

pointed as his science and technology minister Eduard Pestel, a member of the zero-growth "Club of Rome." Albrecht wants West Germany to reprocess its nuclear fuel in the United States. In the key industrial state of North Rhine-Westphalia, Economics Minister Horst-Ludwig Riemer (FDP) has proposed to scrap nuclear power in favor of a slight increase in coal-fired capacity.

Like U.S. President Carter, Riemer calls for "energy savings" through such measures as increased housing insulation. West Germany's leading commercial daily *Handelsblatt* has rightly described Riemer's proposal as partaking in "dubious methods." It is designed as an "outright provocation against Economics Minister Friderichs," said the newspaper.

Helmut Schmidt: "I'm Not The Kind Of Person Who Yields To Pressure"

This week's issue of the widely read West German magazine Stern published the first major interview West German Chancellor Helmut Schmidt has given to the press since the inauguration of U.S. President Carter. Chancellor Schmidt begins by bursting certain lies circulated about him in the U.S. press, and then proceeds to explicate the various aspects of his actual policy for European economic development and relations with the Soviet Union. Below are extracts from the interview:

Stern: Mr. Chancellor, when people meet each other the first question is usually: How are you? How are you doing, how's your health?

Schmidt: Politically I'm fine, and my health is very good.

Stern: But around the turn of this year it looked like you were depressed and about to resign.

Schmidt: I can't confirm anything about a resignation, but the time was slowly approaching when I had to catch up on some sleep.

Stern: Does that mean that you will definitely carry on for the next four years?

Schmidt: I'm counting on it...

Stern: Still, you aren't excluding the possibility of an upcoming cabinet reshuffle. When could this occur?

Schmidt: In the course of a legislative period a head of state ought to have an opportunity to seriously consider changing his cabinet. This ought to be a normal occurrence. Unfortunately, in this country when we change a minister this is often marketed as a big sensation. That's not useful...

Stern: Former FDP (Free Democratic Party —ed.) chairman Walter Scheel said once that every coalition has to break up sometime, since the supply of common positions runs out.

Schmidt: I don't like to hear the word "supply," since I would have to polemicize against it. And I won't polemicize against the Federal President. The concept of supply is based on the static idea that you can set joint goals for a certain number of years, and that there's nothing left after these goals are achieved. That is a mistaken idea, since in reality there are always new problems and necessities. When the social-liberal coalition started

working together in 1969, for example, no one foresaw the world economic crisis...

Stern: The FDP is still over-represented.

Schmidt: That's the advantage held by the smaller coalition partner.

Stern: Do you on occasion feel politically blackmailed by the FDP?

Schmidt: I'm not the kind of person who yields to pressure...

Stern: What would happen in the coalition if Lower Saxony and the Saar do not vote in the Bundestag for the Value Added Tax hike and the pension reorganization? Is that the acid test?

Schmidt: I don't see things as darkly as you do. The coalition has already held up under a completely different stress. It won the Bundestag elections in spite of the economic crisis. In other democracies, the economic crisis — for which a part of the electorate naturally holds their current government responsible — has led to changes in governments or coalitions. Think about Italy, the USA or Sweden. The social-liberal coalition's economic policy is not unjustifiably highly estimated throughout the entire world. Finally, we can probably reckon on a real economic growth of 5 percent, and on price rises and unemployment of under 4 percent. There aren't many other countries in the world who could succeed in that. In order to take care of these problems, (Economics Minister) Friderichs and (Finance Minister) Apel belong together better than, for example, Friderichs and Kohl and Strauss...

Stern: ... or Schmidt and Kohl ...

Schmidt: ... Right. You can forget about a team like that... After the war, foreign governments were accused of having firmed up Hitler's dictatorship by having made treaties with the "Third Reich." Isn't that an accusation that could be made against us one day in relation to the Communist regime of the DDR (German Democratic Republic)?

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to the Communist regime of the DDR (German Democratic Republic)?

Schmidt: The fact that we have treaty relationships with the DDR has the side effect of strengthening that country. And the fact that all Western countries have diplomatic relations with the Soviet Union does not mean only diplomatic recognition. It is, of course, possible to break off all these relations. But then one shouldn't be amazed if this causes the termination of détente policy. Breaking off détente policy means a return to a policy of tensions, an acceleration of the arms race on both sides, and a conscious taking into account of additional conflicts along with the danger of such conflicts being acted out militarily some day. Anyone who thinks he can cut off a little bit of inter-German trade or mail traffic or border passage without this having any influence on world peace, would be deceiving himself horribly. ... Moreover, I do not believe that the DDR is able to endanger détente policy in central Europe against the will of the Soviet Union. The future of détente policy is being decided in Washington and in Moscow; we play a certain part in this, the DDR also plays a certain part. But to presume that both German states have some special role would be a crass overestimation of the Germans and their role in world policy...

Stern: (Will you meet with SED head Erich Honnecker) in Belgrade, where this June there will be discussions about the experiences following the Helsinki Conference for Security and Cooperation?

Schmidt: No heads of state are going to Belgrade. Ambassadors will meet there first in order to prepare for the actual conference which will take place on the state secretary level, perhaps also with foreign ministers. There they will draw up a sort of interim report on what Helsinki has actually brought about. The Soviet Union will probably take this opportunity to make three proposals: international conferences on environment, on transport, and on energy. The West might propose conferences on other topics. But Belgrade should not turn into an arena for confrontation, as the CDU (Christian Democratic Union -ed) is demanding. Such stupidity can only come from people who stay in the opposition and have no responsibility.

Stern: Why hasn't the exact date been set for Brezhnev's visit yet?

Schmidt: Just about all dates for visits in 1977 have not been fixed yet. For example, it's still not worked out when the new American President and the (West) German Federal Chancellor will meet; it is also not determined when the new American President and the General Secretary of the Soviet Union Communist Party will meet.

Stern: Will you bring up with Brezhnev the problem of the dissidents? Sakharov has surely written letters to you, too.

Schmidt: I don't like to speak about this in public, but I have to say one thing: Long before Messers. Marx and members of the CDU-CSU fraction recognized the existence and the endangered situation of Vladimir Bukovsky, namely two and a half years ago. I spoke at length

with Mr. Brezhnev about Mr. Bukovsky and made him aware of the expectations we had in that case. Anyone who wants to give humanitarian aid can not want at the same time to tie it up with public propaganda. People who want to use such cases for public propaganda ought to know that they are reducing their ability to give humanitarian aid in individual cases.

Stern: Mr. Chancellor, you are also you party's defense expert.

Schmidt: I was!

Stern: But you are still dealing with this area.

Schmidt: Yes, a little.

Stern: Do you believe that in the meantime the relationship between East and West has gotten so unbalanced that, as the Belgian General Close justly fears, the Red Army could be at the Rhine in two days?

Schmidt: I don't know Mr. Close. I also haven't read his book. I have never noticed him before now; he's clearly not a distinguished military authority. But naturally I know the balance of forces between East and West, and I have always followed it carefully, since the maintenance of a balance is one of the basic prerequisites for détente policy. When I speak about a balance, I have never meant by that a mathematical equation. On the eastern side there have always been two factors in which the East was superior to the West: first, the number of conventional troops, and second, the geographical proximity of conventional reserves in the central European theatre. Against this, on the Western side there has always been first a technological superiority in the performance capabilities of nuclear and especially strategic nuclear weapons, and second, a numerical superiority of such weapons. A balance has always existed insofar as the West's joint forces have never been sufficient to attack the East without a suicide risk, while likewise the East's joint forces were never enough to attack the West without risking suicide.

Stern: Do you think that a conventional war below the nuclear threshold is unthinkable?

Schmidt: It is unthinkable, according to the unanimous estimate of all our Western alliance partners.

Stern: Your coalition partner Genscher has said that what appears in Italy and France to be Euro-Communism is actually Communism in felt slippers. Willy Brandt has said that this development is very interesting. What is your estimation of this Euro-communism?

Schmidt: It certainly is interesting. The Italian situation is positively fascinating. When Italy's strongly Communist-influenced trade unions resolutely try not to unnecessarily stand in the way of the government wrestling with their gigantic economic and social problems, while trade unions in Italy with other orientations are giving the government a much harder time — here you have only one of the extremely interesting facets. Whether we can conclude anything from this — and what this conclusion would be — in relation to the future attitude of the Italian Communist Party, the Italians themselves will have to judge first.

Stern: Do you believe that there are "democratic Communists" who, once they get into power, will also let themselves be defeated again in an election?

Schmidt: We will only know this more precisely 20 years from now. There is not one example of what you are asking about here. Nevertheless, after the war the Italian Communist Party did collaborate in drawing up the republican constitution and then later left the government. But they never had a majority.

Stern: Mr. Chancellor, unemployment figures are continuing to rise. Is our economic order still able to reduce the base level of one million unemployed?

Schmidt: This is not a problem of our own economic order. There is no such thing as German unemployment, but only world unemployment. Our market economy is sufficiently flexible. The question is the cooperation between those countries which are responsible for the world economic order.

Stern: What can be done to make the corporations invest in order to create new jobs, rather than to rationalize?

Schmidt: Without rationalization we would still be planting our fields with horses and plows today, and not with tractors. Rationalization is necessary. However, it is also possible to rationalize too early and too quickly. If, for example, an automobile firm is so overburdened that it must put on extra shifts, there is an incentive to invest in expansion, which leads to more jobs.

Stern: Of course, extra shifts don't take up more workers.

Schmidt: That's correct. But an expansion of technical capacity leads to the hiring of additional workers.

Stern: Do you have a better recipe (to reduce unemployment than does German Trade Union Federation head Heinz Oskar Vetter, who has called for shortening the working week)?

Schmidt: I am putting my hopes in cooperation between the most important countries in the world economy. This also includes the OPEC countries and the Third World.

For, the world economy can only get healthy if we aim at a predictable and continuous equalization of payments balances. That will not work without the participation of the OPEC countries, with their payments surpluses and a large number of developing countries which suffer from payments deficits.

Stern: Couldn't the public sector offer more jobs? We have about 10,000 unemployed teachers and still have classrooms with 44 pupils.

Schmidt: That might be possible. But these jobs would then have to be paid for. And that means higher taxes.

Stern: We have been saving one subject for last, one which is increasingly arousing people's feelings: nuclear energy. Why does the American government want to stop the (West) German-Brazilian nuclear power deal? Does the USA merely want to close out a bothersome competitor, or should we also take seriously the Americans' fear that nuclear energy deals could easily turn into atomic bomb deals? Is the treaty with Brazil a threat to peace?

Schmidt: Naturally, we have a great interest in remaining world-competitive in this area of high technology, and tens of thousands of jobs in our industry depend on this. In the treaty with Brazil we have taken special care that our partner will not perpetrate any misuse of nuclear energy. According to the treaty Brazil is subject to practically the same checks as the members of the international treaty system on the nonproliferation of nuclear weapons.

Stern: The Americans are apparently not convinced of that. How will you solve the dilemma of having to fulfill the treaty with Brazil without offending the USA at the same time?

Schmidt: This must be talked over calmly and carefully. There are ideas, but it is still too early to think about them in public. Talks with the Americans are just beginning. What is certain, is that we will fulfill our treaties. But I will not exclude the possibility of our making further treaty obligations.

Wilson Government 'Scandal' Strengthens Callaghan's Growth Strategy

BRITAIN

Successive revelations of covert operations which surrounded former Prime Minister Harold Wilson with agents of Rockefeller and Rothschild banking interests have strengthened the hand of current Prime Minister James Callaghan in his fight to consolidate a rational growth policy for the British economy against the wishes of what the British press call "international financiers" and commonly identified as the International Monetary

Fund and the New York banks. Most sensational were the facts made known by former Wilson press secretary Joe Haines in his book, *The Politics of Power*, published this week, which documents a concerted attempt by the Treasury and the Bank of England to implement a "civilian coup" against the Wilson government in late spring 1975, to force upon it the essentials of Rockefeller bank policies which ran directly counter to the platform upon which the Labour Party had been voted into power.

The book's publication conveniently coincided with this week's renewed attack on the British pound, and tends to preempt other new destabilization operations against the Callaghan government which New York bank and Carter