

BRD Industry Wants Trade, Not Inflation Or Shutdowns

Oct. 22 (NSIPS) — Buoyed up by Andreotti's defense of the Italian economy, West Germany's industrialist interests have been publicly expressing willingness to fight for an alternative to Wall Street's choices of a hyperinflationary policy or a virtual shut-down of West German heavy industry by December.

Many businessmen are sticking with their "pragmatic" approach of massively expanding East-West trade. Gerhard Stoltenberg, Prime Minister of the state of Schleswig-Holstein and one of the "pragmatic" spokesmen, has recently warned the hotheads in his Christian Democratic Union that "We cannot afford a total confrontation with the government," since this would surely damage further trade prospects.

On the higher level of monetary policy, however, the issues are explicitly political. An editorial in today's Frankfurter Allgemeine Zeitung (FAZ) has shot back an angry response to a recent Le Figaro article, which accused West Germans of a "childish fear of inflation." The FAZ advises the West German government and central bank to resist any temptation to opt for inflationary monetary policies, and reminds Le Figaro that West Germany fought along with General de Gaulle against dollar inflows and for a gold-backed currency standard. Christian Democrat Jürgen Todenhöfer's warnings to Foreign Minister Genscher against Kissinger's "raw materials fund" balloon at UNCTAD follow along the same lines.

Chamber Of Commerce Encourages East-West Trade

Oct. 16 — *The following is a paraphrase by the Frankfurter Allgemeine Zeitung of a speech given by Jürgen Pratzje, member of the Lübeck Chamber of Commerce, before an annual conference of the German Society for Eastern European Studies, held in Bremen.*

...Pratzje did not want to unconditionally agree with this pessimism (about prospects for expansion of East-West trade in the Baltic area — ed.). In his presentation on the economic relations between Scandinavia and the Comecon region, he accepted the standpoint of the economically-oriented pragmatist for whom trade and changes occur without consideration of politically motivated problems....He pointed to the continually expanding economic and trade relations in the Baltic area since the end of the Stalin period, and described the "integration effect" of this sea, which is currently as fruitful as the Hanseatic tradition. The multiplicity of transport links demonstrates this. Finland's cooperation on agreement with the entirety of the Comecon membership is thus also a model for other Western states."

CDU Warns Against IRB

Oct. 18 — *The following are extracts from an article appearing in today's Süddeutsche Zeitung, entitled "CDU Warns Genscher Against Promises to Finance a Worldwide Raw Materials Fund":*

"The CDU (Christian Democratic Union — ed.) Bundestag representative Jürgen Todenhöfer, development policy spokesman of his parliamentary fraction, has warned the Federal Government against giving in to the developing countries' demand for a common EEC fund to finance a worldwide raw materials program. Todenhöfer told the Süddeutsche Zeitung he has information that Federal Foreign Minister Hans Dietrich Genscher will make such a promise at the meeting of EEC Foreign ministers which begins today.... Todenhöfer...stated that he knows that in preparation for the Ministerial Council session the EEC Commission had drafted a letter to the President of the World Trade Conference of UNCTAD, Gambia, Guinea, and Korea. In this letter, according to Todenhöfer, the EEC countries promise their fundamental willingness to set up the common fund. The CDU politician claims he found out that Genscher is pushing for approval of the letter against the will of Economics Minister Friedrichs and against the will of Finance Minister Apel, while seven EEC countries have already given their approval. The Foreign Minister allegedly fears that he would otherwise become isolated in foreign policy matters.... The CDU politician has therefore called upon the Federal Chancellor 'to make sure that Federal Foreign Minister Genscher...does not issue any statements which would imply a consolidation of the common fund to finance the so-called integrated raw materials program.'"

West German Press Defends De Gaulle's Monetary Policy

Oct. 22 (NSIPS) — An angry cross fire on whether or not the West German deutschemark should be revalued has emerged in leading West German and French newspapers. Today, the Frankfurter Allgemeine undertook the uncharacteristic step of defending the monetary policies of former French Prime Minister de Gaulle in answer to an attack published earlier this week by Le Figaro accusing the West Germans of lacking the courage to inflate their economy.

"Earlier," the Frankfurter Allgemeine responded, "Le Figaro fought courageously with General de Gaulle against the dollar flood, for return to the gold standard, with Pompidou for fixed currency parities, and also with Giscard against domestic inflation and inflation abroad. Without doubt, imports from Germany have increased by one-fifth alone in 1976 with the revaluation of the mark. Were an inflationary surge from the Federal Republic to now be added to that, the situation would simply worsen. French losses in currency reserves would become larger, considering that Le Figaro assures 'that German exports, thanks to their technological quality, would continue unhindered.'"

It is highly unusual, perhaps even remarkable, to find West Germany's leading Atlanticist newspaper reminding Le Figaro of its Gaullist tradition. The Frankfurter Allgemeine's remonstrative remarks conclude: "The Paris recipe may well be read in Bonn's kitchen; but without doubt, it won't get cooked. We prefer the courage to create stability."