

gressmen have submitted bills, and union leaders, farmers, construction-industry spokesmen, auto real estate dealers, who are all being ruined by the rates, have held demonstrations—on the model of what you have done in Dortmund—and demanded preferential credit for maintaining and expanding production. What do you anticipate from these developments in the United States?

Schrade: I can understand my American colleagues, since I presume that the situation in America is even worse than in Western Europe, I can understand it if they are saying in a big way that this high-interest policy has to be ended as fast as possible. As workers, I think we are all of one mind with our counterparts wherever they may be, that unemployment cannot come down until interest rates come down. In the case of the Federal Republic, we currently have 1.3 million out of work. If we don't want to find ourselves stuck with 3 or 4 million unemployed by 1990, we have to have economic expansion.

In the case of population policy, we are not expanding at all; we are regressing. Fewer and fewer people are being born in West Germany; we are growing smaller, and unemployment is getting bigger and bigger. That is not only a question of diverting tax revenues into weaponry, that is undeniably the question of a handful of people being in a position to speculate, to drive up interest rates, and to block economic development. We haven't yet had any demonstrations here for lower interest rates, but I think the working people all over the country will make it very clear to the government that rates have to come down. In all the DGB unions and employees' association, this is being constantly discussed.

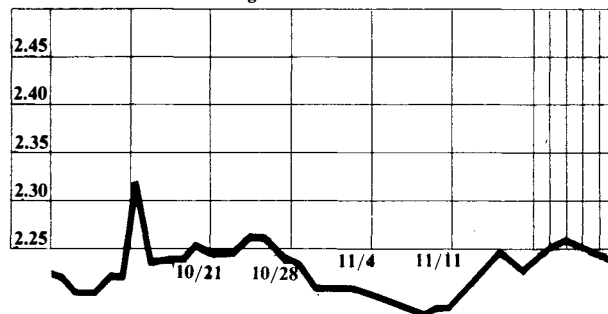
What hits very close to home, in addition to our jobs, is the housing issue. As you know, workers have quite a strong inclination, whenever it is possible, to build their own little homes; for years, even the workers in our plant have been unable to move ahead on a policy of one-family homes; it is almost impossible to build your own house, only a millionaire can do that here. The little guy who has saved and put his savings into a home-loan bank, then finds out that he cannot build if he has to pay 10 or 12 percent for a mortgage—he simply cannot afford to pay it. A lot of co-workers who even two or three years ago started to build have now had to get rid of their houses.

Therefore it is indisputable: the question of interest-rate policy has got to be clarified as fast as possible for reasons of employment policy. Ultimately, the result of that kind of policy of funneling capital where it gets the highest return, on the basis of speculation instead of investment, can only be total economic chaos. The workforce in every country cannot tolerate that over the long run, and I can imagine that in the future, we will have essentially far more massive political reverberations here, as well, on the issue of high interest rates.

Currency Rates

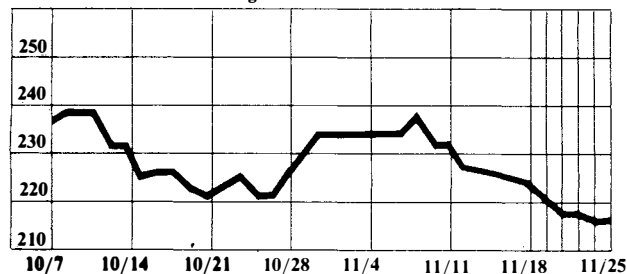
The dollar in deutschemarks

New York late afternoon fixing



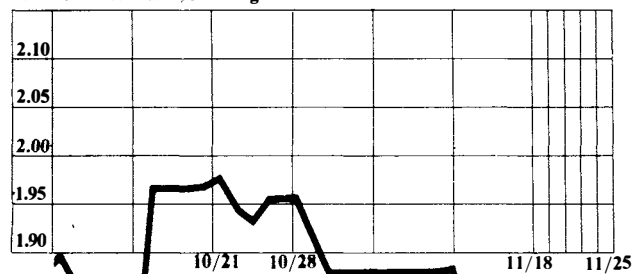
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

