

SPECIAL REPORT

Why the West Germans Aren't Taking Orders

Nov. 12 (NSIPS) — Representatives of the West German steel and petroleum industries and spokesmen of the country's most prestigious economic institutions issued scathing attacks on Jimmy Carter and his economic advisory think-tank, the Brookings Institution, this week for pushing incompetent and dangerous economic programs. The dominating and unwavering consensus in these influential layers is that Carter's commitment to hyperinflationary stimulation of the U.S. economy to guarantee debt refinancing and "full employment" legislation is a wild experiment in crisis management which will spell disaster for West Germany's export dependent industries.

This prevailing industrial sentiment has contributed to strengthening the backbone of the recently re-elected coalition government under Social Democratic Chancellor Helmut Schmidt, who during the U.S. campaign, went on record as a supporter of President Ford. Carter's Wall Street backers, accustomed to looking at the Federal Republic as a mere extension of their power in the U.S., have not forgiven Schmidt for his "rebellious" behavior.

Wall Street is particularly committed to keeping Schmidt in line on NATO military doctrine, which pegs West Germany as the forward-defense battlefield for a 48-hour blitzkrieg assault on the Warsaw Pact. Informed political circles in Bonn are just now awakening to the simple fact that Carter's war drive guarantees complete and senseless destruction of their nation within the first hour of assured Soviet preemptive attack on the U.S. For the past two weeks, Brookings Institution military mouthpiece Senator Samuel Nunn has been hobnobbing between Bonn, Brussels, and the Sixth Fleet in the Mediterranean to organize European backing for NATO blitzkrieg preparedness.

Industrial resistance to Carter will thus be key in determining whether or not Helmut Schmidt will have the guts to do something which no Chancellor of the Federal Republic has ever dreamed of attempting: namely, influencing the internal U.S. political situation from the outside.

The sharpest public denunciations of Carter's economic programs appeared in two articles published Nov. 11 in *Die Welt* and the *Frankfurter Allgemeine Zeitung*, both reviewing an international symposium held by Brookings in Washington. According to several attendees, Brookings proposed quite simply that West Germany, Japan and the U.S. initiate a huge debt refinancing program immediately. In response, *Die Welt* correspondent Gerd Bruggemann stated: "...the fact is that the condition the economists complained about (i.e. unemployment — ed.) is not least of all the result of the policies that they themselves suggested. Crisis management of economic policy — which was thought out by the great English economist John Maynard Keynes under totally different conditions in the 1930s has created more harm than good in the 1970s." Bruggemann concludes by quoting Gerhard Stoltenberg, economics spokesman of the Christian Democratic Union and prominent leader of the northern party wing: "Inflation," Stoltenberg insisted, "inevitably leads to unemployment."

Three large steel companies — Thyssen, Krupp and Salzgitter — took a major independent, long-term initiative just last week

by committing their Research and Development departments to computer simulations of the Jordan Steel process. In stark contrast to U.S. steel, which has just begun a wave of large layoffs, West German steel advisors are calling for maintaining production and employment at present levels, creating large stockpiles and preserving the industry for a hoped for upswing in orders sometime in 1977.

Carter's Trilateral Commission apparatus has succeeded in fueling West German industrial disgust to the point of seething rage as a result of their international machinations to impose a new price increase on petroleum from OPEC suppliers. In a private interview Nov. 10, a corporate executive from one of the top three steel corporations confirmed that the threat of an oil embargo and-or price rise on the scale of 40 per cent was driving the steel industry to seek independent European trade initiatives away from the U.S. "The situation is simple," he stated. "In 1973 we were almost wiped out. Another round of petroleum increases and we will be out of the market."

Recently released reports on the state of West German industry fully confirm that this is the case. The Nov. 6 *Frankfurter Allgemeine Zeitung* notes that average capacity utilization in basic steel production is presently below 70 per cent and is still declining. Petroleum price increases would have, if possible, an even more catastrophic effect on the petrochemical sector. The *Frankfurter Allgemeine* noted in the same issue that market prices of West German fertilizers are so high at this point that competitors from the German Democratic Republic and other Comecon sources are easily undercutting their sales. Comecon exports of fertilizers to the Federal Republic jumped from a mere 7,000 tons in 1974-75 to an unprecedented 87,000 tons in 1975-76.

Veba-Gelsenberg, the country's semi-nationalized petroleum distributing corporation, has gone on record on a number of occasions as the foremost institution pushing for broad independent European initiatives to rip West Germany out from U.S. domination. On Nov. 9, *Corriere della Serra* reported that Veba chief von Benninsen-Foerder was infuriated by the multinational oil corporations active on the West German market, who were intentionally dumping cheaper supplies from Rotterdam in a direct assault on his firm. Bonn ministry officials now confirm that Chancellor Schmidt's office has taken direct responsibility for all government contacts with Veba, and in related efforts, has established an exchange of information with London and Paris on recently concluded long-term cooperation deals on the order of several billion dollars with Europe's primary petroleum supplier, Saudi Arabia.

A fundamental debate on the prospects for war or peace in the Mideast has also erupted in a major factional battle crisscrossing the Social Democracy and the Christian Democracy. *Die Welt* and the *Seudeutsche Zeitung* admitted on Nov. 11 that a group of Bonn parliamentarians has been involved in efforts for a Mideast settlement in reports on the German-Israeli Society. Last week, this bipartisan group sponsored a conference keynoted by Israeli peace organizer Professor Ernst Simon from Hebrew University in Jerusalem, which was boycotted by the Israeli Ambassador to Bonn.