plan has been to raise interest rates in the United States up to the point that the Schmidt government falls. According to his own statements, Arthur Burns, as well as Treasury official Beryl Sprinkel, were accomplices in this part of the plot involving Federal Reserve Chairman Paul A. Volcker.

All that is proven by transcripts of volunteered statements by Cleveland, Burns, and others in our possession.

The second major feature of the plan was a plot to maneuver Chancellor Schmidt into a confrontation with President Reagan over the issue of the *Nachrustungsbeschluss* [the 1979 NATO decision to install medium-range missiles on West German soil—ed.]. This was to be done with the help of the “left wing” of the SPD, and through a massive deployment of the Socialist International, major church forces, and the Bertrand Russell networks, all under the visible, central, international coordination of the British Archbishop of Canterbury, the amateur pig-breeder, Robert Runcie.

In 1979, we warned extensively that the proposal to upgrade nuclear missiles deployment within a two- to three-minute range of Soviet targets was a qualitative increase in the danger of intercontinental nuclear war, without any compensating strategic advantage. We did not observe any endorsement of our statements by Willy Brandt and his friends then.

During 1977, we joined with Major General George Keegan in evaluating the potential for developing deployable particle-beam weapons by the Soviet Union and U.S.A. respectively. General Keegan and we independently published the respective, converging conclusions

reached through that collaboration. It was our projection that nuclear missiles were on the verge of being made virtually obsolete by the 1980s development of beam weapons capable of “killing” such missiles above the atmosphere, in midflight.

At that time, there was a deployment by the London Institute for International and Strategic Studies (IISS) in an effort to discredit the separate, but converging reports issued by us and by General Keegan. Now, the correctness of our statements in 1977 is acknowledged in fact by leading elements of the U.S. defense community and even by London IISS. We were never exactly hounded by support from Willy Brandt and his friends on this aspect of the missiles issue.

Now, it might appear to some that Willy Brandt and his friends have come around to imitating some of our arguments of the 1977-1979 period—but, naturally, without giving us any credit on this account. It might be assumed, as is the case in fact, that any coincidence between our views and those of Herr Brandt's friends is only apparent. As Herr Brandt knows, and as we know, between Brandt and us there is no agreement on the philosophical, methodological approach to any known issue, the *Nachrustungsbeschluss* included.

We insist that for the present year, 1981, the question of whether the Federal Republic does or does not proceed with *the preparations for deploying missiles* in 1983 has no great importance one way or the other, at least not relative to the urgent issue of maintaining collaboration between Schmidt and Reagan. In brief, *the issue of medium-range nuclear missiles in Central Europe is a matter for President Reagan and Chancellor Schmidt to negotiate jointly with President Leonid Brezhnev*; it must not become an issue between the President and the chancellor.

We develop our point in three successive phases. First, we address the matter of British hypocrisy in the matter of NATO policy. Second, we state our policy for defense-related negotiations with Moscow. Third, we state our view of the reasons Chancellor Schmidt must remain chancellor for at least two more years, at all costs, and indicate the reasons a “Grand Coalition” fallback

option must be immediately developed to ensure that.

The policy conducted through the Carter administration, for upgrading nuclear and other defenses of NATO, was a piece of folly—only one of many idiocies which Europe and President Reagan have inherited from the Trilateral Commission of puppet Carter.

The immediate issue attached to the *Nachrüstungsbeschluss* is not the arms policy as such, but the utter hypocrisy of Britain in singling out the Federal Republic as the only European state being pressured to bear the entire burden of the Europeans' increased military spending.

That this was and is utter hypocrisy was exposed, with help from U.S. Defense Secretary Caspar Weinberger, on May 18-19. The same Prime Minister Thatcher who has been prodding Washington to exert pressure on Bonn this same week moved to cut the British military budget savagely, cutting the European NATO naval component by half, and virtually eliminating the British Rhine Army, among other things.

Has the insolence of the British no limits?

Thatcher demanded that France and the Federal Republic provide massive economic subsidies to Britain. On what basis? That the British economy had collapsed, because of the Thatcher government's adoption of the monetarist policies of Professor Milton Friedman and Friedrich von Hayek. Then, the same insolent British creatures propose to destroy the economies of France and the Federal Republic, by the same high interest-rate policies which obliged the British to demand welfare subsidies from those nations.

There are, of course, ideological fanatics in the Federal Republic and elsewhere, who insist that Mrs. Thatcher's "experiment" is a "success." Such persons would no doubt admire the incendiary Nero as a "real estate developer." One such curious gentleman has recently said that Mrs. Thatcher's problems are entirely the work of her predecessor James Callaghan. Has Mrs. Thatcher increased or decreased the level of industrial output and productive employment from that under Callaghan? The extremes to which the fanatical admirers of the Fabian Society's Friedrich von Hayek will go are beyond the limits of what most of us consider sanity.

These same British have demanded that Washington pressure the Federal Republic into increasing its military expenditures, while the same British, operating through Paul Volcker, Arthur Burns, and others, demand with equal zeal that Volcker's interest rates be raised and protracted, to destroy the economic basis through which the Federal Republic might pay for such military expenditures. The same British, this time through the personage of the Archbishop of Canterbury, coordinate with the Socialist International, the Soviet KGB, and the Bertrand Russell networks, to

destabilize the governments of Schmidt and Reagan on the issue of armaments expenditures!

Why single out the Federal Republic for pressure on the arms matter? What of Britain itself, or the Low Countries, or Denmark, or Italy? The conditions, political and economic, in Belgium, the Netherlands, and Denmark, are presently unspeakable. Italy, whose military forces were never rated as "acceptable" at Brussels NATO headquarters, is on the verge of ceasing to be a nation, largely because of the terrorism which the Italian press repeatedly traces to the circles of the Socialist International's Bettino Craxi.

Until May 10, France's military capabilities were being increased significantly. That has ended. Not only will Mitterrand destroy the franc and the nuclear-energy industry. Close associates of Mitterrand indicate that he will also seek to weaken the *force de frappe*. This change was not only the subject of an orgy of euphoria in London, but British networks contributed substantially to causing the change.

As for the drug addiction-riddled illiterates of U.S. forces in Europe, the less said the more pleasant Washington-Bonn discussions will be.

These are simple, incontestable truths, yet, if Chancellor Schmidt were to be heard repeating any of them he would undoubtedly be accused again of insufferable arrogance by various of his personal critics.

There is a very powerful stink of hypocrisy behind the effort to bring Reagan and Schmidt into collision.

If any person were both sincere and intelligent in proposing to strengthen Western military capabilities, that person or agency would first insist on lowering interest rates. To collapse the civilian economy is to destroy the logistical basis, as well as the tax-revenue basis, on which supplying modern military capabilities depends. This is especially the case for the United States. During two preceding world wars of this century, the U.S. government mobilized the nation's civilian economy for a scale of production of military and other goods which astonished the world. In both cases, this was done by abandoning British "free-trade" doctrines in credit, banking, and taxation, and adapting the dirigist methods of Alexander Hamilton's and Friedrich List's American System to channel credit at low borrowing costs into basic industry and agriculture. The British did somewhat the same in preparation for World War I.

We are not proposing here that such measures be adopted now for military purposes. We merely report that that is the only proven method for effecting successful recovery of a depressed industrial-capitalist economy, whether for rearmament, or simply to effect civilian economic recovery. We merely report that the United States and Britain have successfully reverted to such Hamiltonian policies of French mercantilism and German kameralism whenever they mobilized for one

of the earlier wars of this century.

We are pointing out that any chatter about refurbishing the Western military capabilities are either simply folly or sheer hypocrisy, if they emanate from any government which tolerates the policies of Paul A. Volcker and the Mont Pelerin Society.

The road to peace

Any person, including Leonid Brezhnev, who proposes that either "arms limitation treaties" or "peace movements" deter war obviously knows nothing from the history of this present century. The two decades separating the previous world wars of this century were dominated by arms-limitation treaties and similar matters. The "peace movements" of the 1930s grew ever strong right up to the outbreak of world war.

To the "disarmers" and "peaceniks," we say, one does not cure a person of malaria by immersing him in liquid nitrogen.

The most important action toward peace during the past decade was the May 1978 meeting between Chancellor Schmidt and Leonid Brezhnev. If there can be East-West agreement not only on East-West economic cooperation, but also on joint cooperation in contributing advanced industrial and agricultural technologies to developing nations, that economic cooperation provides the basis for political cooperation. That inter-linked East-West, North-South economic and political cooperation provides the basis for avoiding general war. Once that basis is established, and only when that basis is established, negotiated disarmament becomes meaningful over the longer term. Otherwise, the only practical function of arms-limitation discussions is to foster channels of discussion, as mere gestures of good faith supplied to further discussion of the more fundamental issues of economic and political cooperation.

The danger of emplacing improved nuclear missiles in the Federal Republic during the 1982-83 period is the fact that given the accelerating deterioration of the international economic situation, and correlated destabilizations of the developing regions, it is probable that the situation would arise in which such weapons *might be launched*. To restate this critical point: the placing of the missiles is not the proper issue in and of itself. The issue is the placing of such missiles under present and foreseeable global conditions in which the Soviet leadership anticipates those missiles' being launched.

The underlying causative danger to peace is principally economic. This economic danger is promoted by factional forces on each side of the East-West divide. On the Western side, there are the neo-Malthusian oneworlders, typified by the Club of Rome and its progicide cothinkers, such as the proponents of Carter's Global 2000 scheme for genocide, who are using their influence over parties and central banking to bring

about a collapse of Western civilization into a "utopia" of "postindustrial society." The same neo-Malthusian views are held in a Soviet version by the forces centered around the Soviet Communist foreign-policy think tank, IMEMO, and allied elements of the Soviet KGB.

Although the Club of Rome types principally seek the destruction of the Soviet Union, and the IMEMO types seek the destruction of Western powers, the Western and Eastern neo-Malthusians are at present wittingly allied with one another against their common adversaries of East and West. The neo-Comintern forces led by Mikhail Suslov and Boris Ponomarev, the backers of IMEMO, seek to crush their Soviet factional opponents, the Soviet nationalists whose base of power is the high-technology-oriented forces of the Soviet state apparatus, led by President Brezhnev. In this, Suslov and Ponomarev enjoy active support from the networks of the London Tavistock Institute and leading elements of the Socialist International and Communist China. The neo-Malthusians of the West, in turn, obtain assistance from the forces led by Suslov and Ponomarev *against the protechnology forces of the West*, as we saw in the recent French elections, and in the efforts to bring down Schmidt in the Federal Republic.

It is a fact that, in respect to opposition to the policies of President Ronald Reagan, Alexander Haig and the Trilateral Henry A. Kissinger are effectively allied with Suslov and Ponomarev. This is illustrated by the case of Italy, in which the principal external support for making the Socialist International's "new Mussolini," "Il Capo" Bettino Craxi, the next prime minister, comes jointly from Libya's Colonel Qaddafi, the Soviet KGB, and Alexander Haig.

Anyone who denies this is either simply ignorant of the relevant facts, or if informed is a liar.

The special present difficulty is that President Reagan is still in the process of cleaning out of the U.S. government various nests of snakes left over from the previous administrations of Presidents Johnson and Carter, as well as two successive Kissinger administrations. In addition to the snakes President Reagan has inherited, there are snakes he was obliged to appoint as part of the agreements under which he was permitted to be elected President—such as the backers of Haig.

This is complicated by the fact that the new President—when not occupied with convalescing from attempted assassinations—must reconsider, in light of his experience in power, some of the economic and monetary policies he brought into the government.

We in the Federal Republic must afford the new President as much latitude as possible to deal with these two categories of problems. Concretely, we must provide Chancellor Schmidt with the latitude to act as our representative to that purpose. Provided no irreversible disaster occurs during 1981, such as a world monetary

collapse caused by Volcker's policies, we can look forward to changing reversible errors of 1981 decisions during 1982. That, in a short statement, is the essential point of that branch of statecraft called "crisis management," a skill in which the chancellor's performance to date is relatively outstanding. On this point, Chancellor Schmidt is irreplaceable at this moment.

As the chancellor understands, as well as any other leading statesman in the world today, and far better than most, the key to solving every problem is the economy. We must end the reign of "Jacobin Terror" called monetarism, and reorganize the debts of developing nations and institutions of world monetary order, to make possible a large flow of high-technology capital goods of agricultural and industrial development to developing nations.

On that basis, and only on that basis, peace can be achieved—on condition that Brezhnev, not Ponomarev, determines Soviet policy. Anyone in the Federal Republic who remembers Brezhnev's television address of May 1978 has some understanding of that point.

Any "peacenik" who opposes nuclear-energy development and high-technology exports to developing nations is working for World War III, whether or not that peacenik knows the inevitable consequences of his own stupid actions. Guns do not cause wars; crises caused largely by a mixture of ideological lunacy and economic instability do. Peace movements do not hinder wars; they merely distract attention away from the practical measures by which wars are prevented.

Schmidt for at least two more years

Every leading CDUer [member of the Christian Democratic Union—ed.] knows that Schmidt is the only available individual with the recognized capability to lead the Federal Republic through the present period of crisis. Many leading CDUers say, "The problem with Schmidt is the left wing of his own party." We agree with the CDUers on that point, and most emphatically.

We are not exaggerating the importance of "one man." Few realize how badly the interests of the Federal Republic—and prospects for world peace—were injured by the loss of the murdered Jürgen Ponto. The right person in the right position at the right time is a point demonstrated repeatedly throughout history.

Considering the personal authority the chancellor has with the mass-based institutions, beginning with the trade unions and industries, and considering the importance of maintaining the continuity of a government under his skilled leadership, to lose Chancellor Schmidt during the two years ahead of us spells disaster for the Federal Republic. Leading CDUers and others ought to know exactly what we mean by that.

If one considers the forces which can be rallied

around the DGB and the employers' associations, 80 percent, approximately, of the electorate is represented. The problem, for the contingency that the SPD left wing either attempts to bring down Schmidt or that it becomes absolutely intolerable as a factor in government, is to establish some sort of "Grand Coalition." Such a coalition would represent the main forces of both the DGB and employers, as well as others, through the combination of the conservative SPDers (the Kanalarbeiter) and the moderates of the protechnology forces of the CDU, the moderate CDUers historically and presently continuing the tradition of the de Gaulle-Adenauer cooperation.

The problem is that none of the principal parties of the Federal Republic actually functions. Schmidt is an excellent chancellor *despite the SPD*. A minority in each of the principal parties uses its margin of minority strength to veto the policies of the parties as wholes, and to impose increasingly a virtual dictatorship of minority personalities and policies upon those parties. The divisions among the parties no longer correspond efficiently to the divisions within the electorate. The Federal Republic today would be better governed if no party existed, than through the present parties, with their present alignments and the role of sabotage within each.

Since the egoism of party is too strong to make the most obvious solution practicable at this time, we must seek a solution in the form of some approximation which does not demand that the parties yield their institutional traditions. A "Grand Coalition" across party lines, which, in effect, assembles the democratic republicans of the electorate as an overwhelming majority against the extremist minorities, is the only visible solution for any imminent crisis.

A Schmidt "grand coalition" government utilizing the best from the SPD, FDP, and Union, without any of the neo-Malthusian or other extremists, is the only practicable solution during the period of the next two years. That solution must be prepared, and set into operation whenever crisis demands it.

One hopes that there are enough leading CDUers capable of rising above the petty, egoistical ambition of some emotionally immature figures, to recognize the need to act in the national interest first.

Let us agree that any effort to mount a *Nachrustungsbeschluss* debate between Reagan and Bonn will be crushed by the majority of all parties acting together on this point. Let it be agreed that President Reagan and Chancellor Schmidt will negotiate military strengths in Central Europe jointly with President Brezhnev.

Let us frustrate the efforts of the Socialist International left and the Archbishop of Canterbury to bring down both Reagan and Schmidt.