

who serves on the economic committee. Thus he is known as one of the least cooperative of the U.S.'s corps of insulters. Kitchen was seen in the delegates' lounge the other day bellied up to the bar. When asked about the U. S.' isolation in the vote, he blustered: "The New World Economic Order? Do you know what that means? We would have to admit that countries have the right to

expropriate our corporate investments without compensation. How would you like someone to do that with your savings? What if some country didn't pay back its debts? Who would insure your savings? Anyway, no country is really asking for debt moratorium — just the Chads and Upper Voltas of this world and they have legitimate grievances we are negotiating on."

## EUROPE

# Schmidt Launches New Government with Commitment to International Economic Cooperation and Peace

Dec. 16 (NSIPS) — West German Chancellor Helmut Schmidt's opening government address before Parliament today announces a fundamental shift in the nation's foreign policy commitments. The priority issue which Schmidt will commit himself to internationally is the success of peace and disarmament, to be achieved through international economic cooperation with Third World, oil producing, Common Market and Soviet Bloc forces. The Federal Republic's long-standing commitment to the Atlantic Alliance and NATO were discussed by Schmidt as a solely complementary feature to a program for world peace. "The West German Army," he stated, "is an army for defense; it cannot and will not be an army of attack."

To put emphasis on the leading role of international economic cooperation in promoting peace and security, Schmidt endorsed the section of the August Colombo resolutions published by the 85-nation Non-Aligned Group calling for disarmament. Stating that "the Federal Republic recognizes that great efforts must be made in the matter of the North-South gap," Schmidt called up the Soviet Union to play a larger role in economically developing Third World nations. He praised the quadrupling of Soviet-West German trade since 1972, adding that a further expansion will be possible following the summer visit of Soviet Party Chief Brezhnev to Bonn.

Schmidt's government declaration constitutes a serious defeat for the Atlanticist and Kissingerian forces grouped around the Federal Republic's Foreign Minister Hans-Dietrich Genscher. Apprised of the thrust of Schmidt's declaration days ago, Genscher and his allies around Social Democratic Party chairman Willy Brandt unleashed a wide array of attempts to destabilize Schmidt and sabotage his re-election by the Federal Parliamentary deputies at the Dec. 15 vote. Although Schmidt was indeed re-elected by a two-vote majority yesterday, two major events had put his re-election into question:

— On Dec. 13, right-wing Atlanticists in the opposition Christian Union parties reconstituted a parliamentary voting bloc which had been officially split three weeks

ago. In a series of compromise bargaining sessions, Christian Democratic Chairman Helmut Kohl and Christian Social Union Chairman Franz Josef Strauss re-established the Union coalition around a program to "halt Schmidt." The move was to block an invitation from Schmidt to key, pro-development spokesmen from the more moderate Christian Democratic Union to enter his government.

— Simultaneously, leaks were issued to the press revealing that Schmidt intended to cancel a pension increase promised during the election campaign. The well-timed announcement unleashed a wave of protest in the SPD party apparatus, forcing Schmidt to 'back down,' and suffer his first major political embarrassment.

The limited success of these two attacks is partially attributable to the behind the scenes consolidation of personal political power which Schmidt has effected recently. Prior to his government declaration a few major cabinet changes greatly diminished the powers of Kissinger's West German cohort, Foreign Minister Hans-Dietrich Genscher. The appointment of Hans Juergen Wischnewski — formerly state secretary under Genscher — to Special Minister in the Chancellor's office is exemplary. Venezuelan press sources say Wischnewski will function as special ambassador to all Third World countries.

## Fundamental Change In West Germany's Foreign Policy

*Dec. 17 — The following quotations and paraphrases are taken from West German Chancellor Helmut Schmidt's policy declaration, delivered to the Bundestag Dec. 16, 1976.*

### *Foreign Policy*

*General.* The détente policy begun in 1969 will be continued, and will be expanded by a growing partnership with the Third World. "It is crucial for peace

and security that détente be pursued." The "conflict of ideologies" between East and West, however, will also continue, but it will do so in the spirit of peaceful competition. The Warsaw Pact's military potential is in fact larger than what is necessary for defense, but the FRG will, as before, support all efforts towards lasting cooperation between East and West. The reduction of military confrontation in Europe, the Mutual and Balanced Force Reduction (MBFR) talks in Vienna, and increased concern with disarmament are priority themes. The Non-Aligned movement is also important in disarmament efforts, and the FRG greets their Colombo resolution on this subject. "The hopes of nations for a substantial curbing of the arms race must not be disappointed."

The Atlantic Alliance remains the foundation of our security. The Bundeswehr remains our contribution to the Alliance, and it must not be detached from the Alliance or relieved of its responsibilities within it. The Bundeswehr is an army for defense in the context of the Alliance, and it "cannot and must not be an army of attack." "Ladies and Gentlemen, in this world characterized by crises, our soldiers have the responsibility for keeping the peace," which has been maintained for 20 years. "We see, not without some concern, that some of our NATO partners feel it difficult to maintain sufficient conventional forces. Conventional forces are the precondition for the strategy of flexible response...But no one can be interested in a situation developing in which nuclear weapons are put in place of the missing conventional forces, thereby increasing the danger of nuclear war." We greet U.S. President-elect Carter's message to NATO...(We) have built a relationship of confidence with the USA, also based on coordinated economic and financial policies.

*Relations with the Soviet Union.* Soviet-West German relations have developed positively since the beginning of the decade. Trade has increased fourfold since 1972, and Soviet exports to us have increased, and we welcome this. The planned visit by the Soviet party General Secretary to West Germany should be a further impetus for cooperation in the years ahead. We also have great interest in the Non-Aligned countries, who have important functions in overcoming the effects of divided Europe. The CSCE (Conference for Security and Cooperation in Europe) is an important basis for détente policy, necessitating new moves to be fully realized. "We are going to make contributions to that end."

*The European Economic Community (EEC).* The EEC is a very important precondition for securing peace and freedom. We remain committed to the European Union. If we want a united Europe, then we have certain responsibilities...This is a matter of our own security; our own economic strength requires it, with German-French cooperation being especially important.

*The Mideast.* We are committed to a just and lasting peace in the Mideast, in a form which agrees with the United Nations Security Council and the EEC's policies. "We have good relations to Israel as well as with the Arab countries...We want a balanced policy, but not one of indifference towards either side."

*North-South relations.* "The FRG recognizes that great efforts must be made in the matter of the North-South

gap." We have the responsibility for the solution of this most central question of our time, especially with respect to the least developed countries and those most affected by the oil crisis. "This cooperation is only possible on the basis of an actually functioning world economy, an economy in which the industrial countries, OPEC, the developing countries, but also Communist countries participate...No state or group of states can be relieved of their responsibility" for increased cooperation, investment in the Third World, intensification of trade, transfer of technology, opening up of industrial markets, recognition of Third World sovereignty over their own raw materials, improvement of living standards, stabilization of raw materials exports (rather than solutions benefiting only those countries rich in raw materials), and debt relief for the most affected countries.

Since the Comecon has participated more extensively during recent years in the world economy, this responsibility should also be borne more directly vis-à-vis the Third World. Peace can only be secured on a common basis of cooperation, and it must be explained to our citizens that this not only means securing peace and jobs, but also that "We ourselves not long ago were in a desperate situation and needed funds from abroad for reconstruction. This came from nations against whom the German people had led a devastating war." "We hope that OPEC can contribute to success at the Paris North-South conference...Our joint responsibility is the stability of the world economy."

#### *Domestic Policy*

*International Dependence of the West German Economy.* Even with the relative domestic economic upswing, insecurity in the international economy is great; with impending higher oil prices and recession, "domestic political problems are to be expected." The FRG, however, is ready to aid those foreign countries, also in the EEC, who take measures to increase the productivity of their own economies.

*Employment.* Full employment is a priority goal. This is not only an economic necessity, but is socially and humanly indispensable. This goal, however, may not be realized by the end of 1976 given world economic conditions. Full employment programs will continue to concentrate on economic measures, while "dirigistic" measures such as shorter work time, reducing overtime or "solidarity sacrifices" are unacceptable. Under no conditions must the organization of the trade unions be weakened, since this would have disastrous consequences.

*Foreign Workers.* In dealing with the country's large contingent of foreign workers, the government thinks there must not be any "Swiss conditions," with their police-state regulatory mechanisms; nor should there be "American conditions," with their explosive security risks.

*Budget.* Increased federal health insurance premiums will be balanced out by a 5-6 billion DM tax cut program for fiscal year 1978. In addition, a 3-billion DM conjunctural stimulation program was announced. The government is hoping for an economic growth rate of 5 per cent.

**Energy And Transport.** The development of the FRG's coal resources will remain an important goal, but this by no means signifies a renunciation of the further development of nuclear technology. The Bundesbahn (federal railway) must be assured its position in the FRG's integrated transport network, and sufficient budgetary funding must be made available for this purpose.

## West Germans Press Comments on the CDU-CSU Agreement

*Frankfurter Allgemeine Zeitung, Dec. 13* — The lead article reports on a reversal of the three-week old split between the Christian Democratic Union (CDU) and the Bavarian Christian Social Union (CSU). Their agreement is based on two documents "The Basis of Political Cooperation in the Eighth Legislative Period" and "The Continuation of the Common Fraction." The documents grant CSU Chairman Franz Josef Strauss the right to have a different opinion on important matters in the Bundestag (parliament) and to assert that right whenever and wherever he desires — is, outside of Bavaria. Other stronger proposals by the CSU were rejected, for example, their call to form a commission for the 1980 election campaign based on the idea that "a rigid party landscape is no longer able to fulfill the great tasks of the rest of this century." Both parties are to remain "independent and self-subsisting."

*Frankfurter Allgemeine Zeitung, Dec. 14* — CDU Chairman Helmut Kohl was elected unanimously as chairman of the joint CDU-CSU Bundestag fraction. He called upon the fraction to give up their differences and concentrate all their forces "on an offensive strategy against the weak federal government." Baden-Württemberg Prime Minister Hans Filbinger, who played a key role in the settlement, praised the CDU's executive committee for its "decisiveness," while CSU Deputy Chairman Zimmermann emphasized that the unification "could not have occurred without Strauss' personal intervention."

*Frankfurter Rundschau, Dec. 14* — CDU General Secretary Kurt Biedenkopf has secured a temporary court restraining order against Ludwig Volkholz, a former member of the Christian Bavarian Peoples Party (CBV) who had announced his intention to found a local chapter of the CDU in Landshut, Bavaria. Grounds for the court order is the just-concluded CDU-CSU agreement, which prohibits an expansion of the CDU into Bavaria.

*Die Welt, Dec. 14* — Former CDU Chairman Rainer Barzel's push to become chairman of the Bundestag Foreign Policy Committee was defeated by "resistance within his own fraction." Instead, he will become Chairman of the Bundestag Economic Council.

*Frankfurter Allgemeine Zeitung, Dec. 13 and Dec. 14* — Two consecutive angry editorials denounce the CDU's capitulation to the pro-Strauss forces. "Strauss doesn't have to try to dodge the question of what he has accomplished with his herculean labor of the last three weeks...(The CDU-CSU fraction) has armed itself neither programmatically nor tactically for the options or dangers awaiting them..For those in the CSU who were against the split: don't they suspect that Strauss and his people could strike again one day?" The next day's editorial predicts that "the question of what is still common within this fraction will always come up again, now that the CDU and CSU have mutually recognized each other's theoretical right to nationwide representation...The CSU's weight in the new fraction has grown considerably."

*Die Welt, Dec. 14* — Editorialist Herbert Kremp writes that "Just at the right time, Lower Saxony Prime Minister Albrecht has demonstrated for all to see what the CDU could become without the CSU." Kremp is primarily referring to the recent state-level coalition agreement between the Lower Saxony CDU and the Lower Saxony Free Democratic Party. (This agreement is known to be a burden to Social Democratic Chancellor Schmidt, who is in a coalition with the Free Democrats on a national level — Ed.) "It is absolutely clear: Kohl minus Strauss equals Kiep" (Walter Leisler Kiep, Lower Saxony Finance Minister and "liberal" CDU supporter of Jimmy Carter).

*Die Welt, Dec. 15* — Editorial entitled "Who's Still Afraid of Helmut Schmidt?": Schmidt's "opportunity which existed at least theoretically, to discipline the capricious FDP with the threat of considering a coalition between the SPD and CDU, is now gone. Helmut Schmidt must get along with the FDP now, for better or for worse...The Chancellor will have to reckon with his partner Genscher continually forcing him into new concessions in the coming years,...even though none of these concessions are to be seen in the government declaration Schmidt will deliver tomorrow...The question is how long and far the (Social Democratic) Party's majority will follow a man who is always ready to sacrifice his political perspective in order to stay in power." Schmidt is "chancellor of a political rubble-field. These past ten weeks have been enough to shrink this strong man down to size. Nobody is afraid of him any more."

## Kissinger Tries to Intimidate Schmidt, Callaghan, Andreotti

*Dec. 12* — Reprinted below is the full text of a telegram sent on Nov. 22 by U.S. Secretary of State Henry Kissinger to the European Economic Community (EEC) delegation to the scheduled Conference on International Economic Cooperation (CIEC) — the so-called Paris