

by the offer of Prime Minister Takeo Fukuda in the U.S.: this week for joint Japanese-U.S. pursuit of fusion power development — are begging for U.S. participation and leadership in this process. Those critical business forces who understand the importance of the U.S. role have opted to maneuver ineffectively for extragovernmental deals with the jocular slogan that “politics is not our business.” And their Republican leaders have chosen to once again play the dumb giant for the interests of the

City of London.

There are approximately two weeks to turn this situation around. That will require the formation of a strong counterpole of business, labor, and political leaders to support the Carter Administration on the basis of a positive policy: harnessing the industrial might of the U.S. for cooperation with the Soviet Union for peace and development.

## The U.S. Stake in the West German - Soviet Deals

Soviet leader Leonid I. Brezhnev's visit to West Germany May 4 through 7 offers the U.S. an opportunity to lead the world economy out of the doldrums, if only this opportunity is seized promptly. Largely because of indifferent or nonexistent press coverage of this important event, U.S. businessmen are still unaware that West German Chancellor Helmut Schmidt and President Brezhnev plan to sign a comprehensive 25-year economic collaboration package, including a total of 120 separate industrial projects.

It is in this context of expanding trade that West Germany and the Soviet Union want to settle the outstanding questions of disarmament and detente; but for this, a strong voice from Washington is urgently required.

Although the details of the Schmidt-Brezhnev economic package have not yet been made public, sources close to the negotiations report that it will include in-depth technological cooperation, requiring West German coordination with Soviet Five-Year planning. Standard but massive compensatory deals for Siberian development will be complemented by joint West German-Soviet industrial complexes to be built in the underdeveloped countries.

Other agenda items for consideration will include a revival of old plans for a meshing of the Soviet and West German electricity grids, possibly including a nuclear plant-for-electricity compensatory deal. One source, the daily *Münchener Merkur*, even hinted at planned long-term discussions on full coordination of Soviet, West and East German, and Polish grids. Chancellor Schmidt is also interested in signing an agreement on joint development of the fast-breeder nuclear reactor similar to the one signed by France and the Soviets last year.

Neither the West German government nor leaders of the West German business community see any political or economic disadvantages to such deals. Otto Wolff von Amerongen, head of the German Association of Industry and Chamber of Commerce and board member of the Exxon Corporation, has emphasized in a recent series of interviews that steady progress in East-West trade has been the objective of West German industry ever since the initial efforts made in the early 1960s. Professor Dr. M. Schmitt of the electrical firm AEG-Telefunken writes

in the *Frankfurter Allgemeine Zeitung*, cooperation has now reached “a crucial transitional phase,” meaning higher productivity, more advanced technology and a more refined international division of labor.

The value of the deals will doubtless run into the tens of billions of dollars, a sum which immediately raises the question of financing. In an interview with *Der Spiegel* magazine, Wolff von Amerongen said that the present practice of sophisticated barter — “compensatory deals” — will eventually have to yield to more advanced financial practices if commodity flows are not to be disrupted. Wolff has been proposing instead that large international industrial project consortia be created under the leadership of the relevant Soviet ministries or enterprises. That is an obvious hint to U.S. firms, and may have been the purpose of Wolff's recent visit to the U.S. Chamber of Commerce in Washington.

Other hints have appeared in the West German press about “certain progress in the question of the convertibility of the ruble,” a reference which underscores the potential of these trade arrangements to completely transform the present global monetary system. Several financial mechanisms are under discussion including the remonetization of gold and the use of the Socialist bloc's transferable ruble — both long recognized as integral to the “new world economic order” proposal first made by U.S. Labor Party Chairman Lyndon H. LaRouche in 1975.

Wolff von Amerongen, in the latest issue of *Stern* magazine, reported that his discussion with Chancellor Helmut Schmidt created the proposals for extending additional lines of credit by the government. He also has told his Soviet counterparts that if they want really huge trade projects, they could pay partly in gold.

### Why Won't the U.S. Join?

The inability of the Carter Administration to make even minimal commitments in the direction of the Schmidt-Brezhnev initiative is part and parcel of the maneuvers by Henry Kissinger, Zbigniew Brzezinski, James Schlesinger, and G. William Miller to wreak havoc on the U.S. and world economy. Following a recent meeting of the Anglo-Dutch Bilderberg Conference in

## “As a Capitalist, I’m More Realistic Than Willy Brandt”

*Otto Wolff von Amerongen, head of the German Association of Industry and Chambers of Commerce, made a double-edged argument in his interview with a hostile Der Spiegel magazine, extracts of which appear below. On the one hand, he dispels the myth that East-West trade represents a threat to the West; on the other, he attacks Ostpolitiker Willy Brandt for using trade as a mere political gimmick.*

*Spiegel:* Mr. Wolff, the Social Democratic Party Chairman and former Federal Chancellor Willy Brandt recently accused German industry of not utilizing the cooperation opportunities offered by the Soviet Union and missing initiatives. Why have you and your colleagues now changed your tune?

*Wolff:* It is not helpful when the SPD chairman, if that is actually how he expressed himself, awakened unfulfillable hopes which then have to be defended by the business community. We can’t act as stand-ins just because no perceptible success has been achieved in political dealings. The business community does not fear the Brezhnev visit; quite the contrary, we are glad about it, while at the same time we don’t expect miracles.

*Spiegel:* And what if the government starts pressuring you and your business friends by pointing to Bonn’s emphatic interests?

*Wolff:* Up to now we haven’t heard anything like that from the government. I also do not confuse the SPD chairman with the federal government. The business community has always—even before the Ostpolitik began—conducted business with the Soviets with a long-term perspective....

*Spiegel:* General Secretary Brezhnev will devote himself with special intensity to economic questions during his visit to Bonn. Are you expecting the Moscow party-chief to offer a colossal new spectrum of cooperation opportunities?

*Wolff:* We do not know what Brezhnev is bringing along in his suitcase when he comes to the Rhine. It’s quite possible that he will try to get us interested in the same projects as he did during his first visit five years ago....

*Spiegel:* ... when he invited the Germans to jointly exploit Siberia’s natural resources. Why did nothing come of that?

*Wolff:* In the meantime these projects have assumed a magnitude which we, German industry, can no longer manage alone. This holds least true for technology—this we have really well in hand. But we are nevertheless gradually becoming overburdened with the financing and especially with so-called compensation....

Princeton, it emerged that Kissinger and his allies in the British Round Table plan to pursue the “geopolitical” aims of using China to “encircle” the Soviet Union while undermining the African and SALT initiatives of, notably, Secretary of State Cyrus Vance.

Naturally, such a scheme excludes any possibility of expanding East-West trade. Kissinger addressed this question directly at a meeting in Hamburg last week, sponsored by the Social Democratic Party’s Friedrich Ebert Foundation. Kissinger attacked West Germany and Japan’s efforts to liberalize East-West trade as an attempt to undermine the Jackson-Vanik amendment, which effectively blocks an expansion of U.S.-Soviet trade. Former Chancellor Willy Brandt, who invited Kissinger to the fete, likewise warned that the Soviet Union is “not in good shape” economically and is therefore politically extremely labile. “They live in an atmosphere of fear,” Brandt said, “and are counting on the possibility of some day fighting a war on two fronts” — an obvious reference to Britain’s schemes for China.

Chancellor Schmidt’s improvised remarks at this same conference indicate the dangers that lie ahead if the U.S. continues to allow Kissinger’s faction to dominate important aspects of U.S. policy. Whereas Kissinger attacked the Carter Administration for being

“soft” on the Soviets around the “neutron weapon” issue and so forth, Chancellor Schmidt called upon the U.S. political and industrial community to “finally assume responsibility” of economic leadership in the world. Schmidt proceeded correctly to identify the high U.S. balance of payments deficit as a major source of the problem. But instead of recommending a high-technology export program as the only rational solution, the Chancellor called upon the U.S. Congress to immediately pass Carter’s low-growth energy package so that U.S. oil imports can be significantly reduced.

Schmidt’s “conservation” call only indicates the degree to which his government’s patience is wearing thin with the United States’ continued wavering on vital economic questions including international trade and development. Should the Carter White House bend to Kissinger and refuse to enter these deals, then this nation will likely be left in the dust by Europe — and America’s economic isolation would increase the nation’s vulnerability to London’s war confrontation scenarios.

Whether Schmidt’s perception of the unwillingness of growth-oriented factions in the U.S. to stand up for domestic industrial growth is proven true depend largely on what the American business community does.