

Schmidt's visit: encounter with the incalculable

by Rainier Apel

Despite extensive and, under normal circumstances, unusual discussions between West German Chancellor Helmut Schmidt and leading representatives of the American news media, coverage of the chancellor's visit to the United States for talks with President Carter constituted a virtual black-out. Did Schmidt perhaps say something the American press wants to hide from its readers?

Judging from the West German press, the answer is yes. Schmidt went much further in his criticism of the Carter administration than just terming Carter "incalculable"—or "naive" as the *New York Times* reported.

Schmidt made his visit, with the backing of West German industry and labor, primarily out of concern over the disastrous economic policy of the U.S. administration. *Die Welt*, a leading West German daily, reported March 10 that, upon his departure, Schmidt informed reporters that he had spoken with private individuals who agreed with him that the present state of the U.S. economy, thanks to continuing increases in interest rates, was not only a problem for the Americans, but for the whole world. The economic problems of the United States will dominate political debate in the months ahead, said Schmidt, "once the hostage drama in Teheran is solved."

The chancellor, in discussions with Saudi Arabia's foreign minister Saud-al Faisal, was even more explicit in his criticism of present U.S. policy. "I am very much concerned about the fact that the Americans keep sitting down to their money-printing machines, pouring dollars into the world, and igniting inflation." According to the weekly *Der Spiegel* magazine, Schmidt then added: "I am afraid there could be another Black Friday all of a sudden."

Schmidt is frightened by the "unreliable nature of the current U.S. government," reports *Die Welt*. This placed

him in a dilemma, during his visit to Washington, where he necessarily had to reaffirm solidarity with the United States while opposing almost every U.S. policy. Schmidt, said *Die Welt*, belongs to the generation of Germans who, after the war, used to believe in the economic strength of America, and still remembers U.S. aid for Europe's reconstruction after 1945. This "technologically well-equipped nation," Schmidt is reported to have said, is now ruled by a decision-making process which is getting less and less reliable and calculable. Schmidt, concluded the article, "is hardly able to grasp how it is possible for people like Hamilton Jordan and Zbigniew Brzezinski to get to the top in the United States."

Schmidt was therefore "overcome with the feeling of incalculability and incompetence proven in so many decisions by the White House." But he had to "remain polite to such an extent that nobody could believe him ... You could recognize from his passing statements how difficult it was to keep himself under control..."

An earlier report in the same newspaper quoted West German government sources calling Brzezinski the "main problem" in the United States. *Wirtschaftswoche* magazine has called for Brzezinski's dismissal to save the Carter administration. And last week, a leading West German military official told *EIR* that "The American people are not different from the Germans, but the problem is the official government in Washington. The Americans deserve a better government than the one they have."

The Carter-Volcker "disaster"

Meanwhile, leading West German economics journals almost daily denounce Carter administration policy on the economy as at best a complete failure, but more like catastrophe. Calling the Volcker high-interest rate measures a disaster, *Handelsblatt*, West Germany's "Wall Street Journal," wrote that "Carter's anti-inflation program won't reduce the exuberant growth of the administration's budget because the main source of inflationary spending, the defense sector, is saved from the measures." Another prestigious economic newspaper, *Wirtschaftswoche*, wrote that "As long as the American inflation, which is now approximating South American highs, cannot be kept under control, American rearmament efforts will work like fuel poured into a fire..."

Such statements in the West German press are polite. Indications are that Schmidt and his entourage were much more blunt during the U.S. trip. Hans-Jürgen Wischnewski, Schmidt's main political trouble-shooter who joined him in Washington, is said to have lectured the White House at one point on America's reputation in Europe. According to the Bonn press, Wischnewski reported how common it is to see American soldiers dig-

ging in the garbage cans behind German garrisons to find something usable. If that is the living conditions of Americans, the U.S. should take care of this problem and not try to tell Germany what to do.

The point of the insult was that Carter's economic policy has its military complement. Schmidt himself stated it clearly when he told the Saudi foreign minister in Bonn that the Americans have no army worth mentioning. "The Soviets," on the other hand, "have 20 million soldiers under arms constantly—well-organized, well-trained, and well-armed."

This, and the prophetic leak from Schmidt to the German press two weeks ago, that administration policy is so "incalculable" that Carter "might decide on measures which could lead to further uncontrollable escalation" against the Soviet Union, is sufficient indication of the fear and anger Schmidt brought with him on his recent American visit.

The only military doctrine corresponding to the realities of U.S. economic and military weakness is comparable to the choice the German Reich made in similar economic straits in 1938. Schmidt is one of the Germans who experienced that policy 35 years ago, and he knows that it can only lead to national extinction. The advent of Nazi-like economic policies in a nation "on whose stability we depend so much," is the most horrifying image any German can possibly have of the United States of America.

German industry: 'Boycotts always fail'

The following comment appeared in the West German journal Wirtschaftswoche of March 7:

(The) Federal Republic of Germany has encountered an American partner who—shivering from inflationary fever—has just turned his back on the world to save his own house from the flames... Doubts about the American economy's vitality can be added to the existing doubts in Bonn on the calculability of Washington's foreign policy.

The following appeared in Die Welt, March 10:

Helmut Schmidt, according to his own estimation, has been to the United States approximately 40 to 45 times. He is always impressed... He is a child of a generation which feels obliged for America's aid, opening the postwar horizon... That the levers of power are presently held by people like Hamilton Jordan or Zbigniew Brze-

zinski, that this could happen, is to Schmidt unbelievable, belonging to those aspects of his image of America which cannot be grasped, and are uncanny.

The feeling of incalculability and incompetence proven by many decisions in the White House forced him to remain polite... but you could recognize from his passing references how much he had to keep himself under control.

The following is a statement by Hans Hartwig, president of the Federal Association of German Wholesale and Export Traders, appearing in Die Welt March 7:

Economic history knows a whole set of embargo and boycott measures used again and again to push through foreign policy goals. But, neither the Napoleonic continental blockade nor Carter's human rights policy achieved their political aim. People do, however, grab foreign trade for use as a political weapon again and again—in most cases, out of shortsightedness.

The German export trades reject economic sanctions launched for political purposes. Export and import businesses are based on longterm business relations. How can these flows of goods be developed if the foreign trade companies are forced to join climatic shifts which happen very often in international politics.

The following statement was made by Otto Wolff von Amerongen, president of the German Association of Chambers of Commerce:

Today, we face a world economy which is interlinked to a great extent not only in terms of trade, but also within a system of relations which include financial, organizational, and technical communication.

... The building of closer relations in foreign trade creates a basis for political relations, too. The fact that trade has occupied a pioneering role in political détente is, for example, also proven by the fact that mutual economic relations were paid much attention to at the Helsinki Conference on Security and Cooperation in Europe. Concerning the North-South dialogue, the building of lasting economic ties is a crucial element of international politics.

Unfortunately, we can assume that we will face numerous international crises in the 1980s. We have to take into account, therefore, increasing problems for our foreign trade worldwide. But we should also be conscious of the fact that trade provides a positive element in relations between nations, while its cancellation will—according to all experiences—not only fail to achieve the political aims, but will create even more problems internationally.