

EIRSpecialReport

A critical juncture for German growth

by Susan Welsh

West German chancellor Helmut Schmidt's overwhelming victory in the Oct. 5 federal elections may be expected to have given him a free rein for the next four years to continue and escalate the policy initiatives for which his regime has become known.

The opposition electoral alliance of the Christian Democratic Union (CDU)/Christian Social Union (CSU), led by its Bavarian standard bearer Franz Josef Strauss, made its worst showing in the entire postwar period, down 4 percentage points from 1976 (although with 44.5 percent of the vote it remains the largest party in the Bundestag, the federal parliament).

Yet, as the three weeks since the election have shown, Schmidt finds himself hemmed in by factional maneuverings which have tied West German political life in knots, and blunted the impetus of the Franco-German alliance for East-West détente and global industrial development.

Initiatives for creating a new world monetary system, made particularly urgent by the deepening world recession, which has begun to hit hard even the strong West German economy, are most pointedly absent. For the past three weeks of backroom maneuvering to shape the structure and content of a ruling coalition between Schmidt's Social Democratic Party (SPD) and its partner the Free Democratic Party (FDP), the chancellor has remained silent on crucial issues, cloistering himself at a holiday retreat to prepare the state of the nation speech he will deliver at the end of November.

The domestic factors that have prevented vigorous policy initiatives from Chancellor Schmidt are compounded by developments in Eastern Europe, the Soviet Union and the United States. The fall of Polish leader Edward Gierek was a heavy blow to Schmidt's "eastern policy," since Gierek was both a friend and a colleague whose work on behalf of East-West détente was crucial to the efforts of Schmidt and French president Valéry Giscard d'Estaing.

Gierek had been scheduled to visit Schmidt at his residence in Hamburg this summer just before the Polish leader was removed from power. The Polish crisis sent a chill through the Soviet Union and East Germany as travel restrictions to West Germany and cold war rhetoric increased, while



Photo courtesy of the German Information Center

The FDP's Hans-Dietrich Genscher electioneering in Düsseldorf.

Schmidt's scheduled visit to the German Democratic Republic was indefinitely postponed.

Looking westward, Schmidt perceived grimly that there would be no support forthcoming from the United States for Europe's war-avoidance initiatives if Jimmy Carter were reelected. A Reagan victory creates a new and more fluid situation in which European options for exerting leverage in the United States might be found, particularly if Henry Kissinger can be kept as far away as possible from the Oval Office.

Chancellor Schmidt's visit to the United States Nov. 18-19 will be an important determinant, since it will inform him of what openings exist in the U.S. postelection situation for reversing Washington's present commitment to East-West confrontation and economic collapse.

'Liberal' gains

There are three domestic factors principally shaping the current political embroglio in Bonn.

First, the fact that the FDP, Schmidt's liberal coalition partner, made surprisingly large gains, registering 10.6 percent of the vote. In the 1976 elections it received 7.6 percent, and earlier this year the FDP feared that it would receive less than the 5 percent required for membership in the Bundestag, thus disappearing from the national political scene. The FDP instead received more votes than the CSU, the party of candidate Strauss, in his Bavarian stronghold.

Second, the left wing of Schmidt's own Social Democratic Party made substantial gains, drawing votes from youth and radical environmentalists. As the

Frankfurter Allgemeine Zeitung pointed out Oct. 9, the fact that Schmidt's SPD-FDP ruling coalition now has an increased 45-vote majority in the Bundestag will ironically make it more difficult for him to rule. The left SPD'ers will find it easier to "slip the Bundestag leash" held by parliamentary leader Herbert Wehner and vote as they wish, without bringing down the government.

This harnessing of the strengthened FDP "right," seeking greater influence over government policy, with the SPD "left," creates the conditions for virtually limitless coalition confrontation, as has already become evident in the first weeks of programmatic negotiation between the two parties.

Finally, the rousing defeat of the CDU/CSU under right-winger Strauss has generated pressures in those parties for "liberalization." The Union will adopt a more pragmatic orientation toward Eastern Europe, while pushing the slash-and-burn economic policies of the Club of Rome and Britain's Margaret Thatcher. This will make the party virtually indistinguishable from the FDP, creating the basis for an FDP-CDU-CSU coalition that would bring down the Schmidt government.

Assault by Thatcherism

Why did the FDP do so well in the elections? Is it because, as the FDP's economics minister Count Lambsdorff claims, the population has endorsed his Thatcherite "free market economy" principles? Is there a mandate for "cutting the fat" from the state budget, curtailing funds for research and development and from the nuclear industry?

The Free Democrats undermine coalition

The Free Democratic Party (FDP) is using its unexpectedly high election returns (10.6 percent of the vote in the federal parliamentary elections) to seek increased leverage over key ministries.

The Chancellor's office and the Defense Ministry are among the FDP's principal targets. The FDP seeks to install Josef Gerwald, a close friend of FDP foreign minister Hans-Dietrich Genscher, as the deputy spokesman for Chancellor Schmidt's office, replacing Armin Grünwald, a close associate of Schmidt.

"The Free Democrats intend to deprive the military people of the planning function for the Bundeswehr [army] for the next several years," reported *Der Spiegel* magazine Oct. 27. "The liberals want to remove the power-hungry generals and arms experts from making the decisions on armament and equipment in the next several years. The FDP instead wants a group of parliamentarians supported by independent experts to have the say-so. An FDP deputy said, 'Hans Apel has hard times ahead.'" Apel, the SPD defense minister, is a close associate of Chancellor Schmidt and is said to be Schmidt's choice for his successor.

Genscher wants to have an undersecretary from his party appointed to Apel's ministry, probably Jürgen Möllemann. *Der Spiegel* quoted Möllemann on the need for curtailing the power of the West German military: "The generals keep thinking in categories of materiel battles: tanks against tanks, airplanes against airplanes, ship against ship. This must cease." Said one expert from the defense ministry: "Up here everybody is fighting against everybody, and nobody knows what will come of it." Apel is said to be predicting a "dramatic debate" on the future of the Bundeswehr for early 1981.

The liberal FDP strongly favors the Atlantic Alliance and has opposed the strengthening of an independent Franco-German alliance. Any gains for the FDP over the conservative military men will surely signify a move closer to U.S. military policy, with its doctrine of limited nuclear war and "counterforce" selected nuclear targeting.

Hardly. Under West Germany's parliamentary election system, the voter does not choose the chancellor directly, but votes for party representatives, and the winning party or coalition in the Bundestag then chooses the chancellor. West Germans who wanted to vote for Schmidt but could not abide the thought of voting for the SPD, with its high percentage of environmentalists and potheads, pulled the lever for the chancellor's coalition ally, the FDP. Many voters who in the past had supported the CDU as the conservative party of German industrialists voted FDP because they could not stand the idea of the volatile Franz Josef Strauss winning the election.

The traditionalist base of the CDU has been effectively fragmented in the past year, and the party's overwhelming defeat clears the way for a total takeover by Club of Rome-linked liberals like Walter Leisler Kiep, Ernst Albrecht, and Kurt Biedenkopf. "Now that Herr Strauss has edged off the stage and returned to Bavaria, the strong Liberal Conservative faction within the CDU will clearly have its day," wrote the London *Financial Times* Oct. 27. "Should the FDP fall increasingly under the wing of Count Lambsdorff . . . then a switch of partners could become a logical possibility."

"Franz Josef Strauss as Shadow Chancellor was a last vain bid to achieve the impossible and regain power single-handedly," commented the *Stuttgarter Nachrichten* Oct. 8. "The CDU/CSU now needs a partner in any such bid. . . . The CDU/CSU has much ground to make good if it is not to be out on a limb next time around too, but a reappraisal should be possible now that Herr Strauss is out of the running as Shadow Chancellor. The Bavarian leader will have to be deliberately cut down to size by his own stablemates, however. . . ."

The adoption by every major West German party of one variant or another of zero-growth Malthusianism does not mean that the nation has accepted this philosophy. Leading industrial associations and trade unions issued urgent calls in the last few weeks to restart the nation's stalled nuclear energy program. West German steel producers are bucking the efforts of the European commission to limit steel production.

But this resistance has no institutional expression in the large political parties. Therefore the small Europäische Arbeiterpartei (EAP), which gained significantly in recognition if not in votes during this fall's election, has determined to build up its own strength in key cities during the next four years. The party is headed by Helga Zepp-LaRouche, wife of *EIR* founder Lyndon LaRouche, Jr. The EAP has vowed to expose the FDP-CDU operation, to focus the country's attention on the real alternatives to "Thatcherism" and cold war, and to replace the FDP in a ruling coalition with the SPD in 1984.