

## How Helmut Schmidt could stay in power

by Michael Liebig from Wiesbaden

West German politics is presently undergoing a profound change. The survivability of the Schmidt government has become ever more doubtful since the Liberals in the Free Democratic Party under Foreign Minister Hans-Dietrich Genscher are driving toward an open break of the government coalition with the Social Democrats (SPD) of Chancellor Helmut Schmidt.

This situation has absolutely nothing to do with a "normal" parliamentary play of forces, wherein the SPD/FDP governing coalition has ostensibly been worn out after thirteen years, so that a new government, led by the opposition parties of the Christian Democracy, ought to take over power in Bonn. The Schmidt government and the SPD/FDP coalition on which it is based won a clear majority in the Bundestag elections in November 1980, and was thus given the mandate to form a government up to 1984.

What we are presently witnessing in Bonn is a totally "abnormal" and "unnatural" process of the attempted overthrow of a legally elected government. An international conspiracy is moving against Chancellor Schmidt, directed by such institutions as the Geneva-based Bank for International Settlements (BIS), its affiliated International Monetary Fund (IMF), and the City of London banks. This grouping, headquartered *outside* of the Federal Republic of Germany, is dictating the anti-Schmidt activities of saboteurs located in the U.S. Department of Defense, State Department, congressional offices, major media outlets, and think tanks, as well as the activities of the German political factions that are moving against the Chancellor's government. The "foreign" pressure is usually left out of account. What the new Secretary of State will do is crucial.

### Why they want Schmidt out

Schmidt's policy has always been ambivalent, even contradictory, and dangerously pragmatic, but it was always characterized by a certain strategic rationality and calculability. Despite all foreign and domestic rotten political compromises, Schmidt insisted upon holding firm to a



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*Schmidt with Leonid Brezhnev in Bonn, December 1981. If Schmidt moved to rally his country behind a reinvigorated war-avoidance policy based on East-West economic development, West Germans would respond.*

policy of détente and East-West economic cooperation, a policy of rejecting monetarist deflationary recipes in economic policy, and a policy opposed to military adventures in and against the Third World.

That put the Schmidt government on a collision course with the dominant faction of the Anglo-American leadership, as that is represented by Britain's Margaret Thatcher, Alexander Haig, or U.S. Federal Reserve Chief Paul Volcker. Schmidt was hunted into corners persistently by Anglo-American financial circles, personalities around the British government, within and on the periphery of the Reagan administration. The crises they cooked up, the NATO medium missile crisis, the Polish crisis, the war in the Malvinas, and the confrontation in the Middle East, were each utilized to undermine Schmidt's position.

The present crisis of the Schmidt government is only comprehensible in light of that background. Without the massive support from the Anglo-American milieu, a Genscher and his liberals would not even dare to behave as they have in recent months. We document below how scandals, revelations, and affronts were fabricated, all of which lead back to London, New York, and Washington. Once again: the cause of the present destabilization of the Schmidt government is only secondarily a domestic political matter. The causes are primarily a function of an internationally coordinated destabilization.

It thus becomes very clear when we consider the phenomenon of the "Hamburg mafia." In German

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post-war history, the "Hamburg mafia" was always something of a political "kingmaker" of the Federal Republic. Compared with the Ruhr area, with the Rhein Main area or Baden-Württemberg, Hamburg is neither an economic nor an industrial power center. But, Hamburg has the crucial lines of communication within Anglo-American centers of power, especially to London and the American East Coast. At the same time, the "Hamburg mafia" has at its disposal an immense media control through such publications as *Der Spiegel*, *Stern*, *Die Zeit* and the press empire of Axel Springer, Germany's largest newspaper publisher.

Thus, it is not at all surprising if the "Hamburg mafia" is now blowing the trumpets for a frontal attack on the Schmidt government, only a few days after the London *Economist* gave the official start signal for the hunt, with the order that Genscher's liberals should now move to topple Schmidt. The official spokesman of the "Hamburg mafia," Theo Sommer did the very same thing in the pages of *Die Zeit*. Sommer did not restrict himself to generalities. He detailed everything concretely, all the way down to the exact point in time: July 7, the day on which Schmidt must accept or reject the 1983 federal budget proposals of his FDP coalition partners. Genscher would have up to then to topple the Schmidt government. Lo and behold, only days after Sommer's call to arms, the FDP in the State of Hesse ended their coalition with Schmidt's closest ally in the SPD, state governor Holser Boerner.

Genscher and the FDP now intend to use the deliberations on the federal budget as the excuse to jump out of the coalition. They are demanding a series of drastic budget-cutting operations and other austerity measures directed against the trade-union base of the SPD. We expect the FDP will take on this job with the utmost of brutality and provocation.

The intended departure of the FDP from the coalition depends upon two factors. First, Schmidt's foreign and domestic adversaries would have to give the FDP water-tight survival guarantees, since there is a very real possibility that Genscher's plunge can be a plunge into the political suicide of the FDP. So, Genscher requires political guarantees as well as the financial support of his Anglo-American friends. And he needs guarantees from the Christian Democrats that they will split votes off from their own CDU constituencies in the direction of the FDP to keep the FDP alive as a party. These conditions have not yet been definitively met.

Second, Genscher's game depends on how Schmidt reacts. Schmidt still has reserves as a reliable, respected international statesman. This is particularly the case in the present situation of accumulated crisis spots and East-West confrontation. Schmidt has lost the confidence of many because of his despicable behavior with respect to British blackmail in the Malvinas war, and

the results of the June 6 Hamburg regional elections demonstrate this. But, with the necessary resoluteness, a broad-based support for a strategy of crisis-containment and war-prevention can be mobilized in the German population.

### **The dangers of Schmidt's pragmatism**

Furthermore, Schmidt must summon up his resources and put an end to his pragmatic, tactical maneuvering with the adversaries within his own party. That goes especially for the chairman of the party, Brandt, and the protégés of Brandt, the "greenies" inside and outside the party. These green-fascist storm-troops against a democratic republic, that have been and still are tolerated in the SPD, have contributed fundamentally to demoralizing Schmidt's political base in labor and the trade unions. They have also therefore contributed to giving Genscher the room he needs to maneuver.

If Schmidt is not capable of this shift in order to offer his demoralized electorate a new perspective, his fate is, of course, practically sealed. We do not want to awaken illusions, but Schmidt can survive in the present international crisis situation, the most dangerous since the end of the war, if he rises above himself in a certain way. He has no chance on the basis of defensive pragmatism and concessions to cultural pessimism. Even if the media claim the contrary, the German population is quite ready to respond positively.

What is the alternative to a Schmidt government? It is actually the same as it was in 1980: the Christian Democrat Kohl as figurehead and Bavarian Christian Socialist Franz Josef Strauss as the actual power. The combination Kohl-Strauss-Genscher is no more attractive today than it was a year and a half ago. The political and programmatic "alternatives" of the Christian Democrats are limited to an imitation of the worst aspects of Thatcher politics and the Reagan administration: monetarism, austerity, and international confrontation in a special mixture of ignorance and maliciousness. Any sober evaluation of the politics of Kohl and Strauss would end in a dramatic deterioration of the domestic and foreign policy position of the Federal Republic, not to mention another crack in the potential for war-avoidance.

As the German politician Helga Zepp-LaRouche recently pointed out, people in Germany recognize possibly better than they do in other countries what the connection is between depression, political collapse, fascism and war. And as she elaborates in an interview in this Special Report, if the moral and political resoluteness is not summoned to learn from history, there will be a horrible price to pay. It is in this sense that the Federal Republic is presently undergoing the most severe test of its history.