

Government does. Such trends can too easily become internationally cumulative...Common-sense indicates that economic recovery depends on growth rather than deflation; that it is in the world's interest, as well as our own, that the IMF grants the present loan on terms which make that growth feasible."

#### *Government*

**Prime Minister James Callaghan, Dec. 7:** "There is no prospect of savage deflationary economic policies." He reiterated "the importance of the industrial strategy and continuing to follow a policy which tries to ensure a higher rate of investment and concentration on exports."

but warned that "there is no soft option...I do not promise any real easement in living standards for some time to come."

**Minister for the Environment Peter Shore,** speech of Dec. 5 warned about the threat resulting from cuts in social services "on which so much of the present standard of living is based...But serious though this threat is, the still greater and more abiding danger arises from external economic forces. We must by whatever means, achieve economic independence...It is the central task of a democratic and Socialist Britain to see that the government of Britain remains not only within Britain but in the hands of the British people."

## Schmidt to Take Personal Charge of New Cabinet

Exclusive to NSIPS

Dec. 10 (NSIPS) — West German Chancellor Helmut Schmidt plans to keep his own Social Democratic-Free Democratic coalition cabinet on a tight leash when the new West German government is sworn in on Dec. 16. Schmidt "wants to run the important ministries himself," according to the Dec. 8 daily *Seuddeutsche Zeitung*, and will place his lieutenants in key positions while he personally undertakes foreign policy initiatives for peace and development.

According to numerous West German press reports, Development Minister Egon Bahr will move into the job of SPD Business Director, enabling Schmidt to control Bahr's extensive international contacts as a direct SPD foreign policy conduit. Next, Undersecretary Marie Schlei presently Schmidt's right hand advisor in his Chancellery, will get the crucial Development Ministry post.

The Foreign Ministry, which has been sabotaging West German participation in the North-South talks in Paris, may see Undersecretary Hans Juergen Wischnewski move into the Chancellery and Foreign Ministry Undersecretary, Karl Moersh resign.

Schmidt is already circumventing his junior Kissinger, Foreign Minister and FDP Chairman Hans Dietrich Genscher, by conducting his own foreign policy. After months of silence from Genscher on the Mutual Balance Force Reduction talks in Vienna with the Warsaw Pact, Schmidt stated publicly that he wants the MBFR talks to "achieve a controlled and balanced disarmament for the entire world." Schmidt is also planning a diplomatic initiative to get both Saudi Arabia and Iran to help the European countries' balance of payments problems, according to the London Daily Express, after a year of Foreign Ministry sabotage of European-Arab dialogue.

SPD parliamentarians have proposed that Defense Ministry Undersecretary Herman Schmitt be replaced by Andreas von Buelow, an SPD faction leader. One of the leading corporatists in that faction, Herbert Ehrenberg, will become an official in the Labor Ministry. Although he is seriously ill, no one is proposing dismissing SPD Defense Minister Georg Leber, and Schmidt's only change in the military command will probably be naming General Manfred Wust as the successor to the recently deceased Inspector General Armin Zimmermann.

## W. German Parties Battle For Policy Control

Dec. 10 (NSIPS) — Since neo-Nazi Franz Josef Strauss split his Bavarian-based Christian Social Union (CSU) from the Christian Democratic Union (CDU), several weeks ago, West German politics has turned into a struggle between Atlanticists like Strauss and pro-development forces in both the Christian Democracy and Social Democratic Party (SPD) over who will benefit from the split.

Strauss was pushed into making the break by the pro-development faction of Christian Democrats; CDU chairman Helmut Kohl has recently been guided by pro-development CDU spokesman Gerhard Stoltenberg, Minister-President of Schleswig-Holstein, and Hans Koeppler, CDU chairman in the industrial state of North Rhine-Westphalia. Strauss formalized the split by stepping up his organizing of a nationwide fascist party.

The CDU responded by preparing a major organizing drive into Bavaria. A Christian Democratic local has already been set up in the Bavarian town of Erlangen. Strauss is also under fire from his own CSU, which is convening a party conference in January to challenge his chairmanship.

As a result of the split, Christian Democrats have been allying with the centrist SPD faction around Chancellor Helmut Schmidt, who praised Stoltenberg as "the best economics spokesman the CDU could have" after a joint CDU-SPD committee began coordinating federal and state budgets.

Strauss has been aided by both right and left wing SPD agents, who have threatened to split the SPD. Right and left groupings each claim they could split away 50 of the SPD's 200-odd parliamentarians. So far, the SPD has

expelled a dozen or so right-wing SPD members, for supporting Strauss's nascent fascist party. Left SPD agents grouped around SPD chairman Willy Brandt are threatening to split if the SPD does not adopt corporatist policies.

A surprisingly abrupt outcry by both left and right over the SPD-controlled government's inability to increase federalized pensions by 10 per cent is the latest development in the factional brawl, adding what the press has characterized as a Weimar Republic aura of instability to the situation.

### CDU Spokesman Opposes Transfer of Control of Nuclear Weapons

*Dec. 7 — The following are excerpts from a news article in the Frankfurter Allgemeine Zeitung, one of West Germany's national circulation daily papers, entitled "Woerner Demands Strategic Clarity":*

The opposition in the Bonn Parliament is expecting clarifying statements on the strategy of flexible response from the upcoming meeting of the NATO council, especially from the meeting of the defense ministers. Namely, something must be said on flexibility... (Christian Democratic military spokesman Manfred) Woerner has opposed drawing tactical nuclear weapons more strongly into the defense planning for Europe, in the sense, particularly, of handing over disposal of certain nuclear weapons to military commanders. The stated considerations of military leaders (who have requested such control, such as West German General Schnell... ed.) are certainly legitimate, he states, but unrealistic, because it would be entirely uncertain whether the opponent would agree to such a western scenario. Tactical nuclear weapons should also not be withdrawn from the European continent and stationed on the northern sea.

### Warsaw Pact Proposal Should Be Considered

*Dec. 7 — The following are excerpts from a press commentary by Adalbert Weinstein in the Frankfurter Allgemeine Zeitung, West German's national circulation daily, entitled: "Soviet Tanks Against Tactical Nuclear Weapons":*

"The proposal of the Warsaw Pact for both sides to 're-nounce first strike with nuclear weapons' should thus not only be seen as a 'routine psychological intervention' with which to provoke confusion in the western camp during this year's NATO conference. One must certainly

accept that the Soviets will repeat the proposal. They will want to 'test' the new American President and his foreign minister. They know too that the socialists in the European Parliament are vulnerable to such ideas. Not least, the proposal propitiates those American experts who for years have favored a drastic reduction of tactical nuclear potential in Europe.

"Considering this, Atlantic military politicians have come to the conviction that a strict rejection of the Soviets' thoughts is not sufficient by itself. A psychological counter-offensive by the west is called for. Why should the Warsaw Pact proposal not be discussed, and thereby a new nuance be given to deterrence through an Atlantic political initiative! The Soviet initiative is technically in the foreground, and politically utopian. It needs, should it be taken seriously, filling out; better, to be strategically broadened.

"Everyone knows that the application of atomic weapons on a battlefield would eliminate all standing prescriptions for battle... A simple abandonment of 'first use of nuclear weapons' can also only benefit the Soviets with their conventional superiority... It should thus be proposed to the Soviets, NATO experts believe, that the abandonment of first strike be politically clarified in such a fashion that in military praxis, genuine advantages result for both sides... The west could pull the majority of its tactical nuclear weapons behind the Rhine, the East withdraw the greater portion of its tank troops behind the Weichsel.. Both sides would have no disadvantages through such strategic regrowth..."

### Bonn Denies Bid for Nuclear Weapons

*Dec. 7 — The following is a translation of a press release by the Bonn government published in the Frankfurter Rundschau, a local liberal daily. It is an official statement by the Bonn government on the proposal that control of certain categories of nuclear weapons be handed over to field commanders:*

"The Federal government, according to government spokesman Klaus Boelling, is not striving to be given a partial voice in the use of nuclear weapons. Boelling stated before journalists on Monday in Bonn, 'in the quarters of the federal government' such proposals, as that voiced by Free Democratic Defense expert Juergen Moellemann, have never been discussed. The Federal government learned of these proposals exclusively from the newspapers. The decision on the use of nuclear weapons within the Atlantic Alliance lies in the hands of the U.S. President."