

# Späth-Schmidt government is rumored in West Germany

by Lyndon H. LaRouche, Jr.

Investigative journalists in West Germany are tracking signs pointing toward an early Späth-Schmidt CDU-SPD coalition government in Bonn, replacing the shaky Kohl-Genscher coalition. The corroborating evidence is massive.

Former Social Democratic (SPD) Chancellor Helmut Schmidt has resurfaced over the recent weeks, promoting the idea of CDU-SPD coalitions, while reactivating the special arrangements between Germany and France which existed during the last years of Valéry Giscard d'Estaing's French presidency. In the wind, is the creation of a new Western European economic and defense arrangement, centered around the European Monetary System which Giscard and Schmidt created to defend Europe against U.S. President Jimmy Carter's reckless economic policies.

In addition to Schmidt and Giscard, the key figures in relevant contacts between Germany and France appear to be the Christian Democratic Union's Lothar Späth, Bavaria's Franz-Josef Strauss of the Christian Social Union (CSU), and France's President François Mitterrand. Späth, currently the parliamentary governor of the state of Baden-Württemberg, has been considered for months Washington's first preference as replacement for the present CDU Chancellor, Helmut Kohl.

Indications are, that Britain is intended to play a key role in the new arrangement, in partnership with Paris and Bonn. Tokens of new degrees of cooperation between Britain and France are already visible.

The signs point to Späth as likely Chancellor, probably with experienced "Atlanticist" and "crisis-manager" Schmidt replacing the present foreign minister, Hans-Dietrich Genscher.

Meanwhile, apart from strong indications of Schmidt's being groomed to play a leading role in a new government, it is now likely that the Bonn government will undergo sweeping changes, probably within a few weeks.

A new crisis inside the SPD has all but ousted Brandt from his position as party chairman. A massive financial scandal, triggered by uncovering of the looting of hundreds of millions of marks from the Volkswagen concern, could be the crisis which topples the Kohl government. The combined effects of these and related crises will hit within a few weeks at most.

The key to the possible Späth-Schmidt government is the economic crisis. The unveiling of the politically explosive Volkswagen scandal, in the same time-frame as warnings of a major international financial collapse, issued by the leadership of the Swiss Banking Association, tells the story.

When the general manager of Crédit Suisse was picked to deliver the March 18 announcement, that the world "faces a global crash like never before in history," the timing of that announcement, delivered under those auspices, must be understood to be a collective decision of the Swiss banking system. The purpose of the announcement is to impose this policy upon the world's central banking systems, and to force governments to make those drastic changes in policies, and in compositions of governments, which the situation requires.

The skyrocketing international financial crisis, triggered by chain-reaction effects of the October 1986 deregulation of the London stock-exchange, has now reached the stage at which the situation is out of control of the central banking systems. All intelligent leading circles in Western Europe recognize, that in this situation only drastic action by governments can prevent the European economies from being crushed almost flat by the sweeping collapse among key financial institutions.

In West Germany, such drastic political measures can be taken only by a "crisis-management" government solidly based on the two major political party-formations, the SPD and the CDU-CSU. However, no such coalition could be formed with the left-wing factions dictating the SPD's role in Bonn. Inside the CDU-CSU, the political base for the needed changes is centered in Strauss's Bavaria and Späth's Baden-Württemberg, a combination which would be acceptable to the Ruhr industrialists under these crisis-conditions.

Given the economic structure of the European Community, no one Western European nation could take the needed crisis-management actions without close coordination of leading economies within the community. Germany and France are the indispensable center of any such coordination.

This shift away from the recent, rapid leftward drift in the SPD and the Kohl government, does not mean that negotiation of the so-called "zero option" is altogether dead,

but the explosion of the financial crisis would put such negotiations more or less on the back burner for a time.

The main impetus for a "panicked rush to Reykjavik," has been the previous, relatively milder degree of the economic crisis up to the recent weeks. Seeing his "economic agenda" in ruins, and heavy pressures to cut back U.S. military expenditures, and the added burdens of "Irangate," President Reagan has acted as he has done. In West Germany, German industries and their bankers have become desperate for Soviet orders.

The prospect of an early general financial collapse in the West, blows "Reaganomics" out of the water, and puts the economic motives for large deals with the East on the back burner. What is the sense of looking for needed added busi-

ness in Moscow, if the firms might be wiped out by a financial collapse at home? The financial and economic crisis in the West now takes first priority, by an overwhelming margin.

If I had to make a guess, I would think the most probable line-up is the following. Späth as the Chancellor of a CDU-CSU-SPD coalition government in Germany, with Schmidt as the new foreign minister. A shift in the SPD leadership, toward something approximating the SPD under the former Schmidt government, and a Ruhr/Baden-Württemberg/Bavaria center in the CDU-CSU. Valéry Giscard d'Estaing as the next President of the European Parliament, and probably support by these forces for the reelection of François Mitterrand as President of France. These are just good guesses, but they indicate the way deals are being cut at this time.

## Debate on Spanish bases is a threat to NATO

U.S. Defense Secretary Weinberger was in Madrid early in the week of March 16, in what looks like an attempt to convince the Spanish government to soften its "anti-Yankee" position with regard to the presence of the U.S. bases on Spanish territory.

The United States has four big and strategically important bases on Spanish territory, plus nine smaller communication and observation outposts. Of these bases two, the air base of Torrejón, near Madrid, and the navy base of Rota, are crucial. In Torrejón, 79 fighter bombers are located, 72 of which are nuclear-capable F-16s, whose mission is to reach the front line in the Central European theater in case of a Warsaw Pact attack. It goes without saying that the Spanish bases have the additional importance of representing the natural bridge for logistical supplies from the United States in case of war. In these bases, a total of 12,545 military men and 1,869 civilians are deployed.

In 1988 the present agreement on the U.S. bases expires, and a new agreement must be reached by November of this year, or else, with the expiration of the old one, the bases will have to be removed. In 1986 the Spanish Socialist government called and won a referendum to keep Spain in NATO, on condition that no nuclear weapons be deployed on its territory and that the U.S. bases would be "substantially reduced." That referendum, an incredible piece of ideological manipulation, set the stage for a lengthy debate, which is still going on, over whether or not the United States will leave Spain, and whether and how much

the bases should be reduced.

The debate, like the referendum, has nothing to do with reality and is purely ideological manipulation of "public opinion." As Weinberger reportedly stressed during his visit, in case of reduction of the Intermediate Nuclear Forces in Europe, the conventional forces had better be upgraded rather than downgraded. From the military standpoint it is ridiculous to propose to dismantle or "significantly reduce" military bases of crucial importance for the defense of Central Europe.

Nothing is known publicly about the Spanish-U.S. negotiations. The only thing known is that according to the Spanish government, the United States is not proposing an adequate "substantial reduction" of its forces; while according to the U.S. version, if the Spanish keep demanding too big a reduction, the United States will prefer to abandon their bases in Spain to keeping them so reduced.

There is the hypothesis, circulated in the press, that the most crucial base, the one of Torrejón, could be removed to Morocco or Portugal. In this case, little would change strategically. This hypothesis is denied by the United States, probably for negotiating reasons.

Recent polls indicate that 48% of Spaniards favor closing down the bases, while the United States and the U.S.S.R. are perceived as similar threats to world peace. The publication of such polls, who knows how authentic, is in itself a manipulation of public opinion.

The neutralist policy which the Socialist Spanish government is increasingly pushing is the best possible policy to be pursued to the advantage of Moscow. Spain is a NATO country, the Socialist government is "socialist," not "communist"; so if Spain turns increasingly neutral, to the point of expelling U.S. bases, this would create a precedent for other "social democratic" NATO regimes.

—Leonardo Servadio