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Article — Digitized Version
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Intereconomics

Suggested Citation: Höping, Hubert (1971) : Brandt at half-time, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 06, Iss. 10, pp. 292-, <https://doi.org/10.1007/BF02929123>

This Version is available at:

<https://hdl.handle.net/10419/138530>

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Brandt at Half-Time

In the first few weeks after taking office Federal Chancellor Brandt fondly saw himself in the role of Chancellor of internal reforms. But it soon transpired that economic conditions and cyclical movements were to raise more and more obstacles in the way of such an ambition while genuine opportunities presented themselves in foreign policy.

It was soon after Brandt had taken over the Government that the sphere of foreign affairs was set in motion. The summit conference in The Hague gave fresh impulses to the EEC, and the world ascribed its success largely to Brandt's tactical skill. The dialogue with the socialist states in the East, chiefly the Soviet Union, was begun around the same time. The emphasis laid in the State of the Nation Message of January 14, 1970, on the ties with the West however did not leave any doubt that priority was being given to close liaison with the partners in the western alliance, which is the indispensable prerequisite of a policy of détente towards the East.

In view of the demonisation of the USSR which has been customary in the FRG since the end of the war the broad design of the Federal Government's quest for a détente with the East called for much civil courage and staying power. Brandt, who has learnt from Bismarck, was not afraid of making concessions without an immediate return from the other side, which exposed him to attacks from a medley of antagonists. Thus was the treaty with the USSR of August 12, 1970, achieved.

That without this treaty the Berlin agreement would not

have been reached can hardly be disputed today. The Federal Government has left no doubt that there cannot ever be a détente without a solution for Berlin. It made a satisfactory Berlin settlement the test-stone and stipulated a bond between such a settlement and the ratification of the treaties with the East, a connexion which was at times hotly contested even in its own ranks. It was well for the Federal Government that its eastern policy fitted into a political world situation marked by an attempt by both the super powers to end the entanglement and reach a *modus vivendi* in Europe.

The political scene has been transformed by this surprisingly propitious development for which there seemed to be so little hope. The idea that Soviet policy might, in its own well-understood interest, without malice or subterfuge aim at reasonable compromises and lasting settlements in Germany as well as Europe seems to find its confirmation by last months' events. The hard negotiations still in store with the German Democratic Republic cannot affect the main issue.

The opposition looks rather hapless at the moment. Never before has it felt so embarrassed in playing its role, for the arrangements are in line with Mayor Schütz's Berlin declaration to which the Berlin CDU gave its consent on May 6, 1971. To be fair to the opposition, its strong resistance was probably a contributory factor in inducing the Russians to adopt a more flexible stand. Besides, prominent men in its ranks have taken a non-partisan positive attitude to the Berlin settlement.

Less gratifying is the situation in domestic affairs. Although more reforms have in fact been carried out already than is often realised by the public, there remains a backlog in many fields, e.g., in infrastructure policy, education policy and income and property policy. Minister Schiller has announced a budget of *'tight purse-strings'* for 1972 but forecasts at the same time that public sector investments may rise more sharply than does Federal expenditure which has an impact on consumption. How is this to happen? Since the basic budget for 1972 will expand by 8.4 p.c., there will be little scope left for the investments indispensable for any internal reforms. For the past three years public sector investment has had to take second place to the aim of stability which nevertheless was not attained. Allowing for higher prices, its real value has indeed declined. An industrial state however which neglects the extension of its infrastructure and promotion of its productivity must expect to fall behind. Possibly Nixon's shock programme will turn the slowing upturn at still rising prices into a moderate recession with a greater measure of stability. If so, the contingency budget and the cyclical reserve could be used to launch a programme for a new upsurge by embarking on the hitherto neglected reforms, and restore the Government parties to the voter's favour in time for the next elections. That perhaps would be the bit of luck which, according to Moltke, "probably stays only with the skilful for long". *Hubert Höping*