

Schmidt punts on global economic leadership goals

by Susan Welsh

In a long-awaited speech to the West German parliament Nov. 24, Chancellor Helmut Schmidt consigned his country to "limited" nuclear energy development, while abdicating the responsibility for the high-technology industrial development of the Third World.

Schmidt's *Regierungserklärung* (Government Declaration) laid out the political program of his coalition government, which was re-elected in October. Although it reaffirmed some of the policies for which his government is best known—its close relationship to France, its desire for accord with the United States, and its insistence on fostering cooperation with the Soviet Union and Eastern Europe—the declaration amounted to a back-down compromise with the various factional currents which comprise the ruling coalition.

As such, it weakens Schmidt's credibility domestically while threatening to leave his ally President Giscard of France to try to unilaterally implement the policies of the erstwhile Bonn-Paris axis. The future of the European Monetary System as a mechanism for financing global economic development is placed in particular jeopardy.

Within the Federal Republic of Germany, Schmidt's supporters are disgusted, while his opponents are seizing the opportunity to try to topple the chancellor before the end of his four-year term. The London *Times* Nov. 24 remarked that "Herr Schmidt's prestige has begun to crumble slightly . . . the scene is set for a future breakup."

Retreat on nuclear energy development

The key issue domestically is nuclear power, an issue upon which Schmidt's political future and the country's

economic prospects both depend. Schmidt kept a low profile on the problem during the fall election campaign, fearful of losing the electoral support of the left wing of his Social Democratic Party. With the end of the campaign, progrowth industrial and labor leaders started to pressure the Bonn government to fulfill its pre-election promise that nuclear power, industrial investment and a vigorous export policy would be implemented. But these measures have not been forthcoming.

Schmidt stated that he will stress coal and "soft energy" while pursuing "limited development of nuclear energy. . . . One cannot simply force nuclear energy down people's throats." This is in sharp contrast with his own prior commitment to a nuclear-energy-based growth policy, as spelled out in May 1979 in a speech to the European Nuclear Conference:

It will come to a worldwide fight over shrinking energy supplies if the industrial countries do not develop nuclear energy. An unjustifiable situation would result, in which world-wide conflicts cannot be excluded, including conflicts between major powers, if the industrial countries give up the part which nuclear energy has to play in meeting their energy requirements.

No retreat from prosperity can solve our problems or those of anyone else. No industrial country, East or West, can afford to do without nuclear energy. A general ban on nuclear energy would not only endanger technological progress and many of the preconditions for development, but

also seriously jeopardize the possibilities for increasing development aid.

Schmidt concluded that speech with a call for an international conference on the safety of nuclear reactors, to include the East bloc nations and to "also work out the guidelines for training Third World nuclear power technicians."

But in his current declaration, Schmidt rejected this approach, which had formed the policy basis of the European Monetary System. Bowing to pressures from the strong environmentalist lobby in the Social Democratic Party (SPD), Schmidt stressed his government's commitment to anti-pollution legislation and the principle that "man can only exist in friendship with nature, not enmity with it." He went so far as to quote Polish science-fiction writer Stanislaw Lem's aphorism that "technology renders man superfluous," and warned scientists to take more care of the social consequences of their work.

Having abandoned West Germany's own high-technology development to the environmentalists and anti-science "Aquarians," Schmidt was left with no policy for the Third World except genocidal Malthusianism—"population control." His endorsement of the pick-and-shovel "development" program for former chancellor Willy Brandt's North-South Commission derives from this. Brandt is one of the leaders of the powerful left-wing faction in Schmidt's party.

Schmidt under fire

The reaction to the Government Declaration from industrialists who have supported Schmidt was swift and angry. The business daily *Handelsblatt* editorialized Nov. 25 that the Declaration contained plenty of "solidarity," but no solutions, only compromises. The government now resembles a rotten ship that will sink in the first storm, the paper said. The powerful Association of German Industry (BDI) issued a statement underlining that Schmidt was too soft on the issue of nuclear power.

German industrialists are convinced that without rapid development of nuclear energy, rising fuel costs will send the economy into a disastrous decline. "We need nuclear energy, and any delay will lead straight into an economic tailspin," one industrialist told *EIR*.

"Schmidt is afraid of his own party," said another. "His private commitment to nuclear energy will not be reasserted politically." A high-ranking representative of the German machine-building industry commented: "Schmidt is not making a good impression these days, he is not making a good impression at all."

Schmidt's fumbling leaves him trapped between the left wing of his own party, which is up in arms against

him, and developments in the opposition Christian Democratic Union (CDU) which threaten to bring down the government. Two top powerbrokers in the Social Democratic Party, Willy Brandt and Herbert Wehner, have come out openly attacking the chancellor for the first time since he came to power in 1974. Brandt and Wehner's close associates are accusing Schmidt of mismanaging relations with East Germany, and the SPD parliamentary fraction which Wehner controls has decided to set up its own official contacts to the GDR parliament, independent of the Schmidt government. They will renew the ties which Wehner established during his surprise visit to the GDR in 1973, reported *Der Spiegel* magazine Nov. 17.

The SPD left-environmentalists are demanding the deindustrialization of the Federal Republic. Top SPD "greenie" Erhard Eppler declared in an interview with *Stern* magazine this week that Schmidt is incapable of providing leadership in the 1980s.

The chairman of the SPD caucus in the industrial Ruhr region, Herr Haack, a high-ranking member of the SPD's Energy Commission, called this week for a "clean skies over the Ruhr" policy. He demanded an end to deliveries of electric power from the Ruhr to other areas of the country, and rejected the use of hard coal or nuclear energy because of "environmental dangers."

There is plenty of rage against these zero-growth "ayatollahs" in the Social Democratic Party, but without leadership from Schmidt, the opposition is unlikely to succeed. Schmidt's only remaining ally among the heads of SPD-governed states, Minister-President Holger Börner, is waging a vigorous fight for nuclear energy, the expansion of the Frankfurt airport, and overall industrial and infrastructural development (as *EIR* reported last week). But Börner's program was voted down in a state party conference, and huge environmentalist demonstrations are planned against the airport project.

In the city of Dortmund in the Ruhr, the trade unions and city council are planning a demonstration Nov. 28 in favor of expanding steel production and nuclear energy, despite the orders of the European Community that steel production must be sharply reduced under the program of Count Etienne Davignon. The strength of the popular sentiment which exists for Schmidt to mobilize is shown by the event at the Hoesch steel plant in Dortmund this week. Ruhr Labor Minister Fahrtnann, a Brandt-allied SPDer, visited the factory, which is slated for closing under the EC production quotas. The workers in the plant denounced their guest as an ally of Davignon's EC Commission, and had to be restrained to prevent them from throwing him bodily off the premises.

'We must not overestimate'

The following are excerpts from Chancellor Schmidt's Government Declaration, delivered to the federal parliament, the Bundestag, Nov. 24. The official translation is courtesy of the German Information Center.

Our friends and neighbors all over the world have welcomed the continuity of our policy. President Giscard d'Estaing said: "I attach the greatest value to the continuation of Franco-German cooperation that we have developed together with the federal chancellor over the past six years. This cooperation is an irreplaceable contribution to Europe's progress and stability." With this sentence, President Giscard has expressed the heartfelt feelings of millions of Germans and Frenchmen. . . .

With our foreign policy we aim to help safeguard world peace. We must do justice to our increased share of responsibility. But at the same time we must not overestimate the German role in world affairs, nor let others do so, so that expectations are not aroused which we cannot meet. . . .

Partnership with the United States of America remains the core of the Atlantic Alliance. It is a reflection of common vital interests.

This partnership is also based on common value concepts which were first developed by the French, formulated by the Founding Fathers of the United States over 200 years ago, and which have been the fiber of German democracy since 1848 at the latest. . . .

We strongly advocate the continuation of the SALT process. After my discussion with President-elect Reagan, I am pleased to be able to report to the Bundestag that he is thinking along the same lines. . . .

A thorough modernization program over the past ten years has increased the efficiency of the federal armed forces. We have well-trained armed forces with sophisticated equipment and a high degree of readiness, forces which are considered exemplary in NATO. A particularly large portion of our defense budget is earmarked for investment purposes because we have a conscripted army. Our defense expenditure over the last ten years has increased at an average of just under 3 percent a year in real terms. We have committed ourselves to try and maintain this rate of increase. We shall meet our commitment. . . .

Our relationship with the Soviet Union is marked by

the willingness for long-term cooperation. I recall the statements on the occasion of my meetings with General Secretary Brezhnev here in Bonn two years ago and in Moscow last summer. These also express the Soviet Union's interest in cooperation between the two German states.

Precisely, in difficult times the federal government does not want to allow the dialogue with the Soviet Union to be interrupted. However, we must also note "that as a result of the events in Afghanistan, détente has become more difficult and more uncertain." These are the words of the Franco-German declaration of Feb. 5, 1980. It also states "that détente would not survive another blow of the same kind. We therefore condemn, along with the overwhelming majority of the international community, the continuing armed intervention by the Soviet Union in Afghanistan and call for the unconditional and total withdrawal of foreign troops from Afghanistan." . . .

We shall render our contribution to the North-South dialogue for which the so-called Brandt Commission has made important suggestions.

In the past two years we have almost doubled our development assistance. In 1981 it is likely to increase at twice the rate of the overall budget. Of all donor countries we are at present, together with France, second only to the U.S.A. We intend in particular to promote the development of new sources of energy, to contribute to the development of a new independent food-supply base in the developing countries, and to keep our market open for products from the developing countries with which we transact one full quarter of our external trade.

I intend to take part in the talks of heads of government on North-South problems scheduled to take place in Mexico in June 1981. At that meeting I shall, above all, plead for two challenges to be met, which might otherwise lead to human and political disasters:

First: more than 4,000 million people live in the world today. Their number increases every year by 60 to 80 million, that is as many as the total number of people living in Germany. In 20 years the world population will be 6,000 million and in another 30 years perhaps 10,000 million. It is hard to imagine how all these people will be able to find sufficient food and accommodation, work and a life worthy of human dignity. This is a realization from which conclusions have to be drawn—today, and not only in ten or 20 years when it may be too late.

Second: the oil price explosion has pushed up the oil bills of developing countries. . . .

The aims of our policies are and remain to get away from the oil; to use energy more economically and rationally; to give priority to domestic coal; to proceed to a limited development of nuclear energy; to develop and introduce renewable energies. . . .

There exists broad international consensus about the need for peaceful use of nuclear energy. The federal government considers that the further development of nuclear energy is justifiable on safety grounds and—in the foreseeable future, i.e., for the next few decades—necessary on energy-policy grounds. It therefore supports the limited development of nuclear energy—naturally with priority being given to safety. . . .

The federal government refuses to pursue the development of nuclear energy “without ifs and buts.” One cannot simply force nuclear energy down people’s throats. Its development necessitates a broad democratic consensus. . . .

The federal government expects further contributions in terms of “soft energy,” if I may put it that way: from solar installations, from heat pumps, from new inventions altogether. We shall continue to encourage and promote such developments. . . .

CDU: ‘A liberal, center strategy’

Following the overwhelming electoral defeat of West Germany’s Christian Democratic Union-Christian Social Union (CDU-CSU) alliance in October’s elections, the liberal wing of the Union parties is carrying out a coup in the party leadership.

The liberals are out to destroy what remains of the conservative industrial base of the CDU, which in the 1950s and 1960s was spearheaded by Konrad Adenauer and has since lacked national leadership. Since the CDU-CSU went down to its worst electoral defeat in postwar history this fall under right-wing standard-bearer Franz-Josef Strauss, the liberals now demand a reassessment of party policies. Only in alliance with the liberal Free Democratic Party (FDP), they argue, will it be possible for the CDU-CSU to regain control of the government. The FDP received over 10 percent of the vote in the Bundestag elections, and is now in a coalition with Chancellor Schmidt’s Social Democratic Party. Since Schmidt does not have a majority in the parliament, a shift of alliances by the FDP would bring down his government before the end of its four-year term.

The FDP is known for its support of “Thatcherite” austerity economics as well as its radical environmentalism, its endorsement of drug decriminalization, and its enthusiasm for relaxing legislation on crime and terrorism.

Immediately after the electoral defeat of the Union parties, Franz-Josef Strauss declared that the FDP is the

natural coalition partner for the CDU-CSU. Since that time, CDU spokesmen have been debating how best to carry out a policy shift and collapse Schmidt’s government.

Excerpts follow from the article entitled “Fifteen Theses on the Policy and Strategy of the Union,” published in the latest issue of the CDU magazine Sonde. The authors are Wulf Schönbohm and Detlev Stronk.

The Union can attain a majority only if it successfully wages the battle for the voters of the political center, as a liberal, Christian social and conservative people’s party.

The political and strategic concept based on a single-minded conservative profile and on political confrontationism cannot attain a majority. A liberal, Christian social and conservative policy suits the political identity of the CDU. Only with this policy of the center can the Union attract votes from youth, from the new middle classes and from the borderline voters for the SPD and FDP. . . .

A clear strategy for the opposition must leave open more politically flexible options for regaining government power. This also necessitates a coalition with the FDP. . . .

A realistic détente policy does not mean supporting communism or giving way to détente illusions. Rather it means—as in Henry Kissinger’s strategy—that while taking into account the fundamental contradictions between East and West, one defines limited common interests and adjusts one’s own foreign policy behavior accordingly. . . . Here, for example, there is no principled disagreement with the FDP, so that the CDU should not hesitate to establish commonality where appropriate. . . .

The energy and environmental policies pursued up to now, particularly by the CDU-CSU Bundestag caucus, are among the reasons why the Union has lost so much support among the younger generation. In energy policy, some representatives of the Union have placed too much one-sided emphasis on the hasty construction of nuclear energy installations. They have therefore overlooked the fact that skepticism in the population about nuclear energy is very strong (35 percent are for nuclear energy, 20 percent oppose it, and 45 percent are skeptical) and the question asked is not whether or not there should be nuclear energy, but rather how much and how fast. . . .

The possibility of the CDU shifting from “the party of market economy” to a more decentralized and competition-oriented energy policy has been too little investigated and too little demanded. . . . Otherwise, intensive pilot projects should be conducted to determine to what extent the productive force of German agriculture could be drawn into energy production more than ever before (biomass, fuel from agricultural products).