

German industry demands action from Schmidt

by Susan Welsh

A battle currently being waged in the West German state of Hesse by one of Chancellor Helmut Schmidt's closest allies puts the chancellor himself on the spot: will he intensify the fight for continued economic progress, or will his country follow the United States and Great Britain into a deepening depression?

Holger Börner, the minister president of Hesse, angrily declared at a meeting of the state Social Democratic Party Nov. 15 that he personally refuses to capitulate to the environmentalist drive to destroy the West German economy.

Börner, the only remaining Schmidt ally among the five SPD state governors in West Germany, told the largely hostile gathering that "we can neither tolerate openly nor silently that the basis of our economic stability is called into question by environmental issues. If we want to provide a human future and political maneuvering room for our successors, we must not fall back from the economic and technological level we have reached today."

Börner has come forward to defend his ambitious program of road, power station, railroad, and airport construction. Environmentalists, including the powerful left wing of his party, are seeking to block the expansion of the Biblis nuclear power plant and the construction of a third runway for the Frankfurt International Airport.

Börner's program includes the construction of 12 new electric power stations, of which 11 will be nuclear. The Frankfurt airport employs one of the highest percentages of skilled workers and engineers in the country,

and its expansion would facilitate a leap in the industrial development of the whole surrounding region and its future labor power.

"Transportation routes can be of crucial importance for cities and for whole nations," he stressed.

But Börner was voted down at the state SPD meeting. Thirteen SPD members of the federal parliament from Hesse, cohorts of former Chancellor Willy Brandt, have threatened to withdraw from the party if Börner's policy is not overturned. Börner's defeat could lead to the breakup of the SPD's coalition with the Free Democratic Party in the state, as the FDP has hinted at shifting to an alliance with the conservative Christian Democratic Union. Such a move would be an important precedent that could lead to a similar coalition shift on the national level, threatening to bring down Schmidt.

Schmidt under fire

Börner's speech was delivered as more and more industrialists and other Germans are expressing exasperation with the chancellor's failure to take urgent measures to reverse the country's economic deterioration. Economic experts are forecasting zero growth for 1981; the country has a large balance of payments deficit, and the deutschemark is sinking on the international money markets.

One major fighting issue is that the nuclear energy program of the Federal Republic of Germany has been ground to a halt by environmentalist opposition. With the growing price of oil and other energy sources,

industrialists see nuclear power as indispensable to keep their goods competitive. The European Labor Party (Europäische Arbeiterpartei—EAP) made this into a major focus of its September-October election campaign for the federal parliament.

The party's chairman, Helga Zepp-LaRouche, broadcast numerous radio and television spots to demand nuclear energy and the growth of German technology for developing the Third World. Now the European Labor Party is circulating a call for accelerating the country's high-temperature nuclear reactor program, as the fastest solution to the energy crisis.

Schmidt, hemmed in by the left wing of his own Social Democratic Party, has not pushed the nuclear energy program forward, and has even referred to it as a "stop-gap" measure. The budget guidelines recently announced for the governing national SPD-FDP coalition downplay nuclear energy while stressing overall economic austerity.

While Börner takes on the environmentalists in Hesse, the entire city of Dortmund in the industrial north has mobilized itself to fight for a policy of economic growth. Dortmund is a steel-producing center in the Ruhr region, which is threatened by mass layoffs due to the European Community's "Davignon Steel Plan" which has forced the Hoesch steel company to cut production by 18 percent.

Hoesch announced that it could no longer implement a 1979 agreement with the trade unions which promised Dortmund a new oxygen-process steel mill, the most modern in the world, in exchange for permission to lay off 4,200 steel workers until 1983.

The response was immediate, with thousands of workers picketing in front of Hoesch headquarters, demanding "steel plant now!"

Then the city council of Dortmund voted up a resolution demanding the construction of the steel mill, a nuclear power plant, an expansion of regional waterworks and canals, and the construction of new streets and highways. After the regional press blacked out this resolution, the city council placed full page ads in those papers inviting people to endorse the resolution. Within four hours after the call went out, 13,000 signatures were collected. Endorsements are now coming in from surrounding cities and even from cities in the United States.

The mayor of Dortmund evoked the postwar resistance period when the British tried to dismantle local industrial equipment and cart it away. "We, our wives, and our children lay on the machines and kept them from being stolen by the British. This time, everyone in Dortmund is willing to do similar things," he said.

The state chairman of the European Labor Party, in an open letter to the leaders of the parties in the Dortmund council, welcomed the resolution and asked that two more clauses be added to it. First, the resolu-

tion should demand the withdrawal of the steel production quotas imposed by the EC; second, an amendment should be added urging the immediate implementation of "Phase Two" of the European Monetary System, in order to provide the credits to the developing sector to generate the needed level of demand for German steel.

Chancellor Schmidt's failure to take these issues head-on was the subject of an editorial, "The Administrator," in the conservative daily *Die Welt* Nov. 6. The article criticized the chancellor's overly "administrative," pragmatic style of ruling. "Intellectually, Helmut Schmidt must cope with the environmental problems by pulling the ground from under the eccentric ecology movement once and for all . . . and by simultaneously making tangible the concrete, absolutely necessary goal of making energy supplies secure. This includes a clear attitude toward nuclear energy."

In the United States, *Die Welt* continued, Ronald Reagan "has managed to mobilize a feeling of surging forward, of tackling matters anew," which Schmidt should take to heart.

Later this month Schmidt will deliver a "state of the nation" address on the policies of his newly formed government. Unless warnings like these are heeded, the chancellor's speech threatens to be just such an "administrative" accommodation to the exigencies of Bonn's coalition politics.

The official SPD-FDP coalition agreement published Nov. 11 is just such a disastrous document. It was hammered out in nearly a month of niggling and horsetrading by the two parties, and imposes across-the-board austerity measures.

Government subsidies will be fully or partially eliminated from agriculture, rail transport, pension insurance, and other areas. Bonuses for savings and for housing construction will be reduced, and funds for "enlargement and new construction of institutes of higher learning" will be cut.

The paragraph on energy stipulates merely that priority should be given to German hard coal, and that emphasis in the peaceful use of nuclear energy should be "on questions concerning waste disposal."

The SPD leftists and other radical environmentalists are taking advantage of Schmidt's stalling to escalate their own Malthusian program and to attack the government. The environmentalists are planning a mass demonstration Dec. 7 at the Frankfurt airport. Security officials fear outbreaks of violence.

Willy Brandt, the chairman of the SPD, has been sniping at Chancellor Schmidt for allegedly over-emphasizing economic ties with Eastern Europe. In an interview with the magazine *Der Spiegel* Nov. 10, he implied that Schmidt has not extracted sufficient political concessions from East Germany. "We have to discuss politics," he said, not merely "railway network electrification or the construction of power plants."

Finance Minister Matthöfer defends IMF conditionalities

The European Labor Party (Europäische Arbeiterpartei—EAP) announced Nov. 14 that it will lead campaign to force the resignation of West German Finance Minister Hans Matthöfer. Spokesmen for the party, headed by Helga Zepp-LaRouche, the wife of *EIR* Contributing Editor Lyndon H. LaRouche, said that they took the action following remarks made by Matthöfer at a Frankfurt Credit Policy Conference that defended the International Monetary Fund's right to impose "conditionalities" on the developing sector.

The IMF conditionalities policy, under which developing nations must enforce severe austerity conditions for Fund credit, is leading toward economic collapse and genocidal starvation throughout the Third World, EAP spokesmen said.

'Harsh necessity'

Explaining his "let them eat cake" doctrine, Matthöfer told his Frankfurt audience: "The IMF is, however, often criticized on the ground that it applies principles of conditionality too sternly and, through exaggerated, abrupt cuts in living standards, provokes social unrest and explosive situations.

"I cannot dispute that there is some harshness in this. Let us not delude ourselves. The IMF is not demanding anything from the developing countries that their own bogged-down situation would not in any case require them to do."

Matthöfer urged the IMF to stand up to its critics: "The IMF must, however, be careful that its financing does not allow the prolongation of structural deficits in an artificial manner and must not weaken conditionality. Conditionality is the source of confidence which the IMF enjoys on the financial markets."

The West German finance minister concluded by saying that the recycling of funds into "third countries is not the concern of the European Community." This statement effectively endorses the IMF as the only possible lender to the Third World.

Matthöfer's remarks stand in direct opposition to West German participation in the European Mone-

tary System and the European Monetary Fund. Officials in both Bonn and Paris have stated that the ultimate goal of the European Monetary System is precisely to recycle funds into the developing sector for industrial development projects, expanding markets and jobs in Western Europe.

Finance Minister Hans Matthöfer is one of West Germany's highest ranking promoters of Malthusianism and the Club of Rome, a top-level saboteur of the European Monetary System. His ministry is known for its "Thatcherite" approach to state financing of industrial projects, and Matthöfer himself boasted at a Nov. 17 Bonn press conference that the harsh cuts in West Germany's new state budget are his handiwork, not that of Economics Minister Count Lambsdorff.

Matthöfer's ministry is heavily staffed by people from the World Bank and the International Monetary Fund; so devoted is he to their zero-growth approach that economics officials in Bonn accuse him of wanting to turn the European Monetary System into "a European IMF."

Matthöfer's credentials show how he was groomed for his saboteur role by the Anglo-American occupation forces during the postwar period:

- Matthöfer is from Hesse, in the old American Occupation Zone. He was released from a prisoner of war camp after the war, and went to the United States to study economic and social sciences at the University of Wisconsin in Madison, one of the principal American "reprocessing" centers linked to British intelligence's Tavistock Institute. He was trained in industrial and labor relations, Tavistock's "soft brainwashing" program for social control.

- In 1953 he returned to Germany to join the economics staff of IG Metall, the German metalworkers' union affiliated with the U.S. United Auto Workers. Both unions are known in their respective countries for their corporatist ideology, their anti-industrial "small is beautiful," "quality of life" programs, and their encouragement of ultraleftism and anarchosyndicalism.

- Matthöfer served as president of the German branch of Amnesty International a British intelligence front-group headquartered in London.

- He joined the federal parliament in 1961, and became the Social Democratic Party's expert on "development politics and the humanization of labor." This is the current within the party controlled by former Chancellor Willy Brandt, apostle of "appropriate technology" for the Third World instead of real industrial development.