

## **Remaining in power though not in office**

**by William Paterson**

Helmut Schmidt's greatness cannot be captured by association with a single event or defined by a single quality. As this collection of tributes illustrates, his stature and influence are multifaceted, and rest on a range of human qualities which taken together give him a good claim to be the most impressive of Europe's post-war leaders. No other person has matched his competence over such a range of issues or grounded it in such an intimate acquaintance with economics and philosophy. It is a tribute to his formidable intellect that this influence is personal and did not end with his term of office, but continues through his writings in *Die Zeit* and his many books. To invert a famous phrase from the cut-and-thrust of British politics, he has remained in power but not in office.

In this collection of essays, we at the German-British Forum aspire to a difficult task: doing justice to the whole of his political and personal accomplishments. Whether it is his central role in European integration, his success in helping the Germans to come to terms with their past, or his achievement as the most effective social democratic head of government in history, there are abiding reasons to praise and honour him.

Helmut Schmidt was not born into the Social Democratic Party and originally had placed his faith in the Protestant Church as the basis of a reconstituted Germany, yet he quickly came to the conclusion that the SPD had a key role in a stable German democracy. Since then, the party has remained his political home, his *Verein* for more than 60 years, even though his views have rarely conformed to party orthodoxy. That Helmut Schmidt is held in such high regard by his own party, while often publicly disagreeing with it, rests on two elements. The SPD knows that these disagreements do not spring from any self-regarding demand for profile, but are the result of deep thought and honesty. In addition, his views are given extraordinary force by his effectiveness and competence in office.

Schmidt became Chancellor better prepared than any other, before or since, with extensive experience at Defence and Finance and as a parliamentary leader. This

provided him with a host of international contacts, in contrast to almost all other German Chancellors, who habitually emerge from the *Land* level. His experience allowed him to recruit an extraordinarily talented group of officials to the Chancellor's Office, not all of whom were Social Democrats. While these factors were important, the key to Schmidt's domination of the governments he led and the effectiveness they displayed lay in the intellect he brought to that experience. All German governments are coalitions and the Basic Law further divides power through the departmental and the chancellorial principles, the latter allowing the head of government to determine the guidelines of policy. Chancellors are invariably selective, with most concentrating on foreign policy. Schmidt's unique experience, working methods (he is a speed reader) and intellect allowed him to be the only German Chancellor who did in fact determine the guidelines of policy. This was achieved not by overstressing formal chancellorial power, but by the persuasive force of argument. For a complex of reasons, including his own health difficulties and more importantly increasingly unbridgeable tensions between the coalition partners this proved increasingly difficult after 1980 and the government ended in some acrimony.

Social democratic governments outside Scandinavia are often seen as weak in economics, as basing policy on good intentions rather than grounded analysis. For Schmidt, economics was the foundation: if the economics were not right, nothing else could or would be. Revealingly, in a recent lecture he ascribes the successful establishment of democracy in the Federal Republic more to Ludwig Erhard and the Marshall Plan than to the efforts of those he calls the Weimar survivors. Getting the economics right involved for Schmidt not an abstract obsession with economic theory but producing careful policy solutions based on a sound knowledge of economics. He did not make the sort of mistakes attributed to intellectuals in politics and epitomised by the story of Garrett Fitzgerald, Prime Minister of Ireland, like Schmidt an economist, who is famously reputed to have responded to the first plans of his Finance Minister by exclaiming, 'I know these plans work in practice but do they work in theory?'

Helmut Schmidt succeeded Willy Brandt who was famously uninterested in economics. Getting the economics right involved multilateral action on the international front to deal with the after-effects of the oil price shock, and - later - recalibration of international monetary arrangements, meeting the challenge of declining American leadership and culminating in his collaboration with President Giscard d'Estaing. Internally he regarded himself as Chief Executive of Germany AG. Under Brandt, the system had got out of kilter, exemplified by high wage demands from the trade unions. Schmidt was able to restore balance and to get business and labour to cooperate in a very productive manner throughout almost all his period in office. He was able to preserve a German system which contained large elements of social democracy. This was in sharp contrast to the experience of his old friend, Jim Callaghan, who (as a result of the deficits and divisions of the Labour party) presided over the exhaustion of social democracy in Britain and when New Labour returned to power under Tony Blair it was as representatives of a Third Way rather than traditional social democracy which was seen as too statist, too closely allied to the trades unions for a new and globalising world.

The relationship between social democracy and the security and defence field had always been troubled in Germany. In the early years of the Federal Republic, the attitude of the SPD to the Bundeswehr was ambivalent. Helmut Schmidt played a unique role in developing a more positive relationship. Very unusually for an SPD MdB he took part in early Bundeswehr manoeuvres and wrote the first and for some time the only German book on nuclear deterrence. He was an outstanding Defence Minister. Perhaps his greatest contribution to the security issue were his 'twin track' proposals to deal with the Soviet SS 20s, which - while disavowed by his own party - underpinned the process that led to the fall of the Berlin Wall. While Willy Brandt made a central contribution to security through *Ostpolitik*, no other European leader can compare with Helmut Schmidt as a contributor to policy and thinking on defence issues.

Helmut Schmidt's relationship with the UK is important and complex. Schmidt was one of a number of outstanding talents including Ralf Dahrendorf spotted by Robert Birley, the British educationalist who had a vital influence on British-German relations in the

immediate post-war period; Schmidt was much influenced by British contacts and ideas. I can think of no other foreign statesman (and come to think of it no British one either) who numbered Henry Moore and Karl Popper among their friends. He was a major force in the Königswinter Conference. Almost alone in the SPD Parliamentary Party he voted against German entry into the EEC on the grounds that the United Kingdom was not a member. His closest allies included Jim Callaghan, Peter Carrington and Denis Healey.

Schmidt understands us very well and his discourse is perfectly suited to our tastes. No post-war German chancellor has been so admired in Britain; even though German efficiency is sometimes resented, in the dark days of the 1970s many half-wished for 'Super-Schmidt' as PM. He remains a keen and shrewd observer of the UK scene. When asked whether Germany needed a Thatcher to introduce dynamism, he replied that in order to introduce more dynamism in Germany one would require first an Arthur Scargill, i.e. someone who would definitively prove that the system was dysfunctional. The British, of course, know that our European policy has been a great disappointment to Schmidt and those like him who believed that we should have played a greater and more productive role in the EU. I hope and believe however that we British have retained some of the openness and intellectual energy which inspired him in the post-war days. I believe, too, that this will be reflected in a conference dedicated to Schmidt not only as the leading European statesman but also as a person who has always been (in our eyes at least) an Honorary Brit.