

was the only result of his late June trip to Moscow, other than the approval of several important development deals with the Soviets.

In a more recent television broadcast from the offices of the *Nürnberger Nachrichten*, a newspaper in northern Bavaria, Schmidt elaborated that a new cause of world instability is the destructive economic effects of the 1979 oil price increases, which are now being acutely felt by all countries. Schmidt said that he was deeply concerned that the prospect of rising unemployment and inflation would cause a turn to protectionism and thus deal a fatal blow to the integrity of world trade. From this point of view, he added, today's world economic situation can only be compared with that of the years 1931, 1932 and 1933.

In a speech before the Munich International Energy Conference, Schmidt added that without the development of nuclear energy, there was a danger that wars could break out for the control of a dwindling world oil supply.

If Schmidt is compared to the corresponding level of politicians in the United States or Great Britain, he appears to be a paragon of statesmanlike competence, towering over disgusting immorality and abysmal stupidity of his counterparts. However, this standard of comparison is not the relevant one. Schmidt, like Giscard, must be measured according to the standard of necessity, of the adequacy of their policies to guarantee the survival of the human race at this strategic juncture, since this is the role they must perform; and from this point of view, Schmidt's rating looks very different.

Schmidt's problems center on conceptualizing the relation between monetary crisis, world depression, and the threat of war in today's world-strategic process. Most simply put, Schmidt has for the moment dropped all initiatives in the direction of the urgent implementation of the second or credit-issuing phase of the European Monetary System. As recently as several months ago, he was reported to be thinking hard about ways to wipe out the Eurodollar market and use this liquidity for development credit within the framework of the new European Monetary Fund. But, for the time being, both Schmidt and Giscard seem to have decided that this is a bridge that can only be crossed after the German elections, and perhaps even after the French elections late next spring. Schmidt seems to see these issues as either-or: either stress dialogue and peace policy, or else push the EMF, but German and international power relations do not permit both.

Thus, the EMF is never mentioned these days by Schmidt or by his finance minister, Hans Matthöfer. The Europäische Arbeiterpartei, however, continues to make the EMF the core of its campaign. Schmidt tends to point to his own track record in economics with the smug complacency of a successful sales manager. He said on television that when the SPD took office, it took

four D-marks to buy a dollar; now it is about 1.75. Pointing out that the West German economy has thus been shielded from the increased cost of oil, Schmidt praised the D-mark as one of the hardest currencies in the world, established as such by all the currency markets in the world, not many of whose brokers are German Social Democrats, he quipped. We have the greatest currency reserves of any nation in the world, the second greatest gold reserves in the world, the lowest inflation rate and the lowest rate of joblessness of any major industrial nation, Schmidt continued.

Schmidt tying his own hands

All well and good: but at the same time the motor force behind the deterioration in the military-strategic realm is the ongoing economic decline, as has been obvious in famine-ridden East Africa. This was the focus of Helga Zepp-LaRouche's first national TV spot. The other side of the coin is seen inside West Germany: beneath the appearances of order and well-being is a population with a birth rate of 1.4 children per woman,

Catholic bishops attack Schmidt

The conference of Roman Catholic Church bishops, with the consultation of one of Franz-Josef Strauss's campaign advisers, last week drafted a pastoral letter which was read from the pulpits of over 12,000 churches, criticizing the Schmidt government for "sacrificing our youth's future by following a policy of inflationary public state debts."

In a speech given a few days later on Sept. 23 by Archbishop Josef Höffner. The Archbishop declared that West Germany's politicians and industrialists were leading the country into a "world catastrophe" with their industrial development policies. He called such policies a "cancer" which threatens to engulf all of God's creation, and especially singled out what he termed "the reckless pursuit of nuclear energy construction." The head of the conference of bishops added that man should not treat nature as his resource reserve, but must find his way back to the simple methods of soil cultivation practiced by the Benedictine Order and the Cistercians.

Schmidt responded to the bishop's move by calling it an unprecedented and unwarranted interference of the Church in political affairs. He added that there was nothing in the Old or New Testament dealing with state finances.