

Helmut Schmidt defends German sovereignty

by Vivian Zoakos, European Editor

Thrown against the wall by a U.S. policy that demands West Germany destroy its economy and accept the status of becoming a likely nuclear battlefield, the government of Chancellor Helmut Schmidt has responded by organizing its citizenry around the republican conception of national sovereignty.

Schmidt's reaction is a calculated rebuff to the U.S. military and economic posture toward Europe. Henry Kissinger, of late one of the most important spokesmen for the Reagan administration, spelled out Washington's European policy in an Aug. 8 interview with the Japanese *Yomiuri Shimbun* (see below). He explained euphemistically that because Europe "has no productivity," it is being written off. Instead, "the Pacific will be the center of world history for the next few centuries."

It has not escaped the Germans, the most important U.S. allies in Western Europe, that the recent neutron-bomb decision, and even to an extent the Federal Reserve's high interest rates, are precisely intended to accomplish the policy perspective so neatly summarized by Kissinger.

Consequently the rumor is out in Bonn that, should Defense Secretary Weinberger et al. continue disregarding German sovereignty on political and military policy questions, they would contribute to the strengthening of a West German political tendency with a "Gaullist" character in the best sense of that term. Faced with American policy-making that goes against German interests, Chancellor Schmidt would be left with little choice but to take steps in the defense of German sovereignty which could, in the end, result in moves like the

ones French President Charles de Gaulle had to make in 1965, at the height of his strategic dispute with the Anglo-Americans. Not accidentally, many commentators in Germany these days refer to statements of de Gaulle's during that time of political controversy.

To an American audience, the outline I present will seem widely at variance with accounts in the leading U.S. press of the state of affairs in the Federal Republic. An Aug. 22 headline in the *Washington Post* announced that "Schmidt Has Reaffirmed His Support for Neutron Weapons in Europe"—only one instance of the outright lies being relayed by the U.S. media, in part reflecting the fear the West German phenomenon has aroused in Anglo-American policy-making circles. What made the *Washington Post* article particularly outrageous was that it purported to report on two nationally televised interviews given by Chancellor Schmidt the day before in which he coolly delivered a powerful rebuff to American pretensions.

As he has done consistently in the past, Schmidt linked the issue of high American interest rates with U.S. military policy. He began by saying that the unilateral U.S. decision to build the neutron bomb—a weapon clearly destined for deployment in Europe and particularly West Germany—was an affront to Bonn's sovereignty: "This . . . to me smells too much of occupation policy status." Instead, he stressed, the basis both for the Bonn government's existence and for its commitment to the Atlantic Alliance lies solely in the 1955 treaties "which made us a sovereign state." He added that while Germany "is not anti-American, it is not anti-Soviet

either," and pointed to the importance of the upcoming visit to Bonn by Soviet President Leonid Brezhnev later this year.

Schmidt also alluded to the German perception that U.S. military policy is geared to fighting a limited nuclear confrontation with the Warsaw Pact on European soil, a subject heatedly discussed in West German circles. Referring to his current negotiations with East German chief Eric Honecker, Schmidt said that they are both "in very close agreement" that both Germanies must do whatever is in their power to prevent international tensions from escalating into military confrontation. Both German states therefore intend to preserve the achievements made thus far in East-West relations, he said.

Strengthening the economy

Schmidt's statements on economic policy were of equal importance, and provide a real litmus test by which to judge his overall policy commitment. In the course of the same broadcast, Schmidt reiterated his attacks on the high interest-rate policy of the U.S. Federal Reserve: "If one year ago someone had come up with the prediction that the United States would live with an average of 20 percent interest rates, he would not have been believed. But that is exactly what has happened, and now also France and Italy have to live with rates above 20 percent." But not the Federal Republic, he said.

Here we arrive at the crux of developments in Germany. Progrowth spokesmen in both Chancellor Schmidt's Social Democratic Party (SPD) and the opposition Christian Democratic Union (CDU) are organizing with a new sense of urgency for a reorientation of the economy toward increased government-backed industrial development. On the other side, the Free Democratic Party (FDP) led by Foreign Minister Hans-Dietrich Genscher is demanding more austerity in line with U.S. Federal Reserve and British policy. The Schmidt-allied forces have responded by initiating an unprecedented national organizing drive among trade-union strata, in particular, a drive that addresses the national sovereignty question in the economic sphere from the standpoint of strengthening the German industrial machine.

As a result, statements are emerging daily from various trade-union leaders backing Schmidt's budget program and its fundamental premise of the need to free money for investment in manufacturing and new technologies. The West German trade union confederation, the DGB, Aug. 26 issued a statement sharply attacking the FDP Economics Minister Otto von Lambsdorff, and asserting that the trade unions would not accept cuts in employment and health payments. DGB President Heinz-Oskar Vetter wrote an article for the Aug. 25 issue of Italian *Corriere della Sera* blasting

Milton Friedman "and all his epigones." The following day the head of the SPD's labor committees called upon Chancellor Schmidt to "stand firm" against the "liberals" and carry through with his budget program.

Reiterating the Schmidt policy, the deputy head of the SPD, Hans-Jürgen Wischniewski, in an interview with the *Neue Ruhr Zeitung* called for an end to cuts in social services and employment, and said the priority is for the new budget to increase investment in industry. Particularly crucial was the support provided to the Schmidt faction by the vice-president of the opposition CDU, Gerhard Stoltenberg. Refusing first of all to lend an ear to anyone in the CDU interested in replacing the current SPD-FDP coalition with a CDU-FDP coalition, Stoltenberg launched into a defense of Schmidt's economic policy approach.

The central parameter for the current budget, he said, is that a greater share has to go toward investment in the manufacturing sector, as well as "in the vital research and development field." If this is not done, he warned, the country will inevitably run into "a severe crisis." "Growth is the priority to be achieved." Finally, dealing a cutting jab at opposition to Schmidt inside the SPD, Stoltenberg noted that "one also has to get rid of the heritage of the Willy Brandt era," namely, a campaign led by the left against vital investments and against growth and technology in general.

Former Chancellor Willy Brandt is also the head of the Brandt Commission on North-South relations calling for global depopulation by means of putting an end to the "anachronism" of sovereign nation-states.

It is perfectly coherent that it is precisely the one-worlders in West Germany who advocate austerity. Brandt's policy ally Genscher most recently aired a television interview urging that the German economy "accommodate itself" to changes in the depressed world economic reality. "Structural-political" answers are needed, not "conjunctural" solutions à la Schmidt.

A week earlier, on Aug. 19, Genscher and his party had unveiled a document targeting German national sovereignty and directly echoing various British policy statements. The document called for the upgrading of the European Parliament, and for the creation of a European constitution. It further suggested the establishment of a European Defense Council to bypass national policy-making on military matters.

It is Genscher whom the British and allied circles in the U.S. are backing to supplant Schmidt—if and when it can be done. The London *Financial Times* expressed its hope Aug. 27 that Genscher may soon be able to pull out of the FDP-SPD coalition and hence rid the Anglo-Americans of the Schmidt menace. As conditions inside the country indicate, however, including the critical support from the Stoltenberg side of the CDU, the British may be disappointed.