

ed grain is much better but it is very hard work for the women. If you can fit that with a ball bearing it lessens the physical energy one uses, as well as the time.

I'm giving only two obvious examples, but there are so many such things, small things, which if you can do immediately, you release that much energy. We have to have a bridge.

There are some things that we want for all time. For instance take our handicrafts. Now I don't think that we should ever replace them by something else. Not only because they are beautiful, but because the people who work in those areas, they are much more complete people than those working with a conveyor belt.

You have to have a balance in all of this—you just can't say I won't have this and I won't have that. That is why we are trying to keep a balanced picture between heavy industry, medium, small-scale, village.

Sneider: This brings me to my next question. Lately there's been a lot of articles and reports, including the World Bank's Annual Development Report, where again you see this big boom of the China "model," that China is the economic model for the Third World . . .

Gandhi: I thought that mood was passed.

Sneider: There's a revival. This time they say that because of the policies of the Chinese government, is scrapping heavy industry. . . .

Gandhi: I though they had scrapped it before when they had those backyard steel furnaces . . .

Sneider: Now they say they emphasize light industry, they are opening up these "special economic zones," they are having a very coercive population control policy. . . .

Gandhi: That they have. But when we had population control, everybody was against it.

Sneider: The point is that all of these things are promoted as what China is a great "model" of. Again, also these comparisons are being made between China and India. I even saw that old canard recently in a column in the *Washington Post* that there are no beggars in the streets of China and you can find them in the streets of India. What do you think of such comparisons?

Gandhi: Well, I just read an article saying that there are beggars in China. Just last week, and I think it was in an American newspaper, but I'm not sure. They are having unemployment riots. They are having student troubles. Politically they are far from stable. And the moment they can, they are going to go in for heavy industry. If they are not going in, it is because their previous policies have failed completely and just now they cannot afford it from any point of view. I don't know whether they have the skilled personnel but they certainly don't have the other things necessary for it.

WEST GERMANY

Why Schmidt cites the new encyclical

by Rachel Douglas

During a three-day parliamentary debate of the national budget that concluded Sept. 18, West German Chancellor Helmut Schmidt invoked the just-published encyclical of Pope John Paul II, *On Human Work*, to defend technology-augmented human labor as "the Archimedes lever of life." While Schmidt applied the Pope's rejection of "primitive capitalism" against the would-be budget slashers from the German opposition parties, his remarks were of equal import for the United States and for international deliberations on economic policy.

Schmidt had told the press 10 days earlier that "national self-help cannot prevail over international developments." Now his finance and economics ministers have suggested that West Germany, its currency stronger and trade balance improved, would presently be able to decouple itself from the devastating high interest rates imposed by the U.S. Federal Reserve.

As the Pope and leading political journalists in Mexico have delineated the opposition between human technology and no-growth, genocidal Malthusianism, so the Schmidt government throws the spotlight on the instrument of economic collapse, the high interest rates of Fed chief Paul Volcker. These interconnected matters, it now becomes certain, will be central at this month's North-South summit meeting in Cancún, Mexico.

When he turned to military questions, Schmidt again rebuffed American intransigence. The chancellor succeeded both in relating security, including feasible levels of defense spending, to economic well-being and in arguing for good faith negotiations with the U.S.S.R.

The budget defended by Schmidt emerged from tumultuous debate within the government coalition of Schmidt's Social Democratic Party (SPD) and the Free Democratic Party (FDP). The FDP fought for bigger spending cuts for the domestic economy, rivaling the austerity demanded by the opposition. But Schmidt, in parliament, said that there could be no further budget cuts without causing a disastrous, deflationary crisis. While the German economy was as healthy as could be expected under world recession conditions, Schmidt said, he certainly was not going to risk its demolition by the repetition of "foreign experiments"—meaning the tribulations of Britain and the U.S.

To refute the extreme Friedmanite doctrines of strict