

Wehrkunde Conference

Europe: Volcker is a threat to security

by Susan Welsh

West German government officials emphatically stated recently that the primary security threat to the Atlantic Alliance is U.S. Federal Reserve Chairman Paul Volcker.

At a Munich meeting Feb. 22, top-ranking representatives of the Reagan administration listened in stunned silence as a West German government spokesman informed them that the prime danger to world security is the speculative outflow of funds from the European economies due to Volcker's high interest rates.

Speaking at an international conference in Munich sponsored by the Wehrkunde defense discussion group, West German chancellery defense spokesman Lothar Ruehl declared that if the current interest-rate warfare persists, "the Americans would have to face up to the fact that the deutschemark and the Swiss franc would suffer a collapse in which the currency flight would turn into a capital flight. The West European economies would then lack the resources necessary for a recovery." Under these circumstances, any talk of financing a larger arms effort becomes meaningless, he said.

Ruehl's speech came toward the end of the two-day conference, which had seen heated attempts by various of the 150 participants to set President Reagan and Western Europe at each other's throats. The meeting preceded British Prime Minister Margaret Thatcher's Feb. 25 arrival in the United States, where she will try to reaffirm the Anglo-American "special relationship" against West Germany and France.

Frank Carlucci, U.S. deputy secretary of defense, delivered a bristling speech demanding that Western Europe increase its defense expenditures sharply and deploy its armed forces into areas like Southwest Asia, outside the NATO area.

West German Defense Minister Hans Apel sharply rejected such demands. As Herr Ruehl stated the case, there can be no effective coordination of Western foreign and defense policy unless the economic crisis is brought under control and Paul Volcker is prevented from carrying out his wrecking operations against the industry of Europe.

Furthermore, West German Chancellor Helmut Schmidt and French President Valéry Giscard d'Estaing are convinced that the official or unofficial expansion of

NATO into areas like Southwest Asia would be taken as a major provocation by the Soviet Union, sharply heightening the danger of war and undermining those in the Soviet Union who back cooperation with the West.

In a speech okayed before delivery by Secretary of State Alexander Haig, Carlucci attempted to bully the West Germans to accept the expansion of NATO. Carlucci, a former deputy chief of the CIA, announced that "the United States cannot be expected to improve and strengthen United States forces in Europe unless other allies increase their own contributions to the combined defense effort. Nor can the United States, unaided, bear the burden of promoting Western interest beyond Europe." Carlucci demanded an "expanded concept of European security": "in key areas of the world beyond Europe, we will begin to build a more durable framework of relationships designed to enhance the security of those regions."

Carlucci did concede that NATO's treaty forbids it to operate outside Europe and the North Atlantic. But then he called for individual member countries to deploy their forces to Southwest Asia, particularly the Persian Gulf region while British Undersecretary of State for Defense Geoffrey Pattie sounded a similar theme.

West German Defense Minister Hans Apel flatly rejected the proposal to expand NATO: "The alliance is a NATO-alliance and has no global commitments." He emphasized that the Bonn government stands by its commitment to work for arms control and détente at the same time as it strengthens NATO defense.

In the discussion following Apel's speech, Reagan adviser Helmut Sonnenfeldt bluntly denounced the defense minister: "You cannot win at the negotiating table what you have not won on the battlefield," he said. "There are threats to NATO beyond NATO limits. In this field there is a profound assymetry vis-à-vis the Soviet Union. . . . We must achieve a better balance in the area from the Arab countries to India."

Following the "hard-liners" came speeches by West German leftist parliamentarians, whose only purpose was to convince Reagan that a "tough" line is needed to whip Europe into shape.

Social Democratic parliamentarian Horst Ehmke, a leading light in the Socialist International, stressed the importance of Europe's new peace movement. He attacked U.S. support for the El Salvador junta and warned of the danger of a "new Vietnam."

Karsten Voigt, another top Social Democratic leftist, demanded that the conference discuss the report of Willy Brandt's North-South commission as "an appropriate contribution to Western strategy." The Brandt Commission report calls for deindustrialization of the advanced sector and labor-intensive "development" of the Third World. Brandt has gone on public television to declare his support for the El Salvador guerrillas.