Alliance in Turmoil: The United States, the Federal Republic of Germany, and the End of Détente

DISSERTATION

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Abstract

This dissertation examines how the feud between President Jimmy Carter and West German Chancellor Helmut Schmidt caused a decisive shift in U.S.-allied relations at the end of the era of détente. It looks at how differences in leadership style, geopolitical strategy, and ideology caused Schmidt to reject the legitimacy of the American-Soviet global Cold War. The chapters that follow explore several points of contention between the United States and the Federal Republic of Germany (FRG), including Carter’s use of human rights rhetoric, the neutron bomb debacle, SALT II negotiations, the clash over the international economy, and the Soviet invasion of Afghanistan.

The first chapter provides background on U.S.-FRG relations, examines the rise of Schmidt and Carter, the friendship Schmidt developed with Ford and Kissinger, and the initial clash between Carter and Schmidt. Chapter two centers on the feud between Washington and Bonn over the proper economic policy to promote globally. The United States pressured West Germany to follow American advice and use Keynesian measures to increase the West German growth rate. Schmidt’s anger with American economic policy, however, caused Schmidt to promote the European Monetary System to shield West Germany from the consequences of American economic policy. The third chapter examines how public opposition to the neutron weapon in Europe and the United States constrained policymakers’ decisions on both sides of the Atlantic, causing a debacle that did lasting harm to U.S.—FRG relations. Chapter four discusses Schmidt’s
dissatisfaction with arms negotiations between the United States and the Soviet Union and his advancement of what would become NATO’s Double-Track Decision. That Double-Track Decision declared that NATO would seek to negotiate with the Soviet Union to dismantle Soviet intermediate missiles targeting Western Europe but would deploy over five hundred intermediate missiles to Europe four years after the agreement was signed in 1979 if the Soviets refused NATO’s requests. The fifth chapter examines the collapse of détente, the Soviet invasion of Afghanistan, and the intensification of the clash between Carter and Schmidt. By 1979 and 1980, Schmidt became convinced that Carter and his advisors did not understand international economics or the Soviet Union. He thought that to follow Carter’s suggestions to implement economic boycotts would devastate the Federal Republic’s economy and its relations with the East.
Dedication

This document is dedicated to my parents, Richard and Kerry Crain.
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Introduction

At the start of a White House dinner on March 5, 1980, President Jimmy Carter began an exchange of toasts with Helmut Schmidt, Chancellor of the Federal Republic of Germany, by joking: “When I tapped on my glass nobody got quiet but when—(laughter)—when Chancellor Schmidt tapped on his glass instantly absolute silence.” Carter then reminisced on how strong of a friend Schmidt had been throughout his time in office and praised the Chancellor for his experience, erudition, strength, and bravery. “Our alliance is firm and the solidarity of it is vital,” Carter affirmed, “and it is also extremely important to let the public know that there is no division among us, that we do stand together to face challenges, crises, and opportunities for the future.”¹ When it was his turn to speak, Schmidt amicably responded by saying that Carter had said not a single word with which he could disagree. Ironically, these toasts belied nearly four years of mutual antipathy between the two leaders.

This dissertation examines how the feud between President Jimmy Carter and West German Chancellor Helmut Schmidt caused a decisive shift in U.S.-allied relations at the end of the era of détente. It looks at how differences in leadership style, geopolitical strategy, and ideology caused Schmidt to reject the legitimacy of the American-Soviet global Cold War. The chapters that follow explore several points of contention between the United States and the Federal Republic of Germany (FRG),

including Carter’s use of human rights rhetoric, the neutron bomb debacle, the SALT II negotiations, the clash over the international economy, and the Soviet invasion of Afghanistan.

Under Schmidt’s leadership, the FRG became more independent and self-confident—a major development in post-World War II European and German history. During the Carter administration, the West German leader criticized, ignored, and occasionally defied American leadership. Thomas Schwartz argues in *America’s Germany*: “To the extent that America ruled an empire after 1945, …the Federal Republic of Germany was one of its most important ‘provinces.’”² If the Federal Republic was indeed a “province” of an American empire, the developments of the late 1970s demonstrated the limits of American imperial power in Europe.³

By the 1970s, the Federal Republic was the most powerful West European nation in every traditional measure except nuclear weaponry. It possessed greater economic might than any other West European nation, and its share of global exports rivaled that of the United States. Yet the Germans were also feared by many people on both sides of the Iron Curtain—not for what they were in the late 1970s, but for what they had been and, in some imaginations, what they could become again if left to themselves. As a consequence of both strengths and constraints particular to Germany, Schmidt’s challenge to American hegemony differed greatly from and had greater reverberations

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³ The FRG, in other words, was beginning to withdraw its invitation to empire. For a discussion of Western Europe’s initial granting of an invitation of an American empire see Geir Lundestad, “Empire by Invitation? The United States and Western Europe, 1945—1952,” *Journal of Peace Research* 23 (September 1986): 263—77. Also, see Geir Lundestad, *The United States and Western Europe since 1945: From ‘Empire’ by Invitation to Transatlantic Drift* (Oxford: Oxford University Press, 2003). This dissertation describes a pivotal episode in the transition from an American transatlantic “‘Empire’ by Invitation” to transatlantic drift.
throughout Europe and the world than Charles De Gaulle’s challenge of a decade earlier. De Gaulle’s France, which had lacked Germany’s foreign policy constraints caused by the legacy of the Nazi period and a shared border with Warsaw Pact nations, developed its own nuclear stockpile eschewing reliance on America’s nuclear arsenal. Such a road was closed to the Federal Republic, but this limitation meant that policymakers had to justify their actions through NATO to promote German interests and preserve German security. This necessity to depend on a supranational organization combined with the enormous political and economic leverage wielded by the Federal Republic gave the Germans both the motive and the means to thwart, drive forward, and even initiate NATO policy in ways that changed the contours of relations between the superpowers.

In the cases of the neutron bomb debacle, the Dual-Track Decision, and NATO’s reaction to the Soviet invasion of Afghanistan, West German influence shaped or stymied policies emanating from Washington.

Moreover, West Germany’s economic power was even more potent than nuclear weaponry, as both the Soviet Union and the United States believed that they needed West Germany’s economic might to strengthen their own economies, which were both stagnating in the late 1970s. The strength of the German economy, which had lower inflation and a smaller percentage of laborers unemployed than other Western economies, caused West German policymakers to perceive themselves as leading the most

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4 Paul Kennedy has written that the FRG’s GNP rose from $32 billion in 1952, to $89 billion in 1962, to “over 600 billion by the late 1970s. Its per capita disposable income, a modest $1,186 in 1960 (when the United States’ was 2,491), was an imposing $10,837 in 1979—ahead of the American average of $9,595” Paul Kennedy, *Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Vintage Books, 1989), 426. By 1980, West Germany had a GNP of 828 billion and the European Economic Community, which was dominated by West Germany and France, had a GNP of $2,907 billion which surpassed the American GNP of $2,590 billion and was more than double the Soviets’ GNP of $1,205 billion (Ibid., 436).
responsible economy of the Western alliance. Moreover, détente and the growth of trade with the Soviet Union had made the West Germans feel less threatened by the Soviets’ nuclear arsenal and, therefore, less reliant on American arms for their security. Thus when Schmidt concluded, as he often did, that Carter’s policies undermined the German export economy’s health and utility, destabilized East-West relations, and jeopardized Ostpolitik, West Germany’s effort to undermine Communist governments and enhance West German interests through rapprochement with the East, and German security, the Chancellor resisted those policies. He sought to safeguard the German economy from the volatile American dollar and the refusal of the Carter administration to accept German parsimony by helping to create the European Monetary System, which transformed much of Western Europe into a zone dominated by the deutschmark. In consequence, the Germans protected their exports and gained greater financial leverage over much of Western Europe, and also offered some shelter to other Europeans from the currency fluctuations endemic to the post-Bretton Woods world.

When détente between the superpowers abruptly ended, Schmidt was forced either to accept his nation’s subservience to the American “empire” or begin the process of breaking the German “province” out of the empire. He chose the latter. I am not

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5 Marc Trachtenberg argued that questions over Germany in the early Cold War involved the vital security interests of both Cold War superpowers and the resultant clash of interests “was thus to be the mainspring of international conflict during the Cold War period.” I am arguing here that while security interests certainly remained important, both sides had important economic interests in Germany in the late 1970s, which gave West Germany the maneuvering room to continue a regional détente with the Soviet Union even after the superpowers resumed the Cold War in the wake of the Afghanistan invasion. See Marc Trachtenberg, *A Constructed Peace: The Making of the European Settlement, 1945—1963* (Princeton: Princeton University Press, 1999), 55. Paul Kennedy has argued that because of Germany’s defeat, division, and supervision by the treaty powers, its “economic weight did not translate into political might.” Kennedy, *Rise and Fall of the Great Powers*, 426. This dissertation, however, will demonstrate that Germany did indeed begin to flex its political muscle during the Carter years.

6 John Lewis Gaddis has argued that the American empire, unlike its Soviet counterpart, tolerated diversity and spontaneity. Indeed, although the Carter administration did not quietly accede to Schmidt’s rejection of the American Cold War, it did not send in tanks to crush the West Germans like the Soviets, following
arguing that West Germany suddenly ceased to be an alliance partner, nor am I asserting that no differences in interests or disputes between the United States and West Germany existed before the Carter period. Rather, I am contending that the Schmidt-Carter split represented a period in which America’s alliance with the Federal Republic became less and less relevant to the West Germans, and the United States, by the time Carter left office, exerted far less control over the West Germans than before.

This dissertation addresses several major issues: how and why Germany became the main challenge to U.S.—West European harmony in the late 1970s; why two separate visions of the Cold War, one American and the other West European, emerged during this period; and how the resultant split affected American and West German Cold War policy in the late 1970s. This dissertation sheds greater light on Cold War alliance relations during a period in which America’s relative power was declining and détente was collapsing.

Although I examine the structural constraints in which policymakers operated, I emphasize the importance of human agency in shaping U.S.—FRG relations during the Carter administration. Had structural factors, such as Germany’s growing economic power, been solely responsible for the deterioration of American—West German

the Brezhnev Doctrine, would likely have done. See John Lewis Gaddis, *We Now Know: Rethinking Cold War History* (New York: Oxford University Press, 1998), 285.

7 See Thomas Schwartz, *Lyndon Johnson and Europe: In the Shadow of Vietnam* (Cambridge: Harvard University Press, 2003), 115—133 for an extensive discussion of Lyndon Johnson and the Ludwig Erhard fall. In the summer of 1966, Johnson humiliated West German Chancellor Ludwig Erhard in the eyes of the members of the German Bundestag. The German-American balance of currency agreement that favored the United States was approaching an end that summer. The Johnson administration demanded the agreement’s renewal, because the favorable currency balance offset the influx of American money into the FRG economy from the stationing of American military forces in West Germany. After returning from Lyndon Johnson’s Texas Ranch to admit in a Bundestag debate, in which Schmidt was a protagonist, that he had acceded to Johnson’s requests, Erhard’s own party, the CDU, promptly dropped him, and a coalition realignment took place in Germany that brought a coalition government led by the SPD to power for the first time since the Weimar Republic. Schwartz demonstrates that Johnson was well aware of Erhard’s political vulnerability and used that knowledge to deny the Chancellor’s request.
relations, the personal clash between Carter and Schmidt could be characterized as mere spectacle. Yet personal tensions between Carter and Schmidt exacerbated policy differences between the two nations, making compromise difficult when interests diverged. The inability of either leader to respect the other stymied negotiations. The leaders lectured to each other rather than negotiated with each other. I look both at how the differing backgrounds, beliefs, and constraints of each leader and their advisers set their nations’ policies on separate courses and how the personal rift between the two leaders aggravated situations when interests diverged.

I have divided this study into five chapters. The first chapter provides background on U.S.-FRG relations, examines the rise of Helmut Schmidt and Jimmy Carter, the friendship Schmidt developed with Gerald Ford and Henry Kissinger, and the initial clash between Carter and Schmidt. Chapter two centers on the feud between Washington and Bonn over the best economic policy to promote globally. The United States pressured West Germany to follow American advice and use Keynesian measures to increase the West German growth rate. Schmidt’s anger with American economic policy, however, caused Schmidt to promote the European Monetary System to shield West Germany from the consequences of American economic policy. The third chapter examines how public opposition to the neutron weapon in Europe and the United States constrained policymakers’ decisions on both sides of the Atlantic, causing a debacle that inflicted lasting harm on U.S.—FRG relations. Chapter four discusses Schmidt’s dissatisfaction with arms negotiations between the United States and the Soviet Union and his advancement of what would become NATO’s Double-Track Decision. That decision declared that NATO would seek to negotiate with the Soviet Union to dismantle
Soviet intermediate missiles targeting Western Europe but would deploy over five hundred intermediate missiles to Europe four years after the agreement was signed in 1979 if the Soviets refused NATO’s requests. The fifth chapter examines the collapse of détente, the Soviet invasion of Afghanistan, and the intensification of the clash between Carter and Schmidt. By 1979 and 1980, Schmidt became convinced that Carter and his advisors did not understand international economics or the Soviet Union. He thought that to follow Carter’s suggestions to implement economic boycotts would devastate the Federal Republic’s economy and its relations with the East.

**Historiography**

Scholars have certainly not neglected the many issues related to the split between Carter and Schmidt. Historians and political scientists have paid substantial attention to disagreements between the United States and Western Europe over Long-Range Theater Missile deployment and to tensions that arose during the SALT II negotiations.\(^8\) Scholars also have critically examined Carter’s use of human rights rhetoric\(^9\) and have also

\(^8\) See Jeffrey Herf, *War by Other Means: Soviet Power, West German Resistance, and the Battle of the Euromissiles* (New York: The Free Press, 1991). Herf analyzes the “euromissile” controversy and provides an excellent discussion of the interaction between German political culture and the euromissile debate. Herf’s work does not make use of archival documents and provides only a short discussion of the neutron bomb fiasco. See also Raymond L. Garthoff, *Détente and Confrontation: American-Soviet Relations from Nixon to Reagan*, rev. ed. (Washington, DC: The Brookings Institution, 1994). This is a massive work that argues that the United States was primarily to blame for ending détente. My work will also examine the manner in which Carter’s aggressive approach to the Soviet Union in the closing years of his presidency led to the end of détente. I will, however, also employ the secondary literature on the Soviet role in ending détente. For the Soviet perspective, I rely on Jonathan Steele, *Soviet Power: The Kremlin’s Foreign Policy—Brezhnev to Chernenko* (New York: Simon and Schuster, 1984); Adam B. Ulam, *Dangerous Relations: The Soviet Union in World Politics, 1970—1982* (New York: Oxford University Press, 1983); and Vladislav Zubok, *A Failed Empire: The Soviet Union in the Cold War from Stalin to Gorbachev* (Chapel Hill: University of North Carolina Press, 2007). The focus, however, will be on the effect of Carter’s tougher line toward the Soviets on U.S.-West German relations.

discussed Carter’s boycott of the 1980 Olympic Games in Moscow. A great deal has also been written on Ostpolitik, and since Schmidt’s reactions to Carter’s policies can only be understood in the context of Ostpolitik, I have relied upon these works to gain background for my study. However, most discussions of the rift between Carter and Schmidt fall within short sections of larger studies of U.S.—European relations. This human rights rhetoric infuriated the German chancellor, and my research will examine how Carter’s rhetoric affected alliance relations.

10 See Derick L. Hulme, The Political Olympics: Moscow, Afghanistan, and the 1980 U.S. Boycott (Westport, CT: Praeger, 1990). This work heavily castigates Carter’s efforts to persuade allies to join the United States in boycotting the Moscow Olympics. Hulme published his work long before many relevant Carter administration documents had been released. My work will also be critical of Carter’s handling of the Moscow Olympics. I will employ documents that will provide a deeper understanding of the Carter administration’s fears in the wake of the Soviet invasion of Afghanistan.

11 See M. E. Sarotte, Dealing with the Devil: East Germany, Détente, and Ostpolitik, 1969—1973 (Chapel Hill & London: The University of North Carolina Press, 2001). Sarotte argues that both West and East Germany faced a Faustian challenge in the period of détente and Ostpolitik. German Chancellor Willy Brandt and Secretary of State of the Chancellery and Commissioner of the Federal Cabinet of Germany in Berlin Egon Bahr were forced to talk civilly with dictators, and, on the other side, GDR leaders felt they were dealing with an ideologically degenerate enemy. Dealing with the Devil is an international history that demonstrates both how détente shaped Ostpolitik and how Ostpolitik shaped détente. Both superpowers sought to control their respective German allies in order to promote their own security interests. Yet, both had to deal with independent minded German leaders. The Soviets, Sarotte demonstrates, exercised far greater control over their Germany than the United States, but they did so through negotiating and political strategizing rather than through use of military force. Aside from providing background on U.S. German relations before the Schmidt-Carter split, Sarotte’s work provides an excellent model for understanding the dynamics of the Carter-Schmidt split. Ostpolitik, 1969-1974: European and Global Responses, ed. Carole Fink, Bernd Schaeffer (Cambridge: Cambridge University Press, 2009) provides a collection of essays that place Ostpolitik in a global context. Since the work was published in 2009, it provides the most recent interpretations on the issue.

12 See for example Timothy Garton Ash, In Europe’s Name: Germany and the Divided Continent (New York: Random House, 1993), 85—98; See Ronald Powskí, The Entangling Alliance: The United States and European Security, 1950—1993 (Westport, CT: Greenwood Press, 1993), 115—131. Powskí devotes a chapter to discussing Carter and his administration’s efforts to accomplish the goals set out at the beginning of his administration for achieving trilateralism or a system which would lead to better relations in the form of greater consultation and greater economic cooperation with allies in Western Europe. Powskí stated, “Paradoxically, however, by the time Carter left office in January 1981, the state of America’s relationship with its European allies had fallen to a new low.” Powskí, The Entangling Alliance, 115. See also the chapter “From Bad to Worse” in Lundestad, The United States and Western Europe since 1945, 201—210. My project will expand upon these earlier analyses by employing far more documentary evidence. Some important German works include: Hartmut Soell’s massive two-volume biography of Helmut Schmidt, making extensive use of Schmidt’s papers: Helmut Schmidt, 1918-1969 (Munich: Deutsche Verlags-Anstalt, 2003 and Helmut Schmidt: Macht und Verantwortung, 1969 bis heute (Munich: Deutsche Verlags-Anstalt, 2008); Barbara Heep, Helmut Schmidt und Amerika (Bonn: Bouvier, 1990). Klaus Wiegreffe’s Das Zerwürfnis: Helmut Schmidt, Jimmy Carter, und Die Krise der deutsch-amerikanischen Beziehungen (Berlin: Propylaeen, 2005) is the most important German-language source on the split between Carter and Schmidt. In addition to the archival documents, I rely on the thousands of pages of important foreign relations documents published in the massive foreign relations volumes, Akten zur Auswärtigen Politik der Bundesrepublik Deutschland (Munich: Oldenburg). Wiegreffe, who is trained
dissertation will provide a more in-depth analysis of German-American relations during the Carter administration and on Cold War alliance relations during a period in which America’s relative power was declining and its policy of détente was collapsing.\(^{13}\)

The historiography of Carter’s foreign policy has evolved over time. The standard interpretation of the Carter presidency has been to emphasize the inconsistency and confusion of its foreign policy. Most scholarship points to Carter’s inability to manage effectively the competition between National Security Adviser Zbigniew Brzezinski and Secretary of State Cyrus Vance as the cause for the administration’s failure to craft a coherent foreign policy.\(^{14}\) Other scholars have focused on Carter’s outsider status. They have argued that because Carter believed himself a newcomer who would transform Washington by bringing bold new ideas and moral imperatives to the White House, the President frequently eschewed political custom, which alienated the Legislative Branch and made it more difficult to achieve policy objectives.\(^{15}\) A third school has argued that events and constraints outside of Carter’s control helped to cause

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\(^{13}\) Melvyn Leffler discussed the dilemma of perceived decline that affected both the American and the Soviets in the late-1970s: “Although Carter and Brzhnev believed their systems would capture the allegiance of peoples around the globe, they each governed societies whose confidence was waning at a time of economic turmoil and political strife.” Melvyn P. Leffler, \textit{For the Soul of Mankind: The United States, the Soviet Union, and the Cold War} (New York: Hill and Wang, 2007), 337.


the president’s foreign policy mediocrity. Domestically, they have pointed to the growth of the neoconservative movement in American politics, the impact of the Vietnam War on American politics, and bureaucratic resistance to Carter’s initiatives. Internationally, they have argued that Carter had to deal with events and policies of other leaders outside of his control, such as the Iranian Revolution and the Kremlin’s belief that it could challenge the United States in areas not covered by treaties. Revisionist interpretations have focused more on Carter’s accomplishments. They have argued that Carter’s human rights policy transformed international opinion of the United States, maintained that Carter was pragmatic and thoughtful rather than inconsistent and confused, and pointed to the President’s diplomatic accomplishments, such as the signing of the Camp David Accords and the ratification of the Panama Canal treaties.

Although this dissertation has been informed by all four of the above points of view on Carter’s foreign policy, it mostly aligns with the first two schools. Although Carter faced severe constraints outside of his control, Schmidt also confronted numerous domestic and international constraints. As a consequence of internal divisions combined with Carter’s “outsider” leadership, the Carter administration displayed a near constant inability to connect means with ends and a lack of central direction from the President. Carter entered office with the admirable goal of changing the alliance into one that was more pluralistic. He recognized that Western Europe and Japan were far more economically relevant than the heavily armed, but economically backward Soviet Union.

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Yet he did not look to the right means to accomplish the aim of making the Alliance more pluralistic in a way that benefitted the United States. In the end, Carter’s objective was accomplished. The Alliance did become far more pluralistic, but it also became more divisive rather than cooperative.

Carter should have surrounded himself with a unified team able to work with Western Europe’s most powerful leader, Schmidt. Instead, his ideologically-divided team vacillated between confronting and accommodating Schmidt. Initially, Carter mostly understood Schmidt’s influence, but failed to understand the German Chancellor’s constraints and made demands on the Chancellor that he could never fulfill. Only when Carter’s poll numbers fell and he became convinced that he needed to restore a public perception that he led NATO did the President work effectively with the Chancellor to secure the Dual-Track Decision. Yet, Carter rather narrowly focused on restoring his image without regard to how the Kremlin would perceive a decision that would call for the deployment of new weapons capable of reaching Soviet territory while the two superpowers were simultaneously promising to limit and reduce strategic capabilities.

Following the Soviet invasion of Afghanistan, which might not have occurred had the Kremlin believed it risked losing détente with the United States, Carter reverted back to demanding that Schmidt do what he could not. Schmidt outmaneuvered the American leadership in ways that will become apparent. Time and again, he forced the internally-divided Carter administration to backpedal. The Chancellor resisted, undermined, or transformed most of Carter’s European policies.
Chapter 1: The Lip and the Smile

“In January 1977 President James Earl Carter took his place on the world stage. A former governor of Georgia, he came bereft of any experience in international affairs. His qualifications consisted instead of a great store of goodwill, a considerable intelligence, and an unmistakable personal sense of mission…..After a relatively short time it…became evident that Carter was not at all consistent in pursuing his new line.”

--Helmut Schmidt

“A blue-eyed, solidly built handsome man, he spoke perfect English and enjoyed smoking a pipe. Schmidt projected natural self-confidence and personal warmth.”

--Gerald Ford

“Helmut is strong, somewhat unstable … postures, and drones on, giving economic lessons when others are well aware of what he is saying...very popular in his own country.”

1 Helmut Schmidt, *Men and Powers: A Political Retrospective* (New York: Random House, 1989), 181. A note about Schmidt’s memoir: As the title suggests, Schmidt devotes his entire 387-page book to descriptions of his interaction with the foreign statesmen he came into contact with. Schmidt devoted over a hundred pages just to describing his understanding of and interaction with the Russians and nearly two hundred pages to the Americans. Thus, the book, when taking into account the bias or omissions that characterize any memoir, is a goldmine of a source, especially given Schmidt’s bluntness. The memoir includes well over a hundred pages of ranting about Carter.


A rift between Jimmy Carter and Helmut Schmidt developed despite the fact that they led the major progressive parties in their respective countries, the Democratic Party and the Social Democratic Party (SPD). In fact, Carter’s National Security Adviser Zbigniew Brzezinski wrote later that the Chancellor “took the undisputed first place” among leaders that both he and Carter disliked.⁴ For his part, Carter felt Schmidt was “a bully and a hypocrite.”⁵ Moreover, Brzezinski wrote that the Chancellor often “undercut any sympathy for him by his derogatory statements about the President. Even though every meeting produces declarations of friendship, Schmidt then follows it up with back-sniping.”⁶ Schmidt reflected later that his foreign counterparts’ party affiliation mattered far less to him than “the judgment and discernment of one’s counterpart in any encounter, his ability to get any policy enacted at home, his reliability and his consistency.”⁷ In Schmidt’s mind, Carter lacked all of these qualifications. Differences of personality, leadership styles, experience, and worldviews facilitated the split between these two leaders.

In this chapter, I first examine the backgrounds of Helmut Schmidt and Jimmy Carter. My focus then shifts to a brief exploration of U.S.-West German relations during the Nixon period. I then discuss the reasons for the very amicable relationship between Schmidt and Ford, and finally, analyze factors that caused the split between Carter and Schmidt.

**Helmut Schmidt: From Hamburg to a British POW Camp**

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⁵ Ibid., 26.
⁶ Ibid., 309.
Schmidt was born on December 23, 1918, in Hamburg, Germany. He spent his childhood in the inflation-ridden Weimar Republic and was fourteen when Hitler became Chancellor of Germany in January 1933. The British journalist and close friend of Schmidt Jonathan Carr convincingly argued that Schmidt’s early life in Hitler’s Germany and his wartime experience caused him to become a consummate pragmatist, highly suspicious of close adherence to political ideologies or slogans. Carr also credits Schmidt’s experiences of war and totalitarianism for forging Schmidt’s abrasive interpersonal style and his distrust of political visionaries and their platitudes.8

Schmidt’s first impressions of the United States were formed during the Weimar Republic and the Third Reich. As a student, Schmidt was taught nothing about the Declaration of Independence, the Emancipation Proclamation, or American democracy. The education system of the Weimar Republic and the Third Reich succeeded in instilling a mostly negative image of the United States in the future chancellor. He would learn of the American Depression and the rise of the “plutocrat” Franklin Roosevelt to the presidency. His unfavorable opinions of the United States were strengthened by the experience of his aunt. After spending fifteen years as a piano instructor in Minnesota, Schmidt’s aunt left the United States for Nazi Germany right before the beginning of World War II. Schmidt recalled, “Things had not gone well for her; though she spoke appreciatively of her American friends and our relatives in Duluth, who had taken her in and helped her time and again, she also brought back negative impressions.” To Schmidt, the United States was a land of widespread unemployment and poverty. He summarized his early impressions of the United States, “At the time war broke out, my knowledge of America was minimal, and my ideas of its economic and social conditions

had a negative cast.”⁹ Before being captured by the British at the end of World War II, Schmidt had no understanding of democratic government.

Although knowing completely and precisely what Schmidt knew and believed throughout the Nazi period is impossible, the available evidence suggests that the future Chancellor became increasingly, but privately, opposed to the Nazi regime. During the war, he fought as a lieutenant in an anti-aircraft unit attached to a tank division involved in the invasion of the Soviet Union, served as anti-aircraft training officer in Berlin, and fought as an Oberleutenant in an artillery unit on the Western Front. He later maintained that he did not know about the extermination of the Jews and others until after the war.¹⁰ He had a Jewish grandfather, a fact he discovered in 1934 and something that would be hidden during the Nazi period to ensure his family’s safety and to allow for his marriage to Hannelore “Loki” Glaser, because proof of an “Aryan” lineage was necessary for all marriages during the Nazi period.¹¹ As the war continued, Schmidt became increasingly convinced that he and his comrades were fighting for a criminal regime and against a mighty foe. While in Berlin, Schmidt was assigned to attend the trial of the 20 July assassination plot against Hitler in Roland Freisler’s infamous “People’s Court” on September 7, 1944. Repulsed by the proceedings, the future Chancellor successfully requested for his commanding officer to relieve him from a second day at the trial.¹²

As the war continued, Schmidt began doubting whether the United States could be entirely as bad as Nazi propaganda claimed, and whether the armed forces of the Third

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⁹ Schmidt, Men and Powers, 127-128.
¹¹ Helmut Schmidt and Fritz Stern, Unser Jahrhundert: Ein Gespräch (Munich: C. H. Beck, 2010), 85. Unser Jahrhundert is a fascinating transcription of a three day conversation between Helmut Schmidt and the famous historian Fritz Stern that covers a wide range of topics, which include mostly influential people or events of the twentieth century.
¹² Soell, Helmut Schmidt, 1918—1969, 149.
Reich stood even a remote chance of prevailing over the overwhelming might of the Allies. Although Schmidt believed that Germany would lose and feared the consequences of defeat, he stressed later that he and his comrades had fought to survive. Schmidt would reflect, “Those of us who were soldiers therefore pushed aside any thoughts we might have about the larger meaning of events.” His first direct exposure to American power came at the Battle of the Bulge, where he later asserted, “I did not see a single American soldier.” Instead, he experienced American artillery fire and airstrikes, forcing Schmidt and many of his comrades into a retreat before American soldiers and tanks advanced through German lines. During the Battle of the Bulge, Schmidt’s anti-aircraft battery shot down ten Allied planes. Yet, Schmidt recalled, Allied planes filled the sky and missing a plane would perhaps have been more difficult than hitting one. Schmidt later insisted that “I thought there was no sense in fighting the Americans and British, and I said to my commander that we should allow the Amis (The German slang for “Americans”) to get as far as possible into Germany and to concentrate instead on beating back the Russian armies. He was outraged at my suggestion and rejected it, but he did not report me. Perhaps like many German soldiers at the time, he too believed that an American-Russian conflict would soon break out in Central Europe, but he did not say so.”

In April 1945, Schmidt was captured by the British. While a prisoner, Schmidt read widely about democratic government and decided to become a Social Democrat. The circumstances of Schmidt’s POW conversion to democracy led many Social

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13 Ibid., 128.
14 Soell, Helmut Schmidt, 154.
15 Schmidt, Men and Powers, 128-129.
Democrats to question the sincerity of his Social Democratic convictions throughout his political career.16

As the United States helped war-torn Western Europe rebuild, Schmidt’s view of America morphed from a nation mired in Depression to “a land of miracles.” Moreover, America of the early postwar period was a “generous nation” in the eyes of Schmidt and his fellow West Germans. The same aunt who had fled Depression-ridden America now received CARE packages from American relatives, helping to sustain Schmidt’s family in hunger-ridden Hamburg in the winter of 1946. Moreover, many of the same American pilots who had once turned German cities into ruins now kept West Berliners from starving in the Berlin Airlift of 1948-1949, and, rather than force Germany into perpetual economic backwardness, the United States lifted West Germany up through Marshall Plan. To West Germans, many of whom had feared the meaning of the wartime “unconditional surrender” demands, the generous Americans left a lasting impression.

The future West German Chancellor decided to study economics after he found he could not study architecture in Hamburg. His education in economics smoothed his rapid rise in the postwar West Germany, which would turn to economic power for its strength after militarism had been discredited.

“The Lip”

After entering the Bundestag, Schmidt quickly earned the sobriquet “the Lip” among both political friends and foes because of his brusqueness. In March 1958, Schmidt delivered a blistering attack on members of the CDU/CSU, the conservative opponents of the SPD, charging that the same Conservatives that hitherto supported laws

16 Indeed, Kissinger suspects that Schmidt would have been happier had he joined the CDU, but Schmidt’s birthplace in Hamburg, an SPD stronghold, meant that Schmidt had to either join the SPD or remain a mere political critic. Henry Kissinger, Years of Renewal (New York: Simon and Schuster, 1999), 611.
that made Hitler all powerful now sought to acquire nuclear weapons. As conservative members of the Bundestag began shouting furiously at Schmidt, the young Social Democrat responded by yelling back “I and many others here were just schoolchildren—fourteen years old….Your assent to [Hitler’s] enabling legislation took us and millions of others to the slaughterfields of Europe and into the cellars of our cities, millions more into the concentration camps and death chambers.” Schmidt demanded that the conservatives “Give up your German megalomania once and for all, your German national megalomania.” The speech turned Schmidt into a national star and earn him the reputation of “Schmidt Schnauze” or “Schmidt the Lip.”

Parliamentary abrasiveness alone did not catapult Schmidt into the Chancellor’s office. He would develop a reputation as a politician of unequaled expertise and experience in economic and defense matters. Throughout the 1960s, Schmidt enhanced his reputation as a powerful orator, and he would add a mastery of strategic matters to his expertise in economics, writing Defense or Retaliation and The Balance of Power.

Schmidt believed that the SPD had to match the CDU/CSU government, which had presided over West Germany’s security and “economic miracle” in the early postwar period, on economic and defense expertise to win national elections. He advocated an increase of conventional forces over reliance on American nuclear forces, because the former would offer a more credible deterrent to the Soviets. Soviet leaders, Schmidt feared, might doubt that the Americans would risk nuclear war over Europe. Although he did not believe that the Soviets would invade West Germany, he feared that the credible threat that they could do so without serious repercussions would allow Moscow to exert immense political pressure on West Germany that could perhaps even decouple West

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17 Carr, Helmut Schmidt, 25.
Germany from the United States. The Soviets must be convinced that the American soldiers stationed in Europe would fight if attacked, and only an increase of conventional forces could prevent the Soviets from exerting political pressure on Bonn.

Schmidt would also earn a reputation as a crisis manager of the highest caliber. While he served as Senator for Internal Affairs of Hamburg in 1962, a hurricane struck, flooding much of the city. Schmidt reacted instantaneously. Greatly exceeding his authority in the absence of Hamburg’s mayor, Schmidt assembled 40,000 rescuers and over a hundred helicopters to save the city’s population. Although three hundred citizens died, Schmidt’s effective management saved over 1130 citizens of Hamburg from certain death.  

By serving as finance minister, defense minister, and at one point, “superminister of economics and finance,” during the chancellorship of Willy Brandt, Schmidt gained national experience in economic and defense matters, helping to propel him to the Chancellor position after Brandt was forced to resign after it was discovered that one of his close aides, Günter Guillaume, was an agent of the East German Stasi. During his first two years as Chancellor, Schmidt’s star rose even higher in the eyes of his European counterparts. Carr wrote, “Most non-Germans simply saw a man of great skill and will-power, an ‘Iron Chancellor,’ taking the helm of the ‘strongest country in Europe.’ It had long been common to talk about the Federal Republic as an ‘economic giant and a political dwarf.’ With the Schmidt era, many people said the dwarf had grown up to match the country’s economic might.”

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19 Carr, *Helmut Schmidt*, 86.
called Germany’s “Second Economic Miracle,” as the fiscally responsible West Germany weathered the stagflation of the mid 1970s better than the other major industrialized nations. In 1977, Schmidt reprised his role as an effective crisis manager. In September, the Red Army Faction kidnapped Hans Martin Schleyer, President of both the Federation of German industry and of the national German employers’ organization, shooting his driver and three bodyguards in broad daylight. The terrorists’ act was the latest in a series of attacks that had started in the late 1960s and stemmed from the unrest of the radical fringes of the West German youth. The terrorists demanded that eleven of their comrades must be freed from West German prisons and given 100,000 DM each. Schmidt responded by announcing that the terrorists would not be negotiated with. The situation worsened when four Middle Eastern terrorists hijacked a Lufthansa airplane, demanding that the West German government give in to the demands of Schleyer’s kidnappers, which revealed the existence of suspected links between the RAF and foreign terrorists. After the hijacked aircraft landed in Mogadishu, Schmidt authorized Operation ‘Feuerzauber’ (‘Magic Fire’). After tossing stun grenades into the plane, German commandoes rushed into the cabin, neutralizing the terrorists by killing three and severely wounding the fourth. None of the hostages was severely wounded. In reprisal, the terrorists shot Schleyer in the back of the head. Many jailed terrorists committed suicide. Later, German authorities would capture and bring to justice the murderers and the Schleyer affair would be a turning point in the West Germans’ struggle against terrorism. Schmidt, who had been prepared to resign had the hostage operation failed and

broke down in tears after its success, gained immense international prestige for his resolve.21

Admiration for Kennedy and the Johnson Lesson

Schmidt’s understanding of the United States evolved during the first years of his political career. The future Chancellor was enamored of President John F. Kennedy, admiring his handling of the Cuban missile crisis and his ability to combine idealistic rhetoric with practical political skill. Moreover, Schmidt believed that the President understood European interests and gave “Europeans an equal partnership with his own nation.” Schmidt, who abruptly ended a Social Democratic party conference in Hamburg after receiving a note while giving a speech that Kennedy had been assassinated, would write later, “We loved Kennedy, and because of him we loved the United States.”22

Schmidt felt differently about Kennedy’s successor, President Lyndon Johnson. From Schmidt’s vantage point, in the summer of 1966, Johnson humiliated West German Chancellor Erhard, eroding the Chancellor’s support in the Bundestag. The German-American balance of currency agreement that favored the United States was approaching an end that summer. The Johnson administration demanded renewal of the agreement, because the favorable currency balance offset the influx of American money into the FRG economy from the stationing of American military forces in West Germany. Schmidt reflected that no other nation was asked to make such offsets and argued that Germany should not have been treated differently from other European powers even though some twenty years before it had been America’s primary enemy. Erhard was “too soft to reject Johnson’s unreasonable demands,” in Schmidt’s opinion. After returning

21 Carr, Helmut Schmidt, 114—121.
22 Ibid., 139.
from Johnson’s Texas Ranch and admitting in a Bundestag debate that he had acceded to
Johnson’s requests, Erhard was dropped by his own CDU party. A realignment brought
to power a grand coalition government.

Later, when the Chancellor responded immediately and vehemently to any action
or statement made by Carter (or by Brzezinski) that seemed to imply German
subservience to American power, he did so with the memory of how in 1966, Johnson’s
disregard for German interests resulted in the then Bundestag representative Schmidt’s
embarrassment and West German Chancellor Ludwig Erhard’s downfall. Schmidt had
been disgusted by Johnson’s “overnight” dropping in December 1964 of the Kennedy-
inspired Multilateral Force (MLF), which was a multinational fleet of carriers for
launching nuclear weapons. The President had acted without regard to the domestic
political consequences for any German supporters of the MLF, which had included
Schmidt and other members of the SPD. “That was when I understood for the first time
that it is domestically risky to commit oneself to a policy advocated by the ruling power
if that power cannot be relied on to stick to its guns,” Schmidt wrote.

Although Schmidt’s party benefited from its entry into power, Schmidt long
remembered his disgust over Erhard’s disgrace. He wrote, “In 1966 the American lack of
international experience and the egotistical inconsiderateness of an American president
helped to bring down a chancellor and start a change of coalition in Bonn.” He is clear
about the lesson he took from both Johnson’s sudden cancellation of the MLF proposal

23 Ibid.
24 Schmidt, Men and Powers, 142. When dealing with Carter’s unilateral decision to defer production of
the neutron weapon, Schmidt would tell his cabinet that he “recalled only one precedent” for Carter’s
decision, and that was Johnson’s MLF decision, Kabinettsitzung, April 5, 1978, Bestand 150,
25 Schmidt, Men and Powers, 143.
and the humiliation of Erhard: “I thought of it more than ten years later, when Presidents Carter and Reagan repeatedly took action over the heads of their European allies or did not honor official agreements: just like Johnson, unaware of the domestic consequences for their allies or ignoring them, they made difficulties for me several times while I was chancellor.”

Schmidt felt that a German chancellor could not afford to be “soft” with the Americans lest West German interests and West German political careers be trampled upon by the Americans in the name of alliance loyalty. Johnson had little sympathy for the notion that West Germany should bear a burden equal to other nations in financing American military forces and appeared completely unaware (or did not care enough to mention) that his demands on Erhard had contributed to the crisis that had led to his government’s downfall.

**Jimmy Carter**

Jimmy Carter was born on October 1, 1924, in Plains, Georgia. Unlike Schmidt, Carter did not fight in World War II but instead attended the Naval Academy in 1943. Carter received a mostly technical education at the academy, taking very few humanities

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26 Ibid.
27 Lyndon Johnson, The Vantage Point: Perspectives of the Presidency, 1963—1969 (New York: Holt, Rinehart and Winston, 1971), 307—308. Johnson explained that the currency imbalance had been the result of American and British soldiers converting their dollars and pounds into German Marks and spending them on German goods. Although the Germans had previously offset the resultant currency imbalance through buying American military equipment, the Erhard government’s budget was in trouble in 1966 and the CDU/CSU-led government was spending more money on welfare programs than American military equipment. Johnson was not willing to bail Erhard out of his economic troubles and demanded that Erhard place NATO alliance loyalty above Germany’s national economic considerations. Interestingly, Johnson did not acknowledge that his pressure on Erhard contributed to the collapse of the CDU/CSU coalition: “The negotiations had scarcely begun when they received a serious setback. Late in October an internal political crisis toppled the Erhard government from power.” Johnson goes on to discuss later efforts to balance the currency rate, as though the fall of the Erhard government was simply an unrelated speed bump. See Thomas Schwartz, Lyndon Johnson and Europe: In the Shadow of Vietnam, 115—133 for a more extensive discussion of Johnson and the Erhard fall. Schwartz demonstrates that Johnson was well aware of Erhard’s political vulnerability and used that knowledge to deny the Chancellor’s request.
courses. After graduating from the Naval Academy, Carter served as an engineer on diesel and nuclear submarines. After Carter left the navy, he took over his family’s peanut farm, helping to ensure its economic vitality. Carter served in the Georgia State Senate, and then won the Georgia gubernatorial race in 1970.

Carter rapidly emerged from national obscurity to become the presidential candidate for the Democratic Party in 1976. In 1973, Carter appeared as a mystery guest on the popular television show What’s My Line? The panelists, who ordinarily wore blindfolds and guessed guest celebrities’ identities based on the answers to yes or no questions, failed to determine Carter’s identity, even without blindfolds on. In October 1975, a Gallup poll found that Carter was the number one choice for president of fewer than three percent of Democrats. Carter won the nomination of the Democratic Party through ambition, his credentials as an outsider, his campaign’s superior organization, and the nation’s receptivity to an “outsider” candidate following Watergate. Compared to Schmidt’s extensive pre-Chancellor resume, Carter’s experience in national and international matters was slim.

Schmidt believed, probably correctly, that Carter owed his election victory completely to Americans’ frustration with Washington insiders that had resulted from the Vietnam War and Watergate. Thus Schmidt would view Carter’s victory over his good friend Gerald Ford as not the consequence of his own experience or expertise, but simply because Carter was viewed as the polar opposite of Richard Nixon. Schmidt’s early

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28 According to Betty Glad, Carter’s only social science or humanities courses included a literature course, a course on American government, a modern European history class, and a U.S. foreign policy course. Glad, In Search of the Great White House, 51.
29 Glad, In Search of the Great White House, 216.
30 Glad, An Outsider in the White House, 7.
31 Schmidt, Men and Powers, 181.
disrespect and even hostility for Carter, despite Brzezinski’s later questionable claim that Carter initially had an “attitude toward Schmidt…of respect and even deference,” should be viewed in this light.\textsuperscript{32} In Schmidt’s eyes, Ford did not deserve to be pushed out of office and Carter had not earned his new position. Moreover, the German political and media elite were incredibly skeptical about a presidential candidate from the American South who talked openly about the impact of his religious beliefs and how they affected his decision making.\textsuperscript{33}

Carter, however, strongly believed that he did indeed deserve the presidency. Political scientist Betty Glad wrote in an early biography of Carter that he believed himself to be a man of destiny.\textsuperscript{34} Moreover, she wrote, “Though Carter was unwavering in his drive for position, he could be very flexible while pursuing it. He showed unusual freedom from internal constraints—of personal loyalties, strong political commitments, or concern for the egos of his opponents—and he seemed slow to experience shame or guilt.” Glad argued that he exhibited traits of what Karen Horney called an “expansionistic (subtype: narcissistic) personality.” According to Glad, Carter possessed grandiose ideas of himself, an almost total disregard for the feelings of others, a penchant to exaggerate his past accomplishments, and a tendency to react viciously to any criticism.\textsuperscript{35} His inability to regard the feelings of others did not bode well for relations with Schmidt, who was on guard against the Americans relegating the Germans to a subservient position.

\textsuperscript{34} Glad, \textit{In Search of the Great White House}, 488.
\textsuperscript{35} Ibid., 493—494. Glad later reflected that “though [Carter] remains the same proud man I delineated in my earlier biography,” she discovered Carter proved better able than she had first believed of accepting criticism from his inner circle of advisers. Glad, \textit{An Outsider in the White House}, 3.
Nixon, Ford, Kissinger, and Schmidt

The fact that Carter was on the American Left actually made relations more difficult with members of the West German Left. This counter-intuitive difficulty stemmed from the differing historical foreign policy experiences of the Right and the Left in the United States and West Germany. During the détente period, the American Right’s foreign policies had become intertwined with those of the German Left. The American Right began détente with the Soviet Union, while in West Germany, the Left initiated Germany’s with the Soviet bloc.

This linkage between the Nixon administration’s détente and the Brandt government’s Ostpolitik had rather inauspicious beginnings. President Richard M. Nixon and his National Security Adviser Henry Kissinger feared either that the Federal Republic might grant the German Democratic Republic greater legitimacy through recognition or that the Soviets would take advantage of West Germany’s Ostpolitik and “confront the FRG with the proposition that a real and lasting improvement in the FRG’s relations with the GDR and other Eastern countries [could] only be achieved if Bonn loosens its Western ties.” Yet, as time passed, it became apparent to Nixon and Kissinger that West Germany remained a loyal ally and presented no danger of drifting eastward.

While serving as Willy Brandt’s Minister of Defense, Schmidt got along with the Nixon administration. Henry Kissinger said about Schmidt: “He is the only one we can

36 For a detailed discussion of the many connections between Ostpolitik and détente, see Sarotte, Dealing with the Devil.
38 Lundestad, The United States and Western Europe since 1945, 173.
Schmidt greatly respected Richard Nixon’s abilities as a strategist. While Schmidt served as Minister of Defense, he attended a White House breakfast in 1969 as part of the NATO Nuclear Planning Group. After Nixon gave the group a brief speech of little substance, Italy’s Manilio Brosio, the Secretary General of NATO, rose and brashly told the President that he had said little of importance. According to Schmidt, Nixon “reflected for a moment and launched into a second speech, lasting about three quarters of an hour, completely off the cuff (I was sitting next to him and could see that he was not speaking from notes)”\(^{40}\) The occasion left a lasting impression on Schmidt, who would be impressed by Nixon’s détente policies; for “his understanding of the interests of his European allies; his judgment and capacity to act in international affairs—all of which distinguish Nixon from Johnson, Carter, and Reagan.”\(^{41}\) Although he greatly respected Nixon’s competency,\(^{42}\) Schmidt never developed a friendship with the President who had such a “complicated nature” and remained “a mysterious figure for his entire term in office” for most European leaders.\(^{43}\)

After scandals forced both Brandt (on May 7, 1974) and Nixon (on August 9, 1974) to resign their respective offices, their successors, Gerald R. Ford and Schmidt, continued to support their predecessors’ policies of Ostpolitik and détente, which laid the groundwork for close collaboration between the two. Schmidt later said that Ford was “the most dependable human being among the four presidents that I’ve met.”\(^{44}\) Both the


\(^{40}\) Schmidt, *Men and Powers*, 147.

\(^{41}\) Ibid.

\(^{42}\) Schmidt referred to Nixon as a strategic “genius” in an April 15, 1990 interview with Brian Lamb that can be found at http://www.c-spanvideo.org/program/11944-1.

\(^{43}\) Ibid. 141.

new American President and the new German Chancellor agreed on global strategy, and Schmidt believed the three major summits of 1975 (Brussels, Helsinki, and Rambouillet) were demonstrations of “the West at a high point of unity.”\textsuperscript{45} The frequency of summits in 1975 alone was in Schmidt’s mind a demonstration of Western unity, as the German Chancellor attached unusual importance to meetings of “great men.”\textsuperscript{46} Schmidt, moreover, used his own extensive knowledge and experience on financial and defense-related matters to dominate summits during Ford’s presidency. Transatlantic harmony facilitated his summit supremacy, as Americans and West Europeans agreed on most major strategic issues and the Europeans accepted an American leadership that took account of allies’ interests. For example, at the economic summit in Puerto Rico, Helmut Schmidt said, “In my view, the growth in trade to the USSR is to the West’s advantage. It has created a kind of semi-dependence on our technology by the Soviet Union.” Later in the conference, President Ford said “I subscribe to the concepts of Chancellor Schmidt.”\textsuperscript{47}

Good personal understanding between German and American policymakers during the Ford presidency enabled compromise when larger strategic interests diverged. The West German Chancellor and the President both later stressed the importance of personal relations. Later, Schmidt wrote that while it is true that “nations have interests,” it is also true that “these interests are interpreted and pursued by the leaders, and different

\textsuperscript{45} Schmidt, \textit{Men and Powers}, 175.
\textsuperscript{46} Timothy Garton Ash has argued that Schmidt subscribed to the great man view of history. The title of Schmidt’s book alone demonstrates that he saw international events as being shaped by the “great men” of the age, but his “great man” view of history is also demonstrated by Schmidt’s constant desire for summits, whether with Western or Eastern leaders, as well as his lengthy discussions about the personal qualities of every leader he encountered. \textit{Ash, In Europe’s Name}, 86.
\textsuperscript{47} Transcript of Economic Summit in Puerto Rico, July 2, 1976, Item Number: KT01981, Kissinger Transcripts, DNSA.
personalities at the head of the same state will act in very different ways.” Schmidt considered both Ford and Kissinger personal friends, and from these friendships grew a mutual trust that led to good relations between the United States and the Federal Republic. The Chancellor felt that Ford and Kissinger recognized German interests and treated the West Germans as equals, which was important since he found it unacceptable for an “American-German master-vassal relationship [to] arise even subconsciously on either side of the Atlantic.” Still, Schmidt recognized the importance of following American leadership during the Ford administration. In one conversation, Schmidt told Kissinger when the two reflected over the difficulties of governance in Western democracies, “Whatever we say here, we must never repeat, except to our closest friends. Too much depends on America to question its ability to solve its problems.” Schmidt had developed a lasting respect for Kissinger, which began during the Nixon administration and continued during the Ford administration. Schmidt would later say that though he had disagreed with Kissinger on many points over the decades, “I have always been amazed by his analytical power. A brilliant analyst!”

The feelings of respect and friendship were mutual. Reflecting on a deep personal conversation that lasted until 2:00 A.M. with Schmidt, Ford wrote that the mutual respect of the two leaders “underscores a point often overlooked in discussions of foreign policy—the importance of personality. Relations between the U.S. and West Germany were excellent throughout my Administration, primarily because Schmidt and I got along

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50 Ibid., 614.  
51 Schmidt and Stern, *Unser Jahrhundert*, 43. *Unser Jahrhundert* is a fascinating transcription of a three day conversation between Schmidt and the famous historian Fritz Stern that covers a wide range of topics, which include mostly influential people or events of the 20th century.
so well.” Kissinger admired the German Chancellor’s talents, writing that Schmidt was the “most erudite of Germany’s postwar leaders,” with his extensive interest and knowledge in “architecture, music, and political economy.” Destiny, Kissinger wrote, relegated this immensely capable man, who, given the opportunities, would have been one of greatest figures in German history, to the role of being just a “transitional figure on many different levels.”

For the most part, Kissinger found Schmidt’s assertive style “comforting,” because “one could be sure that Schmidt’s views never were related to personal advancement or parochial national interests.” Of course, Kissinger would likely have found the Chancellor’s abrasive style less “comforting” had Schmidt advocated a very different strategy vis-à-vis the Soviet Union than the United States did and had “the Lip” publicly attacked Ford and Kissinger constantly. Schmidt’s bluntness would not bother Ford and Kissinger as much as it would later trouble Carter and Brzezinski, because the former agreed with the substance of Schmidt’s policies.

Ordinarily, the personal trust between Schmidt and Ford, as well as shared strategic and economic visions, allowed American and German leaders to compromise when interests diverged slightly. For example, when Schmidt wanted to end German payments to the United States for the stationing of American forces on West German soil, the President and Chancellor worked out a deal for Germany to stop these payments after

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52 Ford, A Time to Heal, 221.
53 Kissinger believed Schmidt was both an agent and representative of change “between Germany’s past as an occupied and divided country and its future as the strongest European nation; between its obsession with security and the need to participate in building a global economic world order; between his Social Democratic Party’s belated commitment to the Atlantic Alliance and the reappearance of some of its earlier nationalist, even neutralist, tendencies.” Kissinger, Years of Renewal, 610.
54 Ibid., 611.
55 Ford reflects in his memoir that [Schmidt and I] saw eye to eye on almost everything.” Ford, A Time to Heal, 221.
making one final payment in exchange for the stationing of an additional American
brigade.56

The extent of Schmidt’s closeness with Ford and Kissinger was evident in the
warm personal letters between the statesmen. In a November 23, 1976, farewell letter to
Ford, the Chancellor wrote, “I feel that no other German chancellor ever felt so free, on
such friendly terms and so reliably rooted in a sense of friendship with an American
president as I have felt with you during your presidency.”57 In a January 14, 1977,
farewell message to Schmidt, Kissinger wrote, “The free world has been fortunate to
have had the benefit of your leadership and counsel during the recent period of economic
recession. I can assure you that I am storing away all the economic expertise I have
absorbed from you.”58 Shared worldviews cemented these friendships.

Schmidt angered Kissinger on one occasion when he publicly criticized the
Secretary of State’s remark, in response to the growing power of the Italian Communist
Party, that the participation of communists in West European governments would
“inevitably” result in the withdrawal of many or even all of American troops in Western
Europe.59 In a German television interview, Schmidt said about the statement, “One
should be restrained, even when one is the foreign [minister] of the greatest and most
important power in the world and at the same time the leading power of our alliance.”

56 Interestingly, in a debate between Carter and Ford in the 1976 election, Carter accused the Ford
administration of focusing almost exclusively on the Cold War struggle while ignoring the concerns of
America’s allies: “Our allies—the smaller countries get trampled in the rush. What we need is to try to
seek individualized bilateral relationships with countries, regardless of their size, and to establish world-
order politics….” Sidney Kraus, ed., The Great Debates: Carter vs. Ford, 1976 (Bloomingston, IN: Indiana
University Press, 1979), 486. Schmidt felt the opposite was true: Ford understood the concerns of
America’s allies while Carter had a poorer understanding of German concerns than Soviet leader Leonid
Brezhnev.
57 Ibid., 179.
58 Letter from Kissinger to Schmidt, January 14, 1977, Friedrich Ebert Stiftung, Helmut Schmidt Archive,
1/HSAA006388.
Enraged, Kissinger called the German ambassador, saying “He attacked me publicly on television for what I said on Communism in Italy and I just don’t think as between old friends personally and between our 2 countries that is appropriate. All the more so I know he agrees with me.” When German Ambassador to the United States Bernd von Staden said that he thought the statements might have been taken out of context, Kissinger responded, “I don’t care what he referred to. If he can be quoted as attacking me I don’t think he should say it.”60 Although Schmidt’s public remarks angered Kissinger, he still viewed Schmidt as an “old friend” and said that his frustration was based on his knowledge that Schmidt “agreed with him.” This disagreement was over style rather than substance. Schmidt’s tendency to publicly voice frustrations with American policy would later cause great friction with Carter that would be harder to resolve as the two were not old friends and did not agree with one another on substance. Yet the American election of 1976 began a rift with Jimmy Carter that, within a couple of years, widened into a chasm that would separate American and German approaches to the Eastern bloc and alter the two powers’ relations. When the Democratic candidate Carter campaigned against Ford, he directed most of his attacks concerning Nixon-Kissinger-Ford foreign policy at détente’s lack of regard for moral concerns. “What we were formerly so proud of,” Carter lamented in his October 6, 1976, debate with Ford, “the strength of our country, its…moral integrity, the representation in foreign affairs of what our people are, what our Constitution stands for, has been gone.”61 Carter advocated a change from balance-of-power foreign policy to a policy based around morality. Although détente would continue, Carter infused it with moral demands that

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60 Memorandum of Telephone Conversation between Henry Kissinger and Berndt von Staden, April 15, 1976, Kissinger Telephone Conversations, DNSA.
61 Kraus, The Great Debates, 479.
had been lacking before. If implemented, this change had the potential to threaten the status quo which had allowed the SPD-led government in Germany to pursue its Ostpolitik.

Believing that Carter’s rhetoric would threaten the status quo, the Chancellor unwisely publicly supported Ford during the 1976 election campaign, because he believed that continuity in U.S. foreign policy was in Germany’s best interests.62 Schmidt reflected in his memoirs, “The European governments had no need of a new beginning in Washington; instead, they had high hopes for a confirmation of America’s overall strategy and its consistency in pursuing it.”63 He believed stability between the superpowers ensured German security and allowed German Ostpolitik to continue unimpeded. The Chancellor had become familiar with and shared Kissinger’s realism. By October 1976, however, Bonn began to realize that Carter, “the man with the evasive personality and the ‘icy flash in his eyes,’” would likely defeat Ford.64

Leadership Constraints and Styles

Although both Schmidt and Carter won their respective 1976 elections, the Chancellor emerged in a far more tenuous domestic political position than the President did, even though his governing coalition received nearly the same percentage of the German electorate as Carter did of American voters. The German Bundestag elections held on October 3, 1976, resulted in the CDU-CSU’s winning 48.6 percent of the vote, while Schmidt’s SPD won only 42.6 percent and the SPD’s coalition partner, the FDP, won 7.9 percent of the vote. Thus the SPD/FDP coalition that allowed Schmidt to remain Chancellor barely held a majority in the Bundestag. Moreover, the CDU-CSU opposition

62 Wiegrefe, Das Zerwürfnis, 70.
63 Schmidt, Men and Powers, 181.

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held a majority in the Bundesrat, the West German parliament’s upper house, throughout Schmidt’s chancellorship. Because all bills had to be approved by the Bundesrat and because some legislation, including any bills proposed related to taxation, could be vetoed by the upper house, Schmidt faced frequent legislative delays. Moreover, although he frequently agreed more with the conservative opposition than with his own party on economic and defense-related issues, he recognized that if he pursued policies too much at odds with his SPD colleagues in the Bundestag, he risked being expelled from office. He had to walk a political tightrope to maintain his power. Schmidt was not even the head of his own party, as Willy Brandt had maintained his Chairmanship of the SPD after resigning from the Chancellery. Brandt, politically to the left of Schmidt, clashed with Schmidt over the SPD’s posture toward the German youth movement, which worried more than party elders about environmental and peace issues. Schmidt was angered that Brandt appeared to pander to young people, who Schmidt dismissively said were characterized by “Young Socialist arrogance,…quasi-theological pontification in foreign and security policy,…[and] ‘economic nonsense.’”65 For the party’s future, Brandt believed that party elders should seek to understand the new generation and that the party’s interests were better served by the youths’ passions being channeled and nourished within the SPD rather than outside of it. Schmidt fiercely disagreed with such “an opportunistic attitude towards…a middle class German youth movement, distinguished by an idealistic and unrealistic romanticism.”66

Moreover, in the West German parliamentary system, the major parties, the SPD and the CDU/CSU, frequently obtained national majorities only through coalitions with

65 Willy Brandt, My Life in Politics (New York: Viking, 1992), 312.
66 Ibid.
each other or smaller parties. Chancellors had to appoint high ranking members of smaller parties to significant posts—not as a political gesture as in the American system, but as a political necessity. In the 1970s, the FDP was the only smaller party on the political market. Because Schmidt’s SPD maintained a majority in the Bundestag only through a coalition with the much smaller FDP, Schmidt gave the high position of Foreign Minister to the Chairman of the FDP, Hans-Dietrich Genscher. Thus Schmidt’s Foreign Minister had an independent political power base, and if Genscher became dissatisfied with Schmidt’s policies, he could take his party out of the coalition with the SPD, forcing national elections and likely causing Schmidt to lose his job.67

Still Schmidt managed to achieve a rather coherent foreign policy as Chancellor. He assembled a tight knit group in the chancellery known as the Kleeblatt, or cloverleaf, a brainstorming team of four experts who had been standouts in various government ministries. The team helped Schmidt set the government’s agenda and provided counsel during crises. Moreover, Schmidt mostly worked effectively with Genscher.68 According to Kissinger, Schmidt provided the conceptual thinking behind German foreign policy while Genscher provided the tactical maneuvering that helped ensure that Schmidt’s ideas were successfully implemented.69

Despite Schmidt’s differences with his predecessor, the Chancellor maintained his tenuous hold on power by holding to Brandt’s policies of seeking change through rapprochement with the East. In his address to the Bundestag following Brandt’s resignation, Schmidt had affirmed “The change in chancellorship does not alter the fact that a social-liberal policy in this country continues to be right and necessary. We intend

68 Ibid., 109-110.
69 Kissinger, Years of Renewal, 614.
to pursue that course consistently….Continuity and concentration, that is the theme for the new government.”

In contrast, from Schmidt’s perspective, in addition to a stroke of fortune, Carter obtained office by making statements that threatened global détente, thereby threatening West-Germany’s Ostpolitik and Schmidt’s political base. Carter’s campaign rhetoric had emboldened Schmidt’s conservative adversaries from the Christian Democratic Union (CDU), who had been vocal opponents of West Germany’s dealings with the Soviets and East Germans since Ostpolitik began. Thus it is not surprising that relations between two leaders of the primary liberal parties of the United States and Germany quickly soured after Carter took office.

Unlike Schmidt, Carter had rather favorable domestic political conditions upon coming into office. Carter’s Democratic Party held majorities in both chambers of Congress throughout his presidency. However, Carter’s style of dealing with members of Congress, including those who agreed with his policies’ substance, alienated Congressional Democrats. For example, at Carter’s inaugural gala, Speaker of the House Tip O’Neill found his $300 seats were in the last two rows of the gallery. Infuriated, O’Neill called Hamilton Jordan, Carter’s top political aide, the next day and predicted “Some damned day your boss is going to be looking for something, and he’ll be asking you where the hell it is. And then I’ll teach you the lesson of your life, because what he wants will be in the Speaker’s pocket, and it will be all locked up.”

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72 Glad, Outsider in the White House, 3.
Carter convinced Senator Edmund Muskie, chairman of the Senate Budget Committee, Secretary of the Treasury Michael Blumenthal, and Representative Al Ullman, chairman of the House Ways and Means Committee, to support a tax rebate proposal that they strongly opposed. Yet Carter suddenly changed his mind without telling them, “leaving them hanging out there defending the flag he had abandoned.” James David Barber reflected, “All three learned of the switch by reading the newspapers. All three—important players Carter would need—expressed their not-so-private fury.”74 The new president also cut numerous pork barrel projects, arousing the ire of senators and representatives of both parties. Once, at a White House meeting, a seething Senator Russell Long rose and exclaimed sarcastically, “My name is Russell Long, and I am chairman of the Senate Finance Committee.”75 Carter even insulted his Congressional allies through modifications to their breakfast menus, serving Robert Byrd and Tip O’Neill only rolls and coffee at White House breakfasts rather than the far more substantial breakfasts they had been accustomed to. He also failed to communicate effectively with his Congressional allies at critical points. Speaker O’Neill, believing that he was working on the administration’s behalf, fought in a House debate for funding of the B-1 bomber. A few days later, O’Neill was surprised when Carter declared publicly that he opposed the construction of the bomber, telling O’Neill only ten minutes beforehand.76 This pattern of an almost complete disregard of others’ interests, sudden course changes, and basic inconsiderateness evident in Carter’s dealings with members of Congress would be present in his dealings with Schmidt.

74 Ibid.
75 As quoted in Barber, The Presidential Character, 438.
76 Glad, In Search of the Great White House, 422.
The two leaders shared two common characteristics: stubbornness and the use of superior knowledge to overwhelm opponents. Kissinger wrote that Schmidt, “Ever questing for the truth in dealing with the vast array of problems that attracted his attention,…would defend his conclusions against all comers, including those in his own party.” As described above, Schmidt first achieved national fame because of a fiery attack on the CDU/CSU in the Bundestag and grew only more hostile when challenged. One fault Carter admitted to in his pre-campaign autobiography was “I don’t know how to compromise on any principle I believe is right.” Before Carter became President, political scientist James David Barber said of Carter:

His stylistic weak point is negotiation. It is a mistake to suppose that good negotiation consists of instant collapse and agreement with all other sides. A good negotiator presses hard and then knows when to yield something to gain something better. Carter has brought that off in the past, but in a different context, by remaining adamant nearly to the end. But Washington is not Atlanta: his Congressional and bureaucratic negotiating partners have much stronger bases of their own than had their Georgia counterparts. If he runs true to form, he will try to envelop the whole negotiating process in transcendent purposes, will invoke the goal to aid the deal. But particularly because he would feel contagiously uncomfortable in old Sam Rayburn’s “Board of Education” gatherings, and because he will be strongly tempted to go public when his opponents are verging

77 Kissinger, *Years of Renewal*, 611.
on success, Carter will have a rough time selling legislators on the idea that it is incumbent on them to follow the maxim. “To get long, go along.”

As Barber predicted, Carter insulted members of his own party in Congress who often supported the content of his proposals but were infuriated by the disrespectful manner in which Carter conducted negotiations with them. Rather than take the form of open confrontation, Carter’s insults took the form of personal slights.

According to Barber, Carter’s ineffectiveness as a negotiator stemmed from his first political success in Georgia, which came not through political compromise but “by knowing more than anybody else, bulldozing those he could not convince, and taking his case to the public when close-up consent slipped away from him.” Schmidt, however, would prove to be a far more formidable foe than many members of Congress and impossible to bulldoze with knowledge. Carter was a speed reader, and would use his ability to master vast amounts of information quickly to overwhelm opponents. However, Schmidt was also a speed reader and a chronic workaholic. According to one biographer, Schmidt worked sixteen-hour days. He scanned pages diagonally, and “Late at night Schmidt would still be sitting at his desk, chain-smoking menthol cigarettes and ploughing through file after file of papers.” Like Carter, Schmidt’s political success depended largely on his ability to master vast amounts of knowledge and overwhelm opponents.

Neither Carter nor Schmidt had much ability or patience with idle chatter. The Chancellor, though gifted in discussing “political or intellectual issues,” lacked ability and patience with small talk or any discussion of personal matters. He would become

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80 Ibid., 440.
81 Carr, *Helmsman of Germany*, 111.
reticent if his conversation partner lacked intellectual depth but would become talkative when intellectually stimulated. Brzezinski recorded a similar aloofness in Carter: “in personal relations he is...somewhat cold” The British correspondent Henry Brandon found Carter “impersonal,” saying “he was not a man who had it in him to establish quick and easy human contact.”

Thus for relations to have been good between these two men, they would have had to have found common political or intellectual ground. They did not. Carter had a science background, was highly gifted in discussing technical matters, had been a peanut farmer, and had served as Governor of Georgia before becoming President. Schmidt, who had an economics background, had achieved fame in the Bundestag and held the positions of Minister of Defense, Minister of Finance, Minister of Economics, and “Superminister” of Finance and Economics before becoming Chancellor. Carter came to Washington as an outsider. Schmidt rose to the rank of Chancellor by being the consummate expert insider. As political scientist Wolfram Hanrieder reflected, “There is hardly an important issue in West German foreign and domestic policy over the last decades in which Helmut Schmidt, at various stages in his public life, has not participated either in word or deed.”

The Chancellor and President had very different key books that they looked to for guidance for effective governance. Schmidt sought the assistance of philosophy while Carter consulted psychoanalysis. Schmidt turned to the Roman Emperor Marcus

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82 Kissinger, *Years of Upheaval*, 611.
83 From Brzezinski’s journal, as quoted in Brzezinski, *Power and Principle*, 18.
Aurelius’s philosophical treatise *Meditations* for political guidance, rereading it many times over the course of his career. Schmidt reflected on Aurelius’s thoughts:

The politician…is not justified simply by the fact that he pursues morally right aims. That is at best only part of the justification. His political action must be preceded by a critical analysis of the situation and the various implications. If it is not then his actions have no moral justification whatever. Any mistakes he makes in his assessment of the situation or in his rational choice of the means he adopts to achieve a morally justified aim can have very tragic consequences. They can be just as terrible as the consequences of false moral principles. Both can disqualify the politician.”86

Still, Schmidt placed great emphasis on politicians’ duty to achieve moral ends, telling Kissinger on one occasion, “Politics without a conscience tends toward criminality,” and “I understand politics as pragmatic action for moral purposes.”87 Schmidt would come to believe that although Carter’s professed moral aims were good, Carter failed to analyze properly the best means for achieving such ends.

Carter turned to James David Barber’s *The Presidential Character: Predicting Performance in the White House*, a psychoanalytical study of American presidents that was first published in 1972. He called it the “best book I’ve ever read on the analysis of Presidents” and even tested his sister Ruth on Barber’s presidential character typology.88 Barber divided presidential personalities into four categories: active-positive, active-negative, passive-positive, and passive-negative. He argued that presidential success

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87 Kissinger, *Years of Upheaval*, 612.
could be predicted largely on the basis of a president’s personality. The best presidents,
Barber argued, had active-positive characters. He explained:

There is a congruence, a consistency, between being very active and the
enjoyment of it, indicating relatively high self-esteem and relative success in
relating to the environment. The man shows an orientation toward productiveness
as a value, and an ability to use his styles flexibly, adaptively, suiting the dance to
the music. He sees himself as developing over time toward relatively well
defined personal goals—growing toward his image of himself as he might yet be.
There is an emphasis on rational mastery, and on using the brain to move the feet.
This may get him into trouble; he may fail to take account of the irrational in
politics. Not everyone he deals with sees things his way and he may find it hard
to understand why.89

Political scientist Michael Nelson later observed, “Carter, in fact, seemed to take
flexibility—a virtue characteristic of active-positives—to such an extreme that it
approached vacillation and inconsistency, almost as if in reading The Presidential
Character he had learned its lessons too well.”90

Barber’s psychoanalytical work seems an odd source for an aspiring president to
consult. The book provides a deterministic and contested argument, stating that great
presidents developed characteristics that would make them great in childhood and early
life. If Carter followed Barber’s argument to its logical conclusion, he could only fit
Barber’s prized active-positive category if he had had the correct childhood and
formative experiences. Carter would most likely have been better served by seeking to

89 Barber, The Presidential Character, 9.
understand better the personalities and the interests of others rather than his own. The ability to understand the ambitions, proclivities, and interests of others seems far more important for a President, or any politician for that matter, than the ability to determine whether one’s own psychological makeup fits the theoretical framework of a political scientist. Of course, publicly hinting to be the active-positive personality type Barber ascribed to great presidents, as Carter did, was politically useful.91

The two leaders also had little in common in matters of faith. A deeply committed evangelical Christian, Carter served as a Sunday school teacher before becoming president and his faith guided him throughout his presidency. In contrast, Schmidt, when asked in an interview about whether he believed in God, answered “not necessarily.”92 Moreover, when discussing religion in a conversation with the historian Fritz Stern, Schmidt said, “Neither Catholic nor Protestant Christianity has ever been tolerant.”93 The two would find little common ground in discussions of religion.

Those who enjoyed discussing religion, science, economics, and politics found it easy to develop rapport with both men. However, since the Chancellor and the President had diverging personal interests and very different backgrounds, they had difficulty discussing matters that interested them both, which might have allowed for the development of greater mutual respect.

Despite his reputation for bluntness, the German Chancellor got along well with most of his American and European counterparts. As previously stated, Schmidt developed a strong friendship with Gerald Ford and Henry Kissinger during the Ford administration. The Chancellor also became a close friend of French President Valéry

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93 Schmidt and Stern, Unser Jahrhundert, 29.
Giscard D’Estaing, whose economic and geopolitical wisdom Schmidt greatly respected. Furthermore, Schmidt developed friendships with British Labour Party Prime Minister James Callaghan, and with his Conservative Party successor, Margaret Thatcher. Callaghan recorded in his memoir that he developed an “immediate rapport which lasted throughout the period we both held office. He received me with the utmost friendliness and almost immediately settled into a frank and open conversation.” Like Kissinger and Ford, Callaghan respected Schmidt’s intelligence and his “mastery of economic thinking.” Schmidt’s “bark is worse than his bite,” Callaghan wrote, “and beneath the hard carapace he is a generous and basically modest man.” Callaghan’s successor, Margaret Thatcher, had “the highest regard for [Schmidt].” She lauded Schmidt for having profound understanding of international economics that even exceeded that of “some British Conservatives.” Schmidt did not initially feel the same high respect for Thatcher, telling Ford’s Under Secretary for Monetary Affairs Ed Yeo, “She is a bitch, she is tough, she lacks scope and cannot lead.” Unlike with Carter, Schmidt somewhat concealed his negative impression of Thatcher.

Carter’s European counterparts had a more varied regard of the President. Callaghan said that at his first meeting with the President, he “formed a clear impression of a man with a well-stocked mind and disciplined approach. He had given considerable thought to his intended initiatives and had a clear idea of what he wished to achieve.”

Callaghan informed Schmidt and Giscard that “they would find him earnest,

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95 Ibid.
97 Ibid., 34.
straightforward and without artifice, wishing to improve America’s moral standing in the world.”

Although she believed Carter’s “analysis of the world” was “badly flawed” and his understanding of economics was lacking, Thatcher wrote, “It was impossible not to like Jimmy Carter.” Thatcher described Carter as “a man of obvious sincerity…. [and] marked intellectual ability with a grasp, rare among politicians, of science and the scientific method.” The Iron Lady was well-suited to relate to and respect both the technically-trained Carter and the political economist Schmidt, since she had been trained and employed as a chemist before entering politics and, afterwards, served for years as a successful stateswoman.

For their part, Soviet leaders neither respected nor trusted Carter, believing that from the beginning of his administration, Carter propagated the “myth of the ‘Soviet threat’” and conducted a “contradictory and inconsistent” foreign policy. The Soviet expert and future director of the CIA and Secretary of Defense Robert Gates, aptly observed, “Far more than Americans or Europeans, the Soviets saw Carter as abandoning the ground rules that had governed the relationship for decades and striking out boldly on a path of confrontation and challenge.” Particularly disturbing to the Soviets was Carter’s use of human rights rhetoric, which the Soviets felt was nothing more than anti-Soviet propaganda.

Soviet leaders had more mixed feelings about the German Chancellor. Soviet Foreign Minister Andrei Gromyko, who American intelligence believed dominated

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100 Ibid., 68.
101 Ibid.
Soviet relations with West Germany\textsuperscript{104} and directed most Soviet foreign policy decisions by the late 1970s,\textsuperscript{105} was distrustful of the German leader. He wrote that Schmidt had to have seen “crimes committed by Hitler’s men in the towns and villages of our country” while he served in the German Wehrmacht during the invasion of the Soviet Union. Gromyko recorded that while he believed that Schmidt disagreed with Hitler’s war aims regarding the U.S.S.R., “the majority of [Wehrmacht officers] carried out their orders punctiliously, regardless of the misery they were inflicting.” The Soviet Foreign Minister described the “definite opinion” he developed of Schmidt: though the Chancellor was “capable and strong-willed, he had not fully freed himself from the outlook of an officer in the German Wehrmacht.”\textsuperscript{106} The Soviets believed that this outlook was responsible for Schmidt’s irrational fear of Soviet theater nuclear weapons and for his consequential demand that the Americans increase the number of medium-range missiles stationed in Germany. Although Gromyko believed Schmidt had a poor understanding of economics, the Foreign Minister lauded Schmidt for strengthening Soviet-West German economic relations.

**Idealistic Carter and Realistic Schmidt**

Perhaps the greatest irony of German-American relations in the Carter period was the fact that the Carter administration’s first goal in 1977 was to “engage Western Europe, Japan, and the other advanced democracies in a closer political cooperation through the increasing institutionalization of consultative relationships” which would “promote wider macroeconomic coordination pointing toward a stable and open

\textsuperscript{104} Memo from Brzezinski to Carter, July 5, 1977, NLC-1-2-4-10-3, CL.
\textsuperscript{105} Research Study: The Soviet Foreign Policy Apparatus, Directorate of Intelligence, June 1976, NLC-12-47-4-2-7, CL.
monetary and trade system.”¹⁰⁷ In regard to West Germany, the Carter administration would have been prophetic had it substituted “convulsive” for “consultative.”

The feud between Carter and Schmidt began almost immediately. Several sources of friction quickly began unraveling American—German ties of friendship: the Carter administration’s handling of the FRG nuclear power deal with Brazil, the President’s promotion of human rights, his demand that the FRG use deficit spending to help pull the world out of the economic crisis that gripped the late 1970s, and the Carter administration’s handling of the neutron bomb deployment controversy and the arms reduction negotiations with the Soviets. Atlantic unity “was not altogether lost after the change in the presidency in Washington,” Schmidt reflected, “but it did crumble.”¹⁰⁸ Indeed, only a few months into Carter’s presidency, relations between the FRG and the United States reached a new nadir. Yet Schmidt’s disdain for Carter was not confined merely to policy matters, which will be discussed in depth in the following chapters. Schmidt believed that Carter, like most Americans, was idealistic, moralistic, and ignorant of history and the world beyond America’s borders.

Schmidt believed that Carter’s predecessor was no fool. Schmidt recorded his astonishment at Ford’s deep knowledge of German Chancellor Otto von Bismarck. Schmidt lamented that he “did not find a comparable familiarity with the history of my country in either of his successors (Carter and Reagan).”¹⁰⁹ Carter shocked the West German Chancellor when he asked Schmidt privately in May 1977, “Helmut, couldn’t the two of us remove the Berlin Wall?” Schmidt’s response was “How? By what

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method?" Carter replied that he hoped that Schmidt might know how. The Chancellor
came away from the conversation convinced that Carter had practically no understanding
of the realities of a Europe divided by the Iron Curtain and that he was “ignorant…of the
power of the Soviet Union and its interests.”

Schmidt blamed Carter’s ignorance and naiveté for what the Chancellor felt were
his foolish human rights demands and he began attacking the President publicly for
endangering détente through human rights rhetoric. Schmidt’s actions, moreover,
demonstrated that the FRG refused to follow America’s lead and use human rights
demands as weapons against the Soviets. For example, shortly after entering office,
Carter sent a letter of support to Soviet dissident physicist Andrei D. Sakharov, and Vice
President Walter Mondale met with the exiled dissident Vladimir K. Bokovsky. Schmidt,
however, refused even to receive the dissident Andei D. Amalrik who had requested a
meeting.

The West Germans remembered that when the Berlin Wall went up in 1961
American words did nothing to halt Soviet construction. The Germans asked how
American words could possibly persuade the Kremlin to change its domestic policies.
Carter foolishly sermonized to a Soviet leadership that could not possibly understand the
Western conception of human rights, Schmidt felt. Reversing Theodore Roosevelt’s
maxim, Carter spoke too loudly for the German Chancellor’s taste, and carried no stick.
Such rhetoric could only damage détente and convince Warsaw Pact leaders to heighten
police control within their sphere of influence, which happened to include East Germany,

110 Ibid., 123.
111 Ibid., 124.
113 Ibid.
to ensure Carter’s rhetoric did not cause sedition. His rhetoric thus ensured the
constriction—not the expansion—of human rights in the Soviet sphere, and the West
German Chancellor felt that Carter had no idea of how to connect means with ends.
Schmidt’s fear demonstrates a divergence of understanding of power in the world.
Schmidt believed that power was shaped by the great leaders controlling states. He
discounted the notion that Carter’s human rights rhetoric could embolden dissidents
eventually to weaken or even topple those controlling the police power in the Soviet
bloc.114

Although the Chancellor’s disapproval of Carter’s rhetoric might have been too
narrowly based on his belief that power resided only at the top of states, Schmidt’s
surmising on the effect the President’s rhetoric had on Soviet leaders was well-founded.
In the Soviet Politburo’s February 1977 instructions for Ambassador Dobrynin, it
expressed outrage at Carter for attempting to interfere in Soviet domestic matters by
demanding the release of the dissident Aleksandr Ginzburg. “We firmly believe…that
the questions of domestic development that reflect the differences in ideologies and social
political systems should not be the subject of inter-state relations.”115 Gromyko recalled
in his memoirs his shock when in the midst of discussing strategic weapon limitations in
a meeting with Carter at the White House, the President suddenly brought up human
rights, asking the Soviets to release “some dissident.” Gromyko could not believe that an

114 Interestingly, Schmidt only refers to Pope John Paul II in passing in one page in his memoir. He also
devotes just one page to the Solidarity movement in Poland. Schmidt’s neglect of the influence of the
Pope’s visit to Poland and the work of the Solidarity movement demonstrates how myopically focused
Schmidt was on the importance of political elites. Robert Gates would write “The fragile [human rights]
seeds of change planted between 1975 and 1978, so scorned and controversial at the time, would bear
lethal fruit and help destroy an empire that was more vulnerable than either its own rulers or the West
understood at the time.” Gates, From the Shadows, 96.
115 Communist Party Politburo instructions for Ambassador Dobrynin, February 18, 1977, in Odd Arne
Westad, ed. The Fall of Détente: Soviet-American Relations during the Carter Years (Oslo: Scandinavian
University Press, 1997), 179.
American president would use such a ploy and believed that the issue “was plainly not a
serious one. In fact, it represented a frivolous abuse of his powers as President, since it
was a purely Soviet matter.” In several reflective paragraphs that demonstrate that
the Soviets failed to understand Carter’s sermonizing on human rights, Gromyko wrote
that the only real human right worth statesmen’s discussion was the right to life, since all
other rights stem from this essential right. Many Westerners, Gromyko wrote,
“interpreted human rights in a far narrower way,” focusing only on emigration from the
Soviet Union as a negotiating ploy to put the Soviets on the defensive.

Although they better understood and shared Carter’s meaning of human rights,
Schmidt and others in his government shared the Soviets’ fear of the domestic political
consequences of Carter’s use of this rhetoric, but for different reasons. Words
themselves could not alter international realities in a manner that would be favorable to
the West, Schmidt believed. But they could and did have unintended domestic political
consequences in the FRG. Carter’s human rights rhetoric put political pressure on
Schmidt, because his main opponents in the Bundestag, the Christian Democrats (CDU),
had opposed Ostpolitik and détente, believing that West Germany had to take a harder
line with the East Germans and the Soviets. Schmidt feared that the rhetoric from the
leader of the FRG’s powerful ally might be used by the CDU/CSU opposition to discredit
the SPD-led government, which had been cooperating with the Soviet Union and East
Germany for the past several years. By giving this added support to the conservative

116 Gromyko, Memoirs, 293.
117 Ibid.
118 According to the New York Times, Schmidt maintained power only because the opposition, the
CDU/CSU coalition, was divided “on all major questions facing the country.” Craig R. Whitney, “West
119 Michael Getler, “Much Rides on Outcome of Carter-Schmidt Encounter,” Washington Post, May 6,
1977.
opposition in West Germany, Schmidt feared that Carter’s human rights rhetoric would undo many of Ostpolitik’s gains, such as West Germany’s program of ensuring that thousands of German families divided by the Iron Curtain would be reunited or at least be permitted to visit relatives on the other side. By July 17, 1977, 70,000 ethnic Germans had emigrated from Eastern Europe to West Germany since the signing of the Helsinki accords, and more than 8 million West Germans had been able to visit friends and family in 1976.\footnote{Jonathan Kandell, “Ironically, the Human Rights Drive May Be Too Successful,” \textit{New York Times}, July 17, 1977.}

Moreover, the Chancellor made it publicly known that he believed Carter’s human rights rhetoric threatened the success of arms reductions talks between the superpowers. “If Moscow and Washington,” the German Chancellor declared, “instead of reaching agreement on curbing their nuclear strategic armaments, should develop deep conflicts of interest, then this would certainly limit the maneuvering space for Germany’s détente policy.”\footnote{Craig R. Whitney, “Does Power Bring Happiness? Not in Squabbling Bonn,” \textit{New York Times}, February 20, 1977.}

Many of Carter and Schmidt’s differences over human rights, as well as their later clashes over arms reduction negotiations and the Soviet invasion of Afghanistan, can be traced to their differing foreign policy philosophies, which shaped both their understandings of and reactions to Soviet foreign policy. Aggravating matters still further, Carter and Schmidt each felt that the other’s understanding was inadequate and even dangerous. Schmidt was a Cold War realist. He believed that “three fourths of strategy hatched in Moscow was traditionally Russian, while one fourth was
The Chancellor viewed the “Russian-Soviet expansionary drive” as imperialism, similar in justification to ancient Roman, British, Spanish, Portuguese, or U.S. imperialism. By making moral denunciations of Soviet expansionism and judging domestic policy by Western standards, the West would only “force Moscow into a dogged retreat into Russian messianism.” The Soviet ruling elite, Schmidt believed, “suffered from a typically Russian phobia about security and safety that first manifested itself in 1856, after the defeat in the Crimean War.” In Schmidt’s mind, West Germany had a vital role to play in allaying Russian fears and preventing a return to messianism: “Feelings and reflection led me to believe that it was correct to tie Russians as much as possible to Europe and European culture—a task to which we in Germany bring more historical qualifications and experience than the peoples of Western Europe or the United States.” Thus Germany was a “bridge” linking East and West. Conflict over strategy came when Carter’s policies threatened to torch that bridge.

Schmidt viewed Carter as “idealistic and fickle.” Indeed, the idealism and oscillation of the Carter administration make defining its strategy a difficult task. John Lewis Gaddis has written that the Carter administration, in an effort to garner public support for its policies and to separate itself from the policies of Nixon, Ford, and Kissinger, adopted “highly visible initiatives designed to make it seem as though the American approach to the world had changed” but continued to operate under the

122 Schmidt, Men and Powers, 11.
123 Ibid., 13.
124 Ibid., 16.
125 Ibid., 23.
126 Ibid., 24.
128 In fact, Schmidt titles his first chapter on the Carter years “Jimmy Carter: Idealistic and Fickle.”
premises of détente. The result was to give the impression that the Carter administration “had no strategy at all.”129 A great deal of this apparent lack of strategic vision stemmed from Carter’s personality and leadership vision. The historian Gaddis Smith labeled Jimmy Carter “the internalist” candidate.130 Internalists, Smith wrote, believed that American foreign policy can only be made moral and effective if internal forces of greed or power mongering were eliminated. Indeed, Carter wrote in his pre-campaign autobiography, “If we insist that the golden rule be applied in all public matters, then potential inequities can be prevented, and wrongs can be righted.”131 Once the American foreign policy apparatus had been cleansed, the democratic process would take care of the rest. One characteristic common to most internalists, Smith wrote, is the tendency to be ignorant about the world outside the United States.132 Carter had this characteristic and, upon coming into office, relied heavily on his Secretary of State Cyrus Vance and his National Security Adviser Zbignew Brzezinski. The foreign policy philosophies of these two men differed greatly. Vance was more moderate in his approach to the Soviet Union and more accepting of the premises of détente. Brzezinski was more of a Cold War hawk who sought to use human rights to put the Soviets “ideologically on the defensive,” wanted a more “comprehensive” and “reciprocal” détente with the Soviets,133 and planned to be less preoccupied with the American-Soviet confrontation. Gaddis

130 Smith, Morality Reason and Power, 27-33.
131 Carter, Why Not the Best? 137.
132 Smith, Morality, Reason, and Power, 28.
133 Brzezinski believed that the Soviets, by 1975, had become increasingly assertive and détente became more one-sided, as the “Soviet perception of the wider political consequences of the ‘aggravated crisis of capitalism’ as well as of the post-Vietnam trauma in America.” Brzezinski, Power and Principle, 148—49.
described Brzezinski’s contradictory strategy best: “The premise seemed to be that one could reform, negotiate with, and ignore the U.S.S.R., all at the same time.”

The heavy limitations placed upon the German Chancellor in contrast to the enormous foreign policy powers granted to the American President helps to explain why Schmidt became so angry with Carter’s inability to conduct a coherent foreign policy. Carr provided an insightful description of Schmidt that helps to explain Schmidt’s admiration for Nixon and Ford, as well as his frustration with Carter:

The apparent contradiction between the two Schmidts, the intellectually arrogant and the inquisitive, is easily explained. When he feels someone is waffling he is quick to show it. All the more so if it is a person in high office and hence with special responsibility for talking sense. Patience has never been Helmut Schmidt’s strongest suit; but if he feels he is being told something sensible and new, he is not just interested but voracious…This intellectual curiosity and passion for detail combined with extraordinary diligence, helped him rise to the top. If he had been better able to curb his tongue in private (without undermining his public oratory) he might have had an easier ascent, and a less uncomfortable time at the summit.”

Thus, in Schmidt’s opinion, the person residing in the White House had enormous responsibility for “talking sense.” In an interview with Brian Lamb, Schmidt asserted, “[A] parliamentary democracy you have never had in the United States. You have an emperor who has been chosen for four years, and he has more power than any

134 Gaddis, Strategies of Containment, 346.
135 Carr, Helmut Schmidt, 63.
parliamentary prime minister in France or Holland or Italy or Germany.”136 Thus Carter had a responsibility to talk sense, but failed to do so in Schmidt’s opinion. Because Carter had many institutional advantages over Schmidt in his capacity to conduct diplomacy, in addition to being the leader of the world’s most powerful nation, the Chancellor found many of the President’s policy failures inexcusable. Carter, Schmidt felt, “was just not big enough for the game.”137

**The Brzezinski Factor**

Schmidt believed that Brzezinski’s hawkish influence on Carter grew and Vance’s more moderate views were cast aside as early as 1977. Although Schmidt exaggerated the degree to which Brzezinski’s philosophy reigned in the early Carter administration, his belief that Brzezinski had gained great influence over Carter early in his administration has been supported by recent scholarship. Betty Glad, a preeminent scholar on the Carter administration, argues that “by 1978, it became clear that Brzezinski, as he would later admit, had become [effectively]…a chief of staff for American foreign policy. On Soviet and related strategic issues, the national security adviser carried the policy debate, relegating the secretary of state to a marginal role in the process.”138 Even before 1978, Glad argues that Brzezinski’s aggressive personality, his close access to Carter, his tight knit national security team, and his ambition to model himself after Kissinger when compared to Vance’s passive nature, his more tactical rather than conceptual thinking, his greater humility, and the physical distance of the State Department building from the White House gave Brzezinski an early advantage in the quest for control over foreign policy. Historian Scott Kauffman argues that Brzezinski

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gained the upper hand over Vance early because Carter had developed a “spokes-on-the-wheel managerial system.” He never intended for Vance to be the “top” foreign policy official. Rather, he envisioned Brzezinski and Vance as equals in the administration, granting Brzezinski the same status as a cabinet secretary. Yet, this equal standing gave Brzezinski an immediate advantage over Vance. Not only did he have better access to Carter, but Brzezinski had known Carter for far longer, having supported him long before others even heard about the ambitious Georgian. Brzezinski, who headed the Trilateral Commission, had been Carter’s chief foreign policy adviser throughout Carter’s campaign for President and the two had become friends. In contrast, Vance had supported Sargent Shriver as a Democratic candidate in the primaries of 1976, and Carter and Vance never became close friends. Moreover, Brzezinski then established a bureaucratic advantage over Vance by gaining control over the paper work of Special Coordinating Committee (SCC) and Policy Review Committee (PRC) meetings in the president’s absence. If the meetings ended inconclusively, Brzezinski would present to Carter his versions of the discussions and his recommendations, without circulating his memos to other members of the SCC or PRC.139

Because of Schmidt’s perception that Brzezinski had obtained great control over American foreign policy by the early part of Carter’s term, and given the reality that the groundwork had at least been laid at the beginning of Carter’s term for a Brzezinski victory in the famous Brzezinski-Vance feud, it is as important to understand how Brzezinski and Schmidt felt about one another as it is to understand how Carter and Schmidt thought of each other. Schmidt despised Brzezinski, who, the German Chancellor felt, was a Cold War hawk who styled himself a practitioner of realpolitik, or,

139 Kaufmann, Plans Unraveled, 21—23.
as he would later call Brzezinski, a “Polish romantic.” Schmidt said later, “For me, it was always clear that [Brzezinski] hated the Russians in an extreme way and the Germans in an extreme way.” Schmidt did not keep his antipathy for Brzezinski secret. On one occasion, Schmidt shouted at Brzezinski in front of his aides until Brzezinski responded in kind. In another instance, when Brzezinski and Schmidt met in 1977 at the London Summit, Schmidt called Brzezinski “Zbig” and Brzezinski used the German Chancellor’s first name in response, Schmidt “visibly recoiled” that a lower-ranking official, whom he did not like, had addressed him so informally. He immediately “lit into [Brzezinski], announcing that he was tired of the U.S. supported Radio Free Europe operating on German soil, that its presence was contrary to détente, and that he would like to get it out of Germany.” Brzezinski responded by saying that the Radio’s operation in Germany was essential to NATO policy toward Eastern Europe and vital to “the larger security context.” As would become more apparent as time went by, Schmidt did not agree with the Carter administration’s perception of “the larger security context.” Moreover, from the German Chancellor’s perspective, Brzezinski had spoken to Schmidt in an arrogant manner, nearly causing Schmidt to throw Brzezinski out of his office. In September 1977 meeting, Schmidt returned to the subject of Radio Free Europe, saying “The American government would…not accept it if the French government set up a station in the USA, which advocated the liberation of Quebec in

140 Schmidt and Stern, Unser Jahrhundert, 24.
142 Ibid., 293.
143 Ibid.
144 Schmidt and Stern, Unser Jahrhundert, 24.
French.” 145 Schmidt reflected on his meetings with Brzezinski in 1977, saying “He presented himself unabashedly as the self-assured agent of world power.” 146

Most damaging to U.S.—FRG relations, according to Brzezinski, was Schmidt’s “inability to keep his tongue under control, [which] soured American-German relations to an unprecedented degree.” 147 Brzezinski reflected, “I tried to get leading Germans to help muzzle the Chancellor, but to no avail.” 148 Brzezinski told Foreign Minister Hans-Dietrich Genscher and West German Ambassador to the United States Berndt von Staden that Schmidt’s attacks on Carter were damaging to American-West German relations. Initially, “Genscher laughed and said, ‘Well, he’s known in Germany as ‘the Lip.’ He speaks that way about other cabinet members.” Brzezinski responded that Carter was the President of the United States, West Germany’s most important ally, not a mere cabinet member, and the Chancellor’s attacks would further damage Germany’s relations with that ally. As time passed, Brzezinski became convinced that Schmidt could never be muzzled, because abrasiveness was integral to “Schmidt’s character.” 149 Carter shared Brzezinski’s irritation at Schmidt’s public disclosures of disagreements between the US and the FRG. 150 In a September 19, 1977, letter from Carter to Schmidt, the President displayed his frustration with Schmidt making his disagreements with Carter public: “I would appreciate very much your frank views [on Carter’s proposed announcement to forsake the use of nuclear weapons except for defense]…and I further request that you

146 Schmidt, Men and Powers, 186.
147 Ibid., 291.
149 Ibid., 26.
150 For example, before departing for Canada and the United States (for his first visit to the White House during the Carter administration), Schmidt voiced publicly his “discomfiture at the continuing reports from Moscow describing Carter Administration policies as being inconsistent with aims of improving relations.” New York Times, “Bonn Indicates Moscow Is Displeased With Carter,” July 7, 1977.
keep our exchanges extremely confidential.”151 Yet Schmidt would continue to castigate
Carter, both in person, to the press, to friends, and to agents of the American government
throughout Carter’s presidency. Brzezinski later lamented, “The Chancellor set a
precedent that made it both fashionable and legitimate in Germany to derogate the U.S.
President in a manner unthinkable in earlier times.”152

Brzezinski blamed Schmidt’s personal egotism rather than differences in strategy
for the deterioration of U.S.-German relations throughout the Carter administration,
which ignored the Chancellor’s rational policy disagreements with Washington.
Brzezinski thought that Schmidt’s personal animosity initially developed when Carter—
not Schmidt—took center stage at the London Economic Summit of 1977. Rather than
being the attentive pupil, Carter stole the show, and the Chicago Tribune reported that
Schmidt and other European leaders were embarrassed that they seemed mere minor
figures at the conference because of Carter’s impressive performance.153 Schmidt had
“dominated earlier summits,” but left the 1977 conference seething with anger and
feelings of jealousy, according to Brzezinski.154 Yet Schmidt’s hostility toward Carter
predated the summit.

Brzezinski himself has been accused by many of having an inflated ego and an
overly aggressive personality. Robert Gates described Brzezinski as
articulate to the point that many thought him glib. A lifelong professor, he
relished verbal dueling and gave no quarter to the professional staff or others in

151 Carter’s underlining. Jimmy Carter to Helmut Schmidt, September 19, 1977, Box 7, NSA—BM,
President’s Correspondence With Foreign Leaders File, Folder: Germany, Federal Republic of: Chancellor
Helmut Schmidt, 5-12/77, CL.
154 Ibid.
the government. He debated like he played tennis—to win and to win all the
time. The intellectually weak or deficient or slow merited no sympathy.

Sometimes his combative instincts overcame his good judgment and he would
eject ideas or approaches simply in the course of winning a debater’s point.155

Much of this description could also be made in reference to Schmidt. Brzezinski and
Schmidt were bound to clash. Both were abrasive, highly self-confident, and conceptual
thinkers, but had diametrically opposing worldviews. Brzezinski exacerbated the split
between Carter and Schmidt.

**Conclusion**

During the Carter years, Schmidt repeatedly castigated Carter publicly largely
because he believed that the President neither knew nor cared about German interests and
fears. “There had been nothing like it in German-American relations since the days of
Lyndon Johnson’s dealings with Ludwig Erhard,” Schmidt lamented.156 The feelings of
animosity were mutual. Moreover, Schmidt believed that Brzezinski was dangerous.

Schmidt’s own experience in the Wehrmacht, fighting in the Eastern Front, might have
caused him to exaggerate the degree to which the younger Brzezinski possessed anti-
German biases. Schmidt would have seen or at least known about the many atrocities
committed by the German Wehrmacht and the SS in Poland. How, he likely asked
himself, could a Pole possibly not hate the Germans after all that had been done to the
Polish people by the German occupiers? Schmidt, however, did not attribute the same
anti-German bias to Henry Kissinger, whose Jewish family had fled from Germany in
1938 to escape Nazi persecution.

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155 Gates, *From the Shadows*, 70.
Further, Carter, Brzezinski, and Schmidt all had very powerful egos. Yet, humility has not been a characteristic commonly attributed to Henry Kissinger, but he got along with the abrasive Schmidt because the two had similar perspectives on effective policymaking. Kissinger thus found Schmidt’s assertiveness “comforting.” Had those two had fundamental policy disagreements, a transatlantic fireworks show would have likely been far more spectacular during the late Nixon and Ford administrations than it would be during the Carter administration.

The tension between allies caused by separate interests as well as contrasting interpretation of the best means to promote these interests was spun into a vicious cycle by Schmidt, because of his belief that Carter’s ignorance, moralism, and inconsistency endangered détente, speaking out publicly when he believed his views were not listened to privately. Then, in response to these public outbursts, Carter and Brzezinski became even more distrustful of the German Chancellor privately and became far less prone to listen than to respond to Schmidt’s points of disagreement with counterattacks. Schmidt would then respond by completely ignoring American wishes or by continuing to make public his disagreements with the Carter administration. Had the Carter administration demonstrated both a greater understanding of the limitations of American power and a greater recognition of the fact that German and American interests frequently diverged, tension between the allies would have been far less public and private conversations far less acrimonious.

On January 20, 2012, the German Foreign Minister Guido Westerwelle visited the United States, meeting with top policymakers, including International Monetary Fund Chief Christine Lagarde, Secretary of State Hillary Clinton, and Treasury Secretary Timothy Geithner. Rebuffing the crescendo of global demands that Germany do more to prop up the Euro system, Westerwelle declared at a press conference with Clinton, "It doesn’t help the weaker nations, if the stronger nations become weaker." On the same day, when asked about the future of the European project, he would say to Trish Regan on Bloomberg Television's "Street Smart," “For us, the Eurozone and the European Union was always also a political project. It was not only the answer to the darkest chapter in German history, it is also our life insurance in times of globalization.” When discussing the need for reform in the other countries of Europe, Westerwelle explained, “We Germans, we do not ask for anything more than we did in our own country, and we were, with all modesty, quite successful.”

The key aspects of German policy revealed in Westerwelle’s comments existed more than thirty years before: a pride in the West German social market model, a belief in anti-inflationary growth, the need for European integration for economic and national

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2 http://www.bloomberg.com/video/84655084/.
3 Ibid.
needs, and the frustration with demands emanating from Washington that the Germans do more to help the world recover from recession. During the Carter administration’s first two years, the Americans and Germans advocated very different solutions to the economic turmoil of the 1970s. Washington advocated dealing with stagnation while Bonn sought to curtail inflation. The Americans advocated Keynesian expansionary measures while the Germans demanded austerity. Using the new annual economic summits of the world’s largest economies as forums, the two economic juggernauts vied with one another over which view would predominate.

In this chapter, I first provide a brief overview of the historical roots of American and German economic policy. I then discuss the consequences of the collapse of Bretton Woods, which was a fixed exchange rate system in which only American dollars were linked to gold while the value of other currencies was based on their values relative to the dollar, and the cooperation between Gerald Ford and Helmut Schmidt during the 1974-1975 global recession. I follow this with an examination of the tension that developed between Carter and Schmidt over Carter’s Locomotive plan, which called for an American domestic stimulus plan to be enacted in tandem with similar stimulus plans in the West’s second and third largest trading powers, West Germany and Japan respectively. Carter administration officials hoped the plan would cut American unemployment, erase the burgeoning trade deficit, and continue the global recovery from the 1973-75 recession by pulling the weaker West European economies forward. Finally, I examine how Carter’s Locomotive plan pushed Schmidt into pressing for the

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4 By 1977, the American trade deficit stood at $31 billion, three times higher than in 1976. American policymakers believed that the trade deficit’s growth resulted from two trends: The American dependency on foreign oil, which had risen dramatically in price, and America’s main trading partners’ failure to keep pace with the American economy.
creation of the European Monetary System, which linked the European currencies closer together in a joint float against the dollar, causing a long-term tectonic shift in the Western alliance.

By demanding that the FRG implement expansionary economic policies to increase global growth, the Carter administration enraged Schmidt, caused friction between Washington and Bonn throughout the Carter years, and led Schmidt to more openly promote German interests. Schmidt’s repeated angry lecturing over economic issues convinced Carter that he was dealing with an egotistical, unstable man, and Carter’s unwillingness to accept Schmidt’s economic arguments caused the Chancellor to believe that he was an ignoramus.

Memories of Hyperinflation, Depression, War, and Postwar

Economic policy differences between the United States and the Federal Republic antedated the Carter-Schmidt period by decades. German and American policies during the Carter era reflected very different national experiences of inflation and unemployment. The histories diverged on the basis of the 1920s German hyperinflation, the American Great Depression experience, and the two nations’ very different post-World War II experiences.5

Memories of early 1920s hyperinflation that destabilized the Weimar Republic along with the Nazis’ subsequent rise and their manipulation of European currencies during World War II drove West German policymakers to fear inflation and the use of currency as foreign policy tools. After the German government reacted to a French and Belgian occupation of the Ruhr by paying German workers to “passively resist,” the

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value of the mark relative to the dollar tumbled from one dollar for 17,000 marks in January 1923 to one dollar for 4,200,000,000,000 marks in December, causing immense damage to the legitimacy of the fledgling Weimar Republic, especially to businesses and the middle class.⁶ Later, as the Nazis overran much of Europe, the Third Reich set the value of the Reichsmark artificially high, which allowed German firms to purchase control over competing companies. Moreover, the Nazis forced companies in occupied countries to pay for their goods with funds from their own central banks and mark the totals as debts to be repaid by the Reichsbank. But the Reichsbank never repaid.⁷

Thus, rather than perceive the German mark as a weapon to wield on the international stage or to spur domestic growth, German policymakers viewed a stable mark as means to ensure domestic political tranquility and, simultaneously, reassure other powers that Germany would act responsibly. This stable mark policy would soften postwar European memories of malignant German hegemony. The formation of the Bundesbank in 1957 institutionalized the West German priority given to currency stability, with its purpose of “safeguarding the currency.”⁸

Germany’s export competitiveness had its roots in the early postwar period and perhaps even the pre-World War II period. With its cities in ruins but with a vast educated population and help from the Americans, Germans in the Western-occupied section rebuilt housing and transportation infrastructure. Despite heavy bombing that tore the hearts out of cities and damaged German workers’ morale, making it difficult for them to do their jobs, the Allies did not wreak as much havoc on German industrial machinery as they hoped. Tony Judt went so far as to argue, “The investments of the

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⁸ Biven, *Jimmy Carter’s Economy*, 100.
Nazis—in communications, armaments and vehicle manufacture, optics, chemical and light engineering industries and non-ferrous metals—were undertaken for an economy geared to war; but their pay-off came twenty years later.”9 With its infrastructure left relatively unscathed, Germany quickly restarted its economy by exporting its products at a time when its population did not have the capacity to meet supply with demand.10

In order to prosper, Germany geared its financial, economic, and business policies toward surpassing foreign rivals in the early postwar period. In the early 1950s, German industry benefitted from the Korean War, which caused buyers to look to West German heavy equipment when it was no longer available from American industry in large supply, and from effective German businesses’ marketing strategies.11 West German companies sought to surpass their foreign rivals through the production of higher quality goods, the better punctuality of their delivery, and the greater regularity of spare parts supply deliveries. Bonn, moreover, pursued a social market policy that encouraged German export growth through issuing tax cuts for industry, favoring “national champions,” maintaining domestic price stability, promoting the German mark’s undervaluation, and pushing the opening of foreign markets to German goods.12

Further, to encourage workplace harmony and the efficiency needed to set German industry apart, Bonn intervened frequently in labor disputes between powerful trade unions and employers’ organizations. Consequently, Germany’s labor force proved far less prone to strikes or lockouts. In 1975, the Federal Republic lost just 69,000

10 Ibid.
workers’ days to strikes or lockouts compared to 31,237,000 for the United States, 6,012,000 for the United Kingdom, and 3,859,000 for France.\textsuperscript{13} The planning that laid the basis for the social market economy, according to Judt, “had its roots in the policies of Albert Speer—indeed, many of the young managers and planners who went on to high position in post-war West German business and government got their start under Hitler; they brought to the committees, planning authorities and firms of the Federal Republic policies and practices favored by Nazi bureaucrats.”\textsuperscript{14}

In contrast to Bonn, American policymakers viewed manipulation of the dollar as a means to defend American interests abroad without the diplomatic, political, and economic costs that attended military intervention. In the immediate aftermath of World War II, the United States had three-fourths of the world’s monetary gold and the American economy produced 40 percent of the world’s economic output. As a consequence of the Bretton Woods System, only the United States agreed to exchange its currency for gold at the official price, which was set at $35 for an ounce of gold.\textsuperscript{15} Because only the American currency was based on gold, Washington could print more money while retaining its value. Yet since other nations based their currencies upon the dollar, the United States could not devalue its own currency.\textsuperscript{16}

The Americans’ memory of a decade of Depression caused them to fear unemployment over inflation. Because of the New Deal’s legacy, the spending of World War II, and the success of heavy domestic and international spending at averting a return

\textsuperscript{13} Just 1.7 million days of labor were lost between 1972 and 1975 in West Germany as opposed to 82 million in Italy and 51.8 Million in Britain. See Overy, “The Economy of the Federal Republic since 1949,” in The Federal Republic of Germany since 1949, 32.
\textsuperscript{14} Judt, Postwar, 355.
\textsuperscript{15} Biven, Jimmy Carter’s Economy, 104.
\textsuperscript{16} James, “The Deutsche Mark and the Dollar,” 230.
of the Depression, American postwar policymakers, especially those on the political left, looked favorably upon Keynesian spending, viewing it as the best means to enhance demand. Such thinking had been bolstered by the unparalleled prosperity Americans enjoyed in the early postwar years and the predominant position of the American economy in the world.

**The 1970s: an age of limits**

The 1970s marked a time of transition for the post-World War II Western order. Internationally, American intervention and defeat in Southeast Asia had done more than sully America’s reputation. Fighting the Vietnam War had also drained American coffers, forcing the United States to abandon Bretton Woods. Less than two years after the collapse of the fixed exchange rate, the Arab members of the Organization of Petroleum Exporting Countries began an oil embargo in response to America’s support of Israel, causing oil prices to spike. American policymakers, enmeshed in the Watergate scandal and the distrust left in its wake, faced a world in economic chaos. Unlike in the immediate aftermath of World War II, the United States could not impose order to quell international pandemonium. Even if at times Washington had the will to dictate Western policy, it no longer had the means. It now dealt with powerful allies with their own interests—the most powerful of which were two of the vanquished World War II powers, Germany and Japan.

While still the largest economy in the world, the American economy’s prestige had declined precipitously during the tumultuous 1970s. In 1971, the United States ran a trade deficit for the first time since 1893. Moreover, in August 1971, President Richard Nixon threw the Western economic order into chaos by unilaterally halting the dollar’s
convertibility for gold to stymie the drain of America’s gold reserves.\textsuperscript{17} The crisis started when the British Ambassador requested that $3 billion be converted into gold. Nixon later recalled that the request presented Washington with a dilemma: if the Americans granted the request, a rush on American gold could begin, draining the American gold supply, but if they refused, the world would believe that the United States did not have enough gold to back dollars in global circulation.\textsuperscript{18} Nixon feared the Europeans would quickly put the American gold supply to the test, concluding that they “enjoy kicking the U.S. around. Eighty-eight percent of all the European media is violently anti-U.S. They will cut their own throats economically to take us on politically.”\textsuperscript{19} After Nixon unilaterally ended the convertibility of dollars for gold, the dollar, which had been tremendously overvalued by the 1970s, began to fall relative to the other major currencies. Washington also began a 10 percent protective tariff on imported goods. Nixon’s Treasury Secretary, John Connally, proclaimed that the Americans had taken these actions, “to screw the Europeans before they screw us.”\textsuperscript{20} Global currencies now floated against one another, leaving the Europeans to scramble to deal with the consequences of the falling dollar.

Initially, some semblance of order was maintained through the Smithsonian Agreement announced in Autumn 1971, a promise between International Monetary Fund member nations to allow currency fluctuations at or below 4.5 percent, rather than the 1 percent previously permitted under Bretton Woods. The Europeans responded by

\begin{itemize}
  \item \textsuperscript{17} Wolfram Hanrieder, \textit{Germany, America, Europe: Forty Years of German Foreign Policy} (New Haven: Yale University Press, 1989), 291.
  \item \textsuperscript{19} As quoted in Hubert Zimmerman, “Unraveling the Ties That Really Bind: The Dissolution of the Transatlantic Monetary Order and the European Monetary Cooperation, 1965—1973,” in \textit{The Strained Alliance}, 135.
  \item \textsuperscript{20} As quoted in Klaus Larres, “The United States and European Integration, 1945—1990,” in \textit{A Companion to Europe, since 1945}, Ed. Klaus Larres (Malden, MA: Blackwell, 2009), 159.
\end{itemize}
creating a West European “snake,” which was a multi-national monetary scheme that had a narrower margin of 2.25 percent in which its members’ currencies could fluctuate. The snake included West Germany, France, the United Kingdom, Belgium, Italy, Luxembourg, Denmark, Ireland, Norway, and the Netherlands. It largely fell apart, however, as many members concluded their membership damaged their competitiveness. The Smithsonian Agreement itself collapsed in 1973.21

At a time when American political and economic standing was at its post-World War II nadir, West German political and economic prestige was at its apogee. During the turbulent 1970s, when unemployment, stagnation, and inflation haunted most of the Western world the German economy emerged as the preeminent Western model of economic stability and fiscal responsibility. The Federal Republic had eclipsed Britain as America’s most important ally as well as its most potent competitor for global economic leadership.22 The powerful influence Germany wielded throughout Western Europe, as well as its growing trade with the Eastern bloc, meant that Germany’s economic clout stretched far beyond the Federal Republic’s borders. In contrast, Kissinger would call America’s erstwhile most important ally, Great Britain, “a tragedy.” He explained to Ford, “It has sunk to begging, borrowing, stealing until North Sea oil comes in…..That Britain has become such a scrounger is a disgrace.”23

The Federal Republic’s share of global exports weathered well the shocks of the 1970s, remaining strong even while the German mark appreciated relative to the

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21 By the late 1970s, only Germany, Belgium, Denmark, and the Netherlands still belonged to the snake. Biven, *Jimmy Carter’s Economy*, 166-167.
22 Kathleen Burk has argued that as a consequence of British military and economic decline, “the US increasingly turned to a dynamic and affluent Germany as her primary European ally.” Kathleen Burk, *Old World, New World: The Story of Britain and America* (Boston: Little, Brown, 2007), 628-629.
23 Kissinger conversation with President Ford, January 8, 1975, Item Number: KT01471, Kissinger Transcripts, DNSA.
American dollar. By the 1970s, German share of global exports roughly equaled that of the United States, which relied more on domestic consumption.\textsuperscript{24} Because the German prosperity depended on foreign trade, their economy was vulnerable to any German mark appreciation relative to the currencies of its major trading partners. It was thus in West German politicians’ interest to promote global macroeconomic policies that discouraged inflation or at least ensured that inflation occurred at an equal rate.\textsuperscript{25} The Germans were so confident in the German model that they believed other Western nations, including the United States, should emulate them.

Further, because the Federal Republic depended on oil imports more than the Americans did in the 1970s, the Germans dealt differently than the Americans with rising oil prices. In 1975, the United States produced approximately two-thirds of its own oil, causing American policymakers to subsidize consumption through a complex “system of crude oil price controls and entitlements to domestic oil refiners.” In contrast, the Germans, who imported most of their oil, taxed gasoline to constrict demand.\textsuperscript{26}

Although Germany proved more successful than the United States and the rest of Western Europe at resisting inflation, by the time Schmidt became Chancellor, the German economy’s brightest days had passed. By the late 1970s, West German annual growth had slowed to just over 2 percent, far below the 8 percent growth of the 1950s.\textsuperscript{27} Further, although the German economy was healthy in the 1970s, Schmidt faced several

\textsuperscript{24} By 1980, West German exports totaled 9.7 percent of the total world share, while the American export total stood at around 11.3 percent in 1980. See Wulf Werner, “Emancipation, Regionalization, and Globalization: German-American Trade Relations,” in \textit{The United States and Germany in the Era of the Cold War}, 213.

\textsuperscript{25} Harold James, “Cooperation, Competition, and Conflict: Economic Relations Between the United States and Germany, 1968-1990,” in \textit{The United States and Germany in the Era of the Cold War}, 198.


\textsuperscript{27} Biven, \textit{Jimmy Carter’s Economy}, 101.
policy constraints. By 1977, the Social Democrats’ benefit expansion had nearly bankrupted the West German health insurance and pension systems.\(^{28}\) Such benefits, along with the German mark appreciation, caused German production costs to be higher than American costs.\(^{29}\) Knowing how many German companies depended upon profits from exports, Schmidt realized that he had to prevent the Americans from inflating their own currency and that he could not substantially expand benefit requirements for workers. Moreover, the West German employment situation in the mid-1970s was not nearly as good as the statistics indicated. German unemployment stood at only 4.3 percent in 1976,\(^{30}\) while the American unemployment rate hovered around 8.1 percent.\(^{31}\) These figures were deceptive, however. During the 1970s, the Federal Republic kept its unemployment rolls artificially low, because many companies laid off “guest workers,” whom German statisticians did not include in the unemployment count, rather than German workers. In 1975, 290,000 unemployed immigrants left West Germany for Turkey, Italy, Yugoslavia, and Greece.\(^{32}\)

In contrast to Schmidt’s later hostile reaction to Carter’s Locomotive Theory, the Chancellor reacted to the 1973-75 recession by advocating global macroeconomic coordinated investment to increase demand, because German export sales had fallen and domestic demand had stagnated.\(^{33}\) Fearing a depression and aware that expansionary

\(^{29}\) Chicago Tribune, July 9, 1977.
\(^{30}\) Nevertheless, Time magazine found West German’s 4 percent unemployment rate “disturbingly high for a nation that four years ago was importing labor….,” Time, “Facing a Helmut Problem,” July 4, 1977, 22.
\(^{32}\) As quoted in Judt, Postwar, 457.
policies were unpopular in Germany, Schmidt urged Washington to avoid deflationary
economics. He stressed that deflationary policies would decrease global consumption,
causing higher unemployment throughout the West.34 When Ford told Schmidt in
December 1974 that he expected the American economy to begin to recover by the
summer of 1975, Schmidt responded that the recovery should happen sooner. He urged
the President to pull the Western world away from the cliff from which he feared it might
fall.35 He also needed American prompting to help overcome entrenched German
political opposition to any policy that could encourage inflation. In contrast to the Carter
period, during the 1973-75 recession, Schmidt believed that close cooperation with the
United States was more important for West German prosperity than European integration
for ending the recession.

In November 1975, however, as the Western economies recovered, Schmidt
shifted from demanding expansionary policies to urging restraint to prevent inflation.
During the recession, when demand had slumped, the Chancellor saw greater importance
in encouraging economic growth than in curbing inflation, because such growth was
necessary for protecting West German export markets. Although Schmidt believed that
expansionary policies were necessary during recessions to avoid depressions and begin
recoveries, he believed that continuing such policies after recoveries were well underway
causèd uneven inflation or bloated budget deficits. Thus after British and Italian inflation
rates vastly exceeded those of West Germany and the German “public sector deficit was

35 Ford and Schmidt Meeting Transcript, December 5, 1974, Item Number: KT01437, Kissinger
Transcripts, DNSA.
the largest since Jesus,” Schmidt sought to put the brakes on global economic expansionary policies. Washington and Bonn teamed together to demand that Britain and Italy enact anti-inflationary measures and Ford did not press the West Germans to adopt expansionary measures to help the deficit nations.

Confident Carter, the Locomotive Theory, and the stubborn Germans

In 1976, Schmidt and Carter both ran domestic political campaigns focused heavily on economic policy, and both viewed their victories as mandates for their divergent plans. Schmidt, extolling the virtues of the “Modell Deutschland,” promised continuity: responsible growth and low inflation. Although his party won his October election, his room for maneuver over the coming years was curtailed because his SPD-FDP Bundestag majority had been cut from forty-six to ten seats out of a total of 496 seats. Carter also had won his election by a thin margin of 297 out of 538 electoral votes. He had argued that more stimulus was necessary and that Ford’s austerity policies had only increased American misery. In one campaign speech, he proclaimed, “We have an administration which uses the evil of unemployment to fight the evil of inflation—and succeeds only in having the highest combination of unemployment and inflation in the twentieth century.”

Both leaders thought that their economic policy platforms had helped put them over the top in their respective elections.

39 Schmidt won the popular vote 50.5 percent to 48.6 percent, and Carter won it 50.1 percent to 48.0 percent.
40 As quoted in Biven, Jimmy Carter’s Economy, 37.
Carter faced problems very different from any of his post-World War II Democratic predecessors.\textsuperscript{41} The West German and Japanese economies had recovered fully from World War II, and America’s postwar dominance had ebbed. Moreover, Carter contended with a “new international monetary regime vulnerable to volatile foreign markets—volatility intensified by the explosion of international capital movements—and whose workings were not yet fully understood.”\textsuperscript{42} In card terms, Washington had shifted from being “the house” and the player with the most chips, to being just a player with the most chips. Yet the entering Carter administration did not understand that American allies increasingly viewed Washington as the strongest, but not the wisest, player in a more disorderly world.

Unlike Ford’s, Carter’s economic team perceived the “German model” as a hindrance to global growth rather than an example to follow. Carter’s advisors believed the Germans’ fixation with price stability prevented them from expanding their economy to its full potential, and, since the German economy was the largest of Europe, German overcautiousness hampered global economic prosperity. The administration doubted German forecasts predicting five percent growth for 1977, believing that the small investment program that Schmidt would announce on January 20 of just 10 billion marks would barely affect growth, which the U.S. Treasury estimated would be one percent lower than German estimates for the year.\textsuperscript{43} Although Schmidt did not immediately realize it, Carter’s election had radically shifted the Chancellor’s status with Washington.

\textsuperscript{41} As Charles Schultze, who chaired Carter’s Council of Economic Advisors, said later, “Jimmy Carter was the first Democratic president since Roosevelt to be faced with limits.” Biven, \textit{Jimmy Carter’s Economy}, xi.
\textsuperscript{42} Ibid.
Although disappointed that Ford had lost the election to someone he judged far less qualified, Schmidt believed the constraints the new president faced, imposed by the global economic situation, would cause him to follow essentially the same course as his predecessor. Schmidt’s experience with Ford, who had largely shared his economic views and treated him with deference, encouraged the Chancellor’s self-perception as mentor to American presidents on economic matters. He credited his own advice to Ford for causing the American economy to perform well over the preceding year. The Chancellor believed the new president would also treat him as an unofficial economic adviser and view the successful German model as an example for America to follow.\(^44\)

The Chancellor believed that expansionary policies by Japan, the United States, and Germany were needed,\(^45\) and announced a 10 billion mark investment program in January.\(^46\)

Rather than listening to the Chancellor’s advice, Carter immediately instructed Schmidt on how he should direct the German economy. In January 1977, Carter sent Vice President Walter Mondale with an economic team to Japan and major Western European nations to push the Locomotive Theory. Schmidt left little doubt that the American delegation would receive an icy reception in Bonn. He told the press, “Any American economists who argue that the solution to our economic problems here is reflation should go back and study the problems of Europe...Until then, they’d better shut their mouths.”\(^47\) The Americans, Schmidt believed, had failed to understand that the

\(^{44}\) Wiegrefe, *Das Zerwürfnis*, 121.

\(^{45}\) Vermerk über das Gespräch des Herrn Bundeskanzlers mit Dr. Arthur Burns, Chairman des Federal Reserve System, January 11, 1977, Bestand 150, Bestellnummer 359, AA.

\(^{46}\) Brzezinski to Carter, January 19, 1977, Document Number: CK3100517397, DDRS.

\(^{47}\) Craig Whitney, “A Refreshed and Newly Confident Schmidt Resumes Active Role,” *New York Times*, January 24, 1977. Indeed, as Tony Judt wrote, “In Keynesian thinking, budget shortfalls and payment deficits—like inflation itself—were not inherently evil. In the Thirties they had represented a plausible
Germans would not act as Americans would if they received tax cuts. “In this country, if you give people more money they don’t spend it—they put it in the bank. Last year the pensioners alone saved more money than at any time since the birth of Christ.” 48 Indeed, in early 1977, the West Germans saved 14 percent of their income as compared to the American savings rate of just 6 percent. 49

Mondale and Schmidt’s meeting revealed how much the Chancellor’s viewpoint differed from that of the new American administration. Officials whom Schmidt considered novices lectured him as though he were the novice on Germany’s proper global role. Mondale mocked the Chancellor’s comment that “We owe a lot to Simon (Ford’s fiscally conservative treasury secretary),” observing that, “We owe Bill Simon everything; without him we wouldn’t have won the election.” 50 In response to Mondale’s announcement that the administration would boost American growth through a $30 billion stimulus, containing tax cuts and public investments, Schmidt said that Carter’s plan would only cause inflation. He was “incredulous” when Fred Bergsten, the Assistant Treasury Secretary, responded that the administration predicted the inflation rate would be held around 0.3 percent. 51

Notwithstanding the Chancellor’s obvious reservations, the Vice President urged Schmidt to make “parallel and complementary efforts” to stimulate global growth. Such efforts, coordinated with the United States and Japan, would stimulate the global economy, preventing protectionism in nations like Spain, the Philippines, and Brazil.

prescription for ‘spending your way’ out of recession. But in the Seventies all Western European governments already spent heavily on welfare, social services, public utilities and infrastructure investment.” Judt, Postwar, 458.
50 As quoted in Biven, Jimmy Carter’s Economy, 99.
51 Ibid.
Bergsten bluntly explained that the Americans did not want their $5 billion current accounts deficit to grow. They argued that surplus nations, such as Germany, should do more to help the weaker nations.\textsuperscript{52}

German policymakers believed unemployment had more to do with structural shifts caused by increased energy prices and the increased competitiveness from the developing world. They thought supply-side tax cuts were needed. To support their case, the West Germans used a Citibank study that found that if the FRG increased its growth rate by one percent, the United Kingdom would only add 50,000—100,000 jobs as a consequence. Thus, from the West German perspective, the Americans were asking Bonn to enact policies similar to those that had failed Britain. The harder the Americans pressed their Locomotive plan, the more out of sync the Germans felt the Americans were with European economic realities.\textsuperscript{53}

Despite Schmidt’s somewhat hostile reception of Mondale, the Vice President reported to Carter that the Chancellor was “strong, smart, confident, experienced” and that “he wants a close relationship with [the] U.S., but on a realistic, candid basis.” Mondale reported that Schmidt had asked whether he could talk with the President in a “direct and even contentious manner.” Underestimating how contentious conversation between Carter and Schmidt could become, Mondale told him that Carter “preferred it that way.” Mondale portrayed Schmidt as conciliatory, suggesting that he was likely embarrassed by his public support for Ford during the campaign, and said that he knew that he was “embarrassed by his earlier statements critical of our suggestions on

\textsuperscript{52} Deutsch-amerikanisches Regierungsgespräch, January 25, 1977, \textit{AAPD 1977}, 1:82—87. The Germans believed their exports’ quality had allowed them to remain economically competitive even while the German mark’s value rose.

\textsuperscript{53} Robert D. Putnam and Nicholas Bayne, \textit{Hanging Together: The Seven-Power Summits} (London: Heinemann, 1984), 70.
economic growth.” He explained Schmidt’s criticism as an effort to retain the FDP’s support, which allowed him to stay in power. Mondale stressed that contentious or not, cooperation with the Chancellor was vital: “he is the most important person in the Western World with [whom] you must have strong relations.” Mondale’s point did not resonate with the President, who would maintain much stronger relations with the British Prime Minister James Callaghan than with the German Chancellor.

Schmidt believed that other nations’ internal structural flaws and policy mistakes had caused their higher inflation and unemployment. Thus Carter’s Locomotive plan struck him as particularly foolhardy. Adherence to it would mean that the Germans would implement the kind of policies that had, in the German view, caused high inflation, high unemployment, and large deficits in other nations. The Germans felt that they were being asked to sacrifice good policy for less responsible nations’ benefit. Such a course would not only harm the German economy, but would also discourage other nations from modifying their own systems. If Germany acted as a locomotive to pull

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54 “Europe/Japan Visit—Personal Appraisal of Leaders, From Mondale to Carter,” February 1, 1977, NLC-4-31-8-1-4, CL.
55 Carter’s Personal Notes from the Guadeloupe Conference, January 5—6, 1978, NLC-128-4-12-3-9, CL.
56 Schmidt would explain to the Bundesbank Council in November 1978 “Along with the Japanese, we have been put under pressure for really quite some time by the American President and American public opinion, largely guided by the White House and the Treasury, that we should kindly be the ‘locomotive’ to pull the whole world economy out of the doldrums, and more of that sort of nonsense.” “Bundesbank Council meeting with Chancellor Schmidt (assurances on operation of EMS),” November 30, 1978, MTF, http://www.margaretthatcher.org/document/111554.
57 The German economy’s strength compared to other West European economies’ weaknesses presented a foreign relations problem for Schmidt in Europe when Carter took office. While the FRG economy suffered from the worldwide recession, it had a lower inflation and unemployment rate while maintaining a strong trade surplus. From 1973 to 1979, the Federal Republic’s inflation rate was around 4.7 percent. In contrast, French inflation averaged 10.7 percent per year, and the United Kingdom had a 15.6 yearly inflation. See “Economic Conditions in the Federal Republic of Germany”: Report Prepared for the Subcommittee on Europe and the Middle East of the Committee on International Relations U.S. House of Representatives by the Foreign Affairs and National Defense Division, Congressional Research Service, December 29, 1978 (Washington, DC: U.S. Government Printing Office,1978); Judt, Postwar, 456.
58 Hanrieder, Germany, America, Europe, 306.
other nations along, those nations being pulled would have little incentive to improve 
their own engines.

Adding to tensions between Schmidt and Carter, the Carter administration 
opposed Germany’s $5 billion contract with Brazil to install a nuclear reactor for civilian 
use. Washington withheld nuclear fuel exports to the FRG and then publicly and 
privately accused the Germans of recklessly contributing to nuclear proliferation. Carter told Schmidt that such exports “establish a very adverse global precedent at the 
very time when we should be moving to lessen the risk of nuclear explosions.”

Insulted by Carter’s implication that they contributed to nuclear proliferation, the 
Germans argued that their deal with Brazil did not violate the Nuclear Nonproliferation 
Treaty, and Schmidt told a Carter administration official, “Tell your President that the 
Federal Republic [of Germany] is not the government of South Vietnam.” Moreover, 
he told British Prime Minister James Callaghan “in vehement tones” that the FRG 
“would never yield to pressure on these matters from the United States or anyone else.”

Bonn ignored Carter and went ahead with the Brazilian nuclear deal. However, Schmidt 
later announced that Bonn would suspend similar transactions.

London Summit, 7-8 May 1977

60 Letter from Carter to Schmidt, March 8, 1977, NSA—BM, President’s Correspondence With Foreign 
Leaders File, box 6, Folder: Germany, Federal Republic of: Chancellor Helmut Schmidt, 2-4/77.
62 Callaghan, *Time and Chance*, 483. Callaghan wrote in his memoirs that he “wondered since whether 
differences between Schmidt and Carter which emerged in the early weeks of the new Administration 
coloured Schmidt’s later attitude towards United States policies” (Ibid.). West German Foreign Minister 
Hans-Dietrich Genscher flew to Washington and explained that West Germany, with its Nazi history, could 
not simply break treaties with nations whenever it saw fit. He felt that the moral argument resonated with 
Carter far more than any legalistic or political arguments would. Schmidt would also occasionally use 
moral reasoning to attempt to influence Carter. Hans Dietrich Genscher, *Rebuilding a House Divided* (New 
York: Broadway, 1998), 146.
63 Callaghan, *Time and Chance*, 483; Kauffman, *Plans Unraveled*, 104. The deal was of enormous 
economic importance to Germany.
Dismayed that Carter had not met with him in the first few months of his presidency, Schmidt hoped to make up for lost time by reprising his self-perceived role as advisor or even professor to presidents at the London Summit in May 1977. He believed Carter’s stimulus program would likely create inflation in the United States and would completely fail in Germany. In March, he told British Prime Minister James Callaghan, “I will certainly not give in to public pressure or to summitry pressure….If this were Germany, what he is doing there, it would only go into a greater savings rate.” Carter’s credibility on economic policy faltered in April after the President withdrew a $50 individual tax rebate proposal in response to conservative Congressional opposition, dissension within his own administration, and opposition within the American business community. Sensing his position strengthened, the Chancellor declared in the days leading up to the summit, “we’re going to educate Carter.” Yet Carter’s proclamation preceding the summit indicated that the new American President had no intention of being an attentive pupil: “When we are selfish and try to have large trade surpluses, and a tight restraint on the international economy, then we make the weaker nations suffer too much.”

Tensions between Carter and Schmidt were only exacerbated by discussions at the London Summit. According to Callaghan, Schmidt arrived at the summit in a “smoldering mood,” which would be worsened by Carter’s summit negotiating style.

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65 Putnam and Bayne, Hanging Together, 70. Even while advocating the refund bill to Congress, Carter himself had “mixed emotions” about the refund bill, writing in an April 6 diary entry, “I’m becoming more concerned about inflation than I am about stimulation, but our economists are almost universally committed to the proposition that it is needed.” Jimmy Carter, White House Diary (New York: Farrar, Straus, and Giroux, 2010), 180.
Callaghan credited Carter’s “precise engineer’s mind” for the President’s penchant for using discussion to push colleagues to concrete decisions rather than seek general consensus. Such efforts often brought disagreements to the surface, causing summit participants’ egos to become involved.68

At the first summit session, Schmidt launched into a lecture on the causes of stagflation and flatly rejected the Locomotive Theory. He said that the West faced a structural crisis with its origins mostly deriving from American policy—not a mere “business cycle recession.” He declared that the financing of the Vietnam War had flooded the globe with liquidity, causing inflation, and charged that the unilateral abandonment of the Bretton Woods system left currency chaos in its wake, causing financial uncertainty and adding risk to companies engaging in foreign trade. Finally, Schmidt blamed the oil price explosion, with its origins in American policy, for adding still further to the many structural problems faced by the world’s largest economies.69 In response to American demands, he said that the Germans would do “whatever they could to stimulate their economy, but not by printing money.” He added the caveat, however, that his government had used and would continue to use public outlays if private expenditures slumped.

Although Carter tried to heal American relations with the Federal Republic,70 and impressed his colleagues with his intelligence and the boldness of his policy initiatives,71

68 Callaghan reflected, “I have wondered since whether the differences between Schmidt and Carter which emerged in the early weeks of the new Administration coloured Schmidt’s later attitude towards the United States.” Callaghan, Time and Chance, 483.
70 Carter admitted that his administration had been “guilty of insensitivity, eg in their handling of the nuclear fuel question, and that they had a lot to learn. London Summit (Session 1), May 7, 1977, MTF, http://www.margarethatcher.org/document/113938.
71 In a quadripartite meeting with Callaghan, Giscard, and Schmidt, Carter dazzled the leaders with a broad array of plans, which included a Comprehensive Test Ban Treaty, the establishment of diplomatic relations
he failed to persuade Schmidt to accept the Locomotive Strategy. At a summit breakfast, Schmidt told Carter that he could not assume the leadership of Europe in the manner Carter was suggesting. He was “concerned about overemphasis on Germany’s leadership position in Europe,…[because] it arouses competition among the other European countries, particularly France, revives the old concern about Nazism, and also overemphasizes Soviet concern about German military strength.”

Schmidt thus used German history as a tool to deflect American demands. Instead, without specifying how, the Germans promised that the West German economy would grow by 5 percent in 1977. Bonn would not keep this promise. Moreover, in response to West German and French pressure, the Americans reluctantly agreed to a summit statement, proclaiming the German belief that “inflation does not reduce unemployment. On the contrary, it is one of its major causes.”

The German press praised the phrase’s inclusion, viewing it as a major German diplomatic triumph. NBC’s Richard Valeriani reported “The theme of the conference was simply, ‘Deutschland, Deutschland über alles.’ Helmut Schmidt got everything he wanted.”

with China, the withdrawal of 43,000 American forces from South Korea, “more two-way traffic” of NATO arms procurement, and an effort to achieve peace between the Israelis and the Palestinians. Callaghan reflected in his notes, “I was astonished (and I think the others were) at the number and importance of decisions that he has already made. I find myself wondering whether they will all stick when he comes up against difficulties.” London Summit (Callaghan note of quadripartite meeting), May 9, 1977, MTF, http://www.margarethather.org/document/111494.

Carter, White House Diary, 47.

During the conference, Schmidt argued that rather than coming to firm decisions, the participants needed only to give the world the impression that they were not fighting with each other and their economic policies complemented each other. Ibid. Just as Schmidt made this promise, the German Economic Ministry discovered that the German economy had grown by a rate of just 1.2 percent in the second quarter of 1977. Putnam and Henning, “The Bonn Summit of 1978,” in Can Nations Agree?, 42—43.


Ibid.

American policymakers understood that because the West Germans depended heavily on foreign trade, the falling dollar would force them to enact expansionary policies. Because exports made up 23 percent of West German GDP in 1978 compared to only seven percent of American GDP, the falling dollar could cause serious damage to the West German economy. A Common Market official remarked that the Americans and Germans were playing “a dangerous game of chicken. The U.S. wants to see how far the dollar can fall before Germany is forced to reflate its economy, while the West Germans want to see how far it can fall before the U.S. is forced to halt the decline.”

Yet Carter’s Treasury Secretary Blumenthal denied that he had consciously “talked down” the dollar, actively advocating its decline as many European observers at the time believed. In a 1979 *Fortune* interview, Blumenthal insisted, “What I said was that we favored flexible exchange rates agreed to in the IMF, and that this means there will be ups and downs, that we weren’t pegging the rate.” Although Carter worried about the growing American trade deficit, his advisors assured him that American policy was not entirely to blame. Reflecting in his diary about a conversation with Charles Schultze, Chairman of Carter’s Council of Economic Advisers, about the deficit’s causes, Carter concluded “Our exports have held steady and imports have increased because of a growing economy compared to the rest of the world.”

Nevertheless, Schmidt interpreted Blumenthal’s comments, along with his criticism of German and Japanese efforts to prevent their currencies’ appreciation, as

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77 Biven, *Jimmy Carter’s Economy*, 166.
79 See Biven, *Jimmy Carter’s Economy*, 290, note 77. Biven also interviewed Blumenthal, and Blumenthal provided the same response as he did in the *Fortune* interview.
80 Letter from Carter to Schmidt, March 27, 1978, 115991, AA.
deliberate neglect. As Carter and his subordinates continued to insist that Germany contribute more to growth and blamed an overly tightfisted German fiscal policy for the stagflation that engulfed the Western economies, the Chancellor became even more vocal in his criticisms of American policy. In August, he angrily rejected American arguments, exclaiming to cabinet colleagues, “They (the Americans) who enrich themselves through the rest of the world except Japan and the oil rich nations, strain the rest of the world and still talk of constructive contributions! Without US oil demand the OPEC cartel would fall to pieces!” The angry German Chancellor called Blumenthal’s currency proclamations “suicidal.”

In September, Schmidt gave Carter a more succinct explanation than he had at London for the economic turbulence of the time: America’s energy policy and its inability to balance the American current accounts deficits. Schmidt insisted that the European central banks had largely financed the American deficit, and if they stopped, rampant global inflation would occur. This trend could not continue, especially as the dollar’s fall continually increased the amount Europeans had to pay just to sustain their own currencies’ values. Schmidt predicted that if the dollar continued to fall, a global recession would result.

Carter sympathized with German demands for the Americans to curtail oil consumption and agreed that American energy prices should be brought up to world

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82 See also Putnam and Bayne, Hanging Together, 49—50. Marion Dönhoff wrote that Bonn interpreted Blumenthal’s comments as: "unless the Germans do what they are supposed to do, namely turn themselves into the engine that pulls the world economy out of the recession by inflating a bit, we'll just do it another way." See Marion Dönhoff, “Bonn and Washington: The Strained Relationship” in Foreign Affairs 57 (Summer 1979), 1060.
83 Wiegrefe, Das Zerwürfnis, 213.
84 Ibid.
85 Schmidt to Carter, December 23, 1977, Document Number: CK3100140655, DDRS.
levels. In an April 18, 1977, televised speech, he declared that “the moral equivalent of war” would be waged to lower oil consumption. However, mobilizing the American population for the moral equivalent of war proved more difficult than for the real thing. Carter faced entrenched Congressional resistance from conservatives and members of his own party. Despite their sympathies with the German arguments, many administration officials were annoyed that the Germans seemed to use American oil consumption as an excuse for not doing their part to encourage growth.

Schmidt understood that Carter was not solely responsible for the oil crisis. The West German ambassador explained that Congress was “rejecting or strongly modifying” Carter’s proposals. Nevertheless, Carter continued to view his “energy package as the most important proposed political legislation of his time as president” and was thus fighting ferociously for its passage. Vietnam and Watergate, the ambassador concluded, had caused considerable strain between the White House and Congress, even when members of the same party controlled the executive and the legislative branches. Adding to the tension, Carter had failed to establish good personal relations with the most influential members of Congress. Thus his “problems are primarily domestic.”

Schmidt’s frustration stemmed from his knowledge that Carter understood the problems caused by American oil consumption, but, given his difficulties with Congress, he was focusing the Western world’s attention on Germany’s trade surplus. Both leaders found

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89 Innenpolitische Stellung von Carter, October 24, 1977, Friedrich Ebert Stiftung, Helmut Schmidt Archive, 1/HSAA008744.
it easier to criticize the other for failing to deal with domestic opposition than actually to handle entrenched domestic opposition themselves.

Aware of the difficulties the dollar’s fall caused West German policymakers and hoping to avoid another summit defeat, Carter and his advisors tried to force the West Germans to agree to expansionary policies in the months before the 1978 Bonn Summit or to get a promise that such policies would be agreed to at the summit itself. The Americans used the summit’s location as a bargaining chip, threatening nonattendance if the Germans failed to budge over the Locomotive Theory. Visiting Bonn in February, Treasury Secretary Blumenthal and his team warned the Germans, “We don’t need a new economic summit that would only send empty platitudes floating down the Rhine.”90 An American absence would, of course, doom the summit, causing great embarrassment to its West German host. Although Carter’s absence from the annual summit of the largest Western economies would cause him immense domestic political and international harm, as it would have appeared that the United States shirked its leadership responsibilities, Schmidt took Blumenthal’s threat seriously.91

However, rather than cowering before American threats, Schmidt lashed out at Blumenthal and his team. The Chancellor argued that the American oil import growth and the connected strong depreciation of the dollar had largely caused the unrest in global currency policy.92 The treasury secretary retorted that the rapid increase of the American “trade balance deficit could be traced back to the high growth rate of the American

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90 Biven, Jimmy Carter’s Economy, 146.
economy, while simultaneously the growth in other nations lagged behind.”93 The two talked past each other. Each blamed the other for not doing enough for the world economy and each ignored the domestic political difficulties that the other faced in trying to enact either the reduction of oil consumption or the adoption of reflationary policies.

The quarrelsome conversation then centered on Germany’s proper role in Europe. Blumenthal believed only the Federal Republic’s leadership could cause the psychological improvement needed to lift Europe from its torpor. American Undersecretary for Monetary Affairs Anthony Solomon added, “The Federal Republic must take over the leadership in Western Europe. There is nobody else in Europe who is in that position.”94 Schmidt rebuffed the suggestion, arguing, “The Federal Republic cannot assume ‘leadership’ of the Western European countries. Other European states’ sensibilities toward the Federal Republic makes that impossible. Only the USA can lead the West.” Blumenthal responded that Washington would lead, but could not solve Europe’s problems by itself.95 Of course, the Americans wanted the Germans to lead in Europe in the manner suggested by Washington. Toward the end of the meeting, Blumenthal criticized the Bundesbank’s dollar intervention, arguing that it would be better if the Europeans would find other means to deal with the dollar’s decline, implying that they should follow American prescriptions.

Meanwhile, Carter’s sympathy for Schmidt’s difficulties was eroding. Carter wrote in a February 14 diary entry that the Chancellor “had been extremely critical of me personally and also of our country.” He believed Schmidt was mentally unstable. He wrote that the Chancellor “seems to go up and down in his psychological attitude. I

93 Ibid.
94 Ibid., 252.
95 Ibid.
guess women are not the only ones that have periods.”96 On February 22, John J. McCloy, the former U.S. high commissioner for Germany, met with Carter and Brzezinski to express “concern about the relations between Germany and us.” Brzezinski responded by “suggest[ing] that he go to Germany and try to get Schmidt to keep his mouth shut for a change.” The following day, Carter devoted part of his foreign policy breakfast to discussing Schmidt’s “irrationality.”97

On the other side of the Atlantic, Schmidt continued to criticize American policy and offered new ideas for how to deal with it. On February 28, he told Roy Jenkins, President of the European Commission, “You may be shocked, you may be surprised at what I intend to do, but …I shall propose, in response to the dollar problem, a major step towards monetary union; to mobilize and put all our currency reserves in a common pool, if other people will agree to do the same, to form a European monetary bloc.”98 Although worried by Schmidt’s blatant “anti-Carterism,”99 Jenkins supported Schmidt’s proposal.

In a March 12 meeting, Schmidt voiced his frustrations with American policymakers to Callaghan, stating that Carter surrounded himself with advisors who “saw economic policy only through United States domestic eyes.” He wanted Callaghan to act as an intermediary, and “encourage [Carter] to take a broader view.” Schmidt said that he did not want to follow the Americans on a wrongheaded course and reflate the economy by “printing money,” but the continued fall of the dollar might force him. He

96 Carter, White House Diary, 172.
97 Ibid., 173.
98 Jenkins, European Diary, 224.
99 Schmidt complained that Carter’s “behavior over the dollar was intolerable.” Ibid., 225.
claimed that he might resign rather than allow Germany to be coerced into following the Americans’ misguided advice.

During this meeting, Schmidt broached his “exotic idea” with Callaghan. He explained that the Federal Republic, along with other members of the European Economic Community, would put “half of their reserves into a new currency pool, the currencies of which would be fixed against a European Unit of Account (EUA),” which would float relative to the dollar. The finance ministers from each participating nation would manage the currency pool, and nations needing funds could borrow money from the pool if they repaid the money between eight weeks and two years. Schmidt stressed that he did not want the EMS reserve fund tied to the dollar, “because the U.S. economy was too large and uncontrollable: the captain was not in charge, even though he was well meaning.” Germany would dominate the currency pool, putting in twenty billion dollars while Britain and France, he suggested, would each put in ten billion dollars.

At the April 8 European Council Meeting in Copenhagen, Schmidt, Giscard, and Callaghan further developed EMS plans. Callaghan described the meeting later in his memoirs: “Helmut had recovered from his depression when we met and was in brisk form. He announced that his purpose was to turn German dissatisfaction with American monetary policy into a practical plan to safeguard Europe’s interests…. [T]he German… Mark was itself becoming a reserve currency, reflecting the strength of the German economy.” Schmidt and Giscard agreed that while the newly created EUA would first only be used by national banks, they intended for the EUA to develop

101 Ibid.
eventually into a new European currency. The West European leaders, fearful that EMS plans would cause the Americans to “become more protectionist” agreed to wait for the “right stage” to inform Washington of the idea. Callaghan mused that the “scheme reflected a turning away from the dollar and from U.S. financial policy.”103

Wary of Schmidt’s scheme, the British questioned the advantages of joining what would effectively be a German mark zone. They believed the Germans wanted EMS to lower the value of the German mark to make their exports more competitive.104 The British feared they would damage their own financial autonomy by entering a low-growth zone in which the Germans could largely dictate how much the British could pull from the EMS reserves. 105 In addition, one British official warned, “[The EMS proposal] would look too much like ganging up with the Germans against the United States,” a point with which the Prime Minister agreed.106

Schmidt suspected Callaghan’s unease over criticism leveled at the United States. The British, he felt, wished to maintain their “special relationship” with the United States, which, he believed, meant far more to the British than the Americans. Callaghan, afraid that the “Carter/Schmidt chemistry,” or lack thereof, would imperil compromise at the upcoming July Bonn Summit, felt the need to act as political interpreter between Schmidt and Carter in the weeks leading up to the Summit. “I had done all I could in telephone

104 In an April 4 telephone conversation with Giscard, Callaghan explained, “My view is quite a clear one that if the effect of the arrangements is to prevent the strengthening of the Mark even further to the disadvantage of sterling I would not find it very attractive.” Giscard-Callaghan phone call, April 4, 1978, MTF, http://www.margaretthatcher.org/document/111475. Callaghan’s Labour Party, moreover, was “suspicious” of a scheme that might link the UK too closely with the continent. Callaghan, *Time and Chance*, 493.
and personal conversations to interpret each to the other,” Callaghan would later reflect.107

Although Schmidt sought to prevent the Americans from knowing too much about the EMS proposals until their development was well under way lest the Americans seek to derail the scheme, the British kept Carter informed. Indeed, Callaghan did his utmost to convince Carter that the British were taking no part in the criticism of the United States and would not join the proposed monetary scheme. On April 17, Callaghan called the President to tell him “that certain critical views being expressed elsewhere were not shared by him.” The Prime Minister, moreover, assured Carter that he should not draw from “the speculative press reporting about ideas for European currency developments” that the British planned to lessen their cooperation with the Americans. While he favored proposals that encouraged currency stabilization and growth, Callaghan declared he “was not prepared to adopt a posture hostile to the United States.” The Prime Minister said that he wanted Schmidt and Carter to get along, believing they shared “too much misunderstanding.”108

Callaghan feared Carter neither understood West German policy nor Schmidt. “I’m not sure you’re getting the real depth of Helmut’s views,” he told the president. Callaghan explained that Schmidt’s policies were complex, because of the structure of a coalition government in which his Foreign Minister from the Free Democratic Party, Hans-Dietrich Genscher, and Schmidt did not always agree. Moreover, Schmidt contended with the autonomous, penurious Bundesbank, which wielded enormous power over the German economy. Carter agreed that he did not understand the Chancellor, who

often agreed with him in person but later expressed “deep concerns about our policy or our relationship with the FRG” privately with other leaders. Callaghan stressed the gravity of the situation, saying that Schmidt expected American growth to slow and the dollar to continue falling precipitously. Thus the Chancellor urged Europeans to “insulate [themselves] from it as much as possible. Now I don’t know whether that thinking has got across to you, but with the strength of the German economy it could be extremely serious and I don’t really know, Jimmy, how to obviate it.” Callaghan stressed that though he would refuse to join a new European currency snake, the French would likely enter such a snake in mid-1978. He stressed, “it’s Helmut who’s the key to this.” Carter thanked Callaghan for shedding light on what had been a great mystery to him.\textsuperscript{109} Callaghan cautioned, “You see he knows about international finance, he understands it, he was a Minister of Finance himself, he cares about it and he believes American policy is all wrong. Now as long as that persists there’s going to be trouble.”\textsuperscript{110}

The following week, Schmidt vented his frustrations about Carter to Callaghan while the Prime Minister sought to mollify his attitude. Callaghan observed that the Chancellor seemed skeptical of American policy, prompting Schmidt to respond that “he was not—only skeptical about the present office holders.” The Prime Minister urged the Chancellor to show more gratitude for the American commitment to NATO, prompting a harangue from Schmidt over Carter's leadership and the difficult position it placed him. Callaghan reported that the Chancellor said that, “He wished [the Americans] would maintain the philosophy of LBJ—like it or not, the US must lead but without showing

\textsuperscript{110} Ibid.
it…[T]he United States was not now leading. Their leadership was neither continuing nor predictable and this created instability.”

In late April, Schmidt pressed the British to join EMS as his anger toward what he considered the dangerous economic policy of the Carter administration festered. Schmidt and Callaghan met with their central bankers at Chequers to ascertain what had caused Western economies to stagnate and what could be done to create broad-based growth. Callaghan and Schmidt agreed that they were “in this mess” because of American fiscal irresponsibility during the Vietnam War. Although they agreed on the cause of global financial disorder, the German guests clashed with their British hosts about the proper solutions. Schmidt proclaimed Keynesian economics dead, stating that “it could push up wages and prices but not create growth; the United States had by Keynesian policies, produced negative growth.” Seeking to woo his British hosts away from their traditional “special relationship” with the United States, Schmidt warned against blindly trusting American leadership. He said that though the United States remained the world’s largest economy and the dollar persisted as the world’s reserve currency, “It had a relatively small proportion of its GNP involved in world trade—only 12 percent. What was good for the United States was not necessarily good therefore for countries depending upon world trade. Only the United States could afford to have a deficit: the rest of the world could not.” The British responded that the Germans had geared their economy for long-term growth based on exports and thus depended on the rest of the world for robust growth, while the British had a weaker industrial sector and thus faced different structural

113 Ibid.
challenges. A frustrated Schmidt responded, “One solution was that those with deficits should get rid of them!” Such a statement left the British with little doubt of what joining a German mark-dominated system would mean. When his British hosts stressed that the Germans had to do more to boost demand, Schmidt retorted that any German stimulus could not erase the thirty billion trade deficit that the United States would likely run in 1978 nor could it get rid of the deficits of many others. He asked rhetorically, “If we assumed that the FRG and Japan could get rid of their surpluses, who would then have them? The answer was three or four OPEC countries would retain large surpluses and 130 plus countries would have a deficit, [and] only the Arab rogues would keep surpluses.”

The Bonn Summit: July 16-17, 1978

At the Chancellor’s Hamburg home in July, Callaghan was stunned to learn that no deal between the Americans and Germans had yet been struck over economic policy. Schmidt told the Prime Minister that even though he doubted the efficacy of German expansionary measures, he would agree to them in exchange for a promise by Carter to “act on energy and the balance of payments.” Dubious that a meeting of the quarrelsome leaders themselves would produce compromise, the Prime Minster asked, “What would happen to the deutschemark and the dollar if the summit ended without any agreement on this matter?” Schmidt responded that he was uncertain, but the Bundesbank already intervened to prevent the dollar from falling too low. Schmidt’s somewhat indifferent response prompted Callaghan to warn of markets’ reaction to such a failure, causing the Chancellor to respond that he understood the stakes involved, which was why he would

114 Ibid.
betray his own judgment by agreeing to expansionary policies. Other British officials were more forthcoming with their fears. One British official told the press, “If this one is a failure like the last one [in London, May 1977], it would be a real disaster.”

In the months before the conference, Schmidt had allowed the Americans to gain confidence that a compromise could be reached at Bonn. He told Henry Owen, Carter’s Ambassador at Large for Economic Summit Affairs, that “the German government would introduce a stimulus package if the Federal Republic could not achieve its 3.5% 1978 growth target. He warned that he would not say so publicly, until and unless the time came to act.” When Owen cautioned that it would be damaging to Carter to return from Bonn without a promise for the Germans to initiate stimulative measures if German growth sagged, Schmidt responded “that any German tax cut would depend on the United States ‘vigorously attacking its inflation and energy problems.’” Thus, in late June, Owen would tell Carter that the main purpose for American attendance at the Bonn Summit was to achieve a “three-way deal,” in which the Americans would promise oil import reductions, the Germans and Japanese would pledge to stimulate their economies, and all participants would lower existing tariff barriers.

Schmidt did not allow agreement with the Americans to precede the summit, because he wanted to extract as much as he could from the meeting. The Chancellor’s economic advisors concluded in winter 1977 that the Americans were partly right and the FRG had to initiate stimulus measures. His protests against adopting expansionary

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118 Henry Owen to Carter, June 23, 1978, Document Number: CK3100497594, DDRS.
policies were meant partly for British, American, domestic coalition members,’ and German bankers’ ears. The Chancellor who months before had lambasted Carter for failing to see the neutron bomb’s negotiating potential would masterfully play his own bargaining chip.

Schmidt had three reasons for hiding his desire to reflate the German economy in the months before the summit. First, the Chancellor believed he had to convince conservatives within his own coalition and at the Bundesbank to support reflation. Second, he believed that such a strategy would allow him to get concessions from his summit counterparts. From the Americans, Schmidt wanted an agreement to cut American oil imports. From the British and the French, he could gain trade concessions. Third, he knew that if the Americans and other Europeans badly wanted the Germans to adopt expansionary measures, the West Europeans would be more amenable to joining the EMS in hopes that the West Germans would act to enhance demand, as Schmidt privately assured leaders he would, and the Americans would be less likely to seek to derail EMS through bilateral talks with potential member states. Thus he shrewdly sought to use the notion that he opposed expansionary policies as a bargaining chip to improve Germany’s international position and his own domestic position.

By summer 1978, Schmidt wanted expansion but preferred to appear to be pushed into it. A letter from the German economics minister to him that stressed the need for expansionary policies was leaked just prior to the Bonn summit. The dollar’s decline relative to the mark meant that a stimulus package would not cause inflation. Stimulus measures would, however, decrease German unemployment, which would appeal to the
working-class base within Schmidt’s SPD party. He proclaimed to the Bundestag in January 1978: “We are trying you might say to steer a golden, middle course between the demands of the opposition here…and the insistence of some abroad that we should increase our deficit.” While allowing pressure from the Americans, the British, and the French to soften internal opposition to expansionary measures, Schmidt urged his colleagues to wait until the most opportune moment to ‘compromise.’ He told his colleagues, “Let’s wait a while, until after the summit....Make them [the Americans and their allies] force me to do it, so that in the end, I can.”

Recognizing the need to make EMS palatable to his European counterparts, Schmidt began hinting at his greater willingness to stimulate the German economy in connection with his EMS proposals. He told Callaghan, who agreed with Carter that the Germans should initiate expansionary programs, “that one of his reasons for wishing to move ahead on monetary reform was that it provided him with a means of freeing himself from the domination of the central banks and being able to pursue a softer monetary policy.” Although most Western nations wanted Washington to adopt policies that halted the dollar’s devaluation and lessened American energy consumption, Germany was even more alone with its slow growth policy.

An after-dinner conversation at the European Council Meeting at Bremen revealed both German hopes and British fears regarding EMS. Responding to Dutch Prime Minister Andreas Antonius Maria van Agt’s question of whether the proposed

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119 Kaufman, Plans Unraveled, 112.
120 As quoted in Biven, Jimmy Carter’s Economy, 151.
121 As quoted in Putnam and Bayne, Hanging Together, 89.
scheme would be as strict as the snake, Schmidt said, “yes, and by so doing would help to keep the deutschmark more stable, especially if France, the United Kingdom and Italy joined.” Callaghan responded that “this would simply make the German economy even more competitive and that therefore there must be studies in parallel covering the economic as well as the monetary system.” The Prime Minister correctly surmised that the Germans were attempting to turn the problems posed by uneven growth and financial policies into assets. The Germans would latch their currency onto those of their weaker neighbors to advance their own trade interests. In return, Schmidt offered the incentives of stability and the possibility that his government would be freer to pursue a more stimulative approach within the context of EMS. For the British, the promise of stability was not enough. Callaghan told the Council that he could only agree to further studies of EMS but could not offer a commitment without losing office. Nevertheless, the EC agreed to move forward on the EMS proposals.

On July 7, Schmidt called Carter to inform him that the EC leaders had “agreed to consider a broad scheme for closer monetary cooperation in Europe, with the goal of greater monetary stability throughout the world.” Carter responded that although the United States agreed in principle with European integration efforts, until he had further details, he would “neither endorse or…criticize it. The decision is for you in Europe.”

Schmidt’s refusal to compromise before the summit caused the Americans to be cautious toward the Chancellor’s proposals. Although Washington feared that EMS could work against the dollar, Carter’s summit briefing papers encouraged the President to

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124 Carter telephone conversation with Schmidt, July 7, 1978, Document Number: CK3100480226, DDRS.
125 Duccio Basosi, “Principle or power? Jimmy Carter’s ambivalent endorsement of the
accept EMS: “We welcome or endorse the European Community decision to explore increased monetary cooperation….We will be happy to cooperate with the European Community in studying aspects of the proposed arrangements.” A side note on the briefing paper warned: “It seems increasingly clear that Schmidt and Giscard have strong feelings on this subject; how positive you sound in saying the above will have a lot to do with how they react to your statements on other matters.”126 American policymakers believed Carter’s acceptance of EMS might be necessary for Schmidt to agree to stimulate the German economy, and they were certain that an American pledge to curb oil imports would be required.127 Despite being informed that Schmidt likely would compromise, Carter left for Bonn “with fairly low expectations concerning the economic summit.”128 Nevertheless, in an unprecedented gesture of respect in the history of West German-American relations that signaled that the Chancellor wanted to work with the Americans, Schmidt greeted him at the airport.129

At Bonn, Carter and Schmidt sparred over EMS, after Giscard and Japanese Prime Minister Takeo Fukuda criticized the American dollar. The President said that although the Americans supported European integration, they worried that EMS could be

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127 Memo from Vance, Blumenthal, Schultze, Brzezinski, and Owen to Carter, July 7, 1978, Document Number: CK3100015132, DDRS.
128 See Carter’s 13 July 1978 entry in Carter, *White House Diary*, 205. The CIA provided a gloomy assessment of the willingness and ability of Schmidt’s government to enact substantial stimulus measures, bolstering further Carter’s pessimism about any negotiations involving Schmidt. The assessment pointed to the unique acceptance of the German electorate of a low growth rate and of low inflation. Even if they opted for what they saw as a patching strategy, the Schmidt government would have had difficulty adopting one. The anti-inflationary electorate could quickly end Schmidt’s Chancellorship. The implementation of public works programs, moreover, would be difficult, because of the limitations of the power of the federal government in Bonn, the advanced environmental laws and regulations, and the constitutional limitations on deficit spending West Germany: Perspectives and Constraints on Demand Stimulation, Central Intelligence Agency, National Foreign Assessment Center, July 1978, NLC-49-1-8-13-5, CL.
129 The gesture was unprecedented in the history of American presidential arrivals in the Federal Republic. Carter’s summit trip was the president’s first and only official state visit to the Federal Republic. Soell, *Helmut Schmidt, 1969 bis heute*, 697.
aimed at the dollar or to pressure deficit countries. Carter questioned the motives for EMS, saying that dollar depreciation did not solely cause other nations to fail to meet their growth targets. Rather, the President insisted other nations’ failure to meet London summit growth targets had caused the dollar’s fall. Ignoring Carter, Schmidt blamed the American dollar’s decline and European currency fluctuations for the German economy’s slow growth rate. Such fluctuations created uncertainty for German manufacturers, which depended upon foreign consumers for profits, causing them to hesitate to invest heavily.

On the second day of the summit, Schmidt compromised and agreed to stimulate the West German economy through tax cuts in exchange for the Americans promise to deregulate oil, allowing American oil to rise to world levels by the end of 1980. Moreover, although the Americans did not endorse EMS, they only questioned its premises rather than denounced it. At the time, the Bonn summit was viewed as a stunning success and a pivotal example of the Western nations’ ability to coordinate economic policies to their mutual benefit. Schmidt would later say, “The Bonn summit was successful because all the participants had a real desire to achieve concrete results. That required give-and-take. Any negotiation does, whether it be with the Soviet Union or domestically between different political groups. At Bonn, as host, I made sure that each government contributed to the total package.” Yet events beyond the summit participants’ control unraveled many of the summit’s achievements. The Iranian Revolution led to another oil shock, causing global oil prices to rise, causing West German inflation to exceed five percent in 1979 and suffer a current accounts deficit.

131 Ibid.
132 In a 1983 interview, as quoted in Biven, Jimmy Carter’s Economy, 179.
Fulfilling his summit promises, Schmidt informed Carter on July 28 that the Federal Republic would enact a 12.2 billion mark stimulus, which included 4.7 billion additional expenditures and 7.5 billion marks of tax cuts for 1979.\textsuperscript{133} Carter announced in an April 5, 1979, television speech that the United States would enact a phased decontrol of oil prices. The President only came to this decision after excruciating deliberation about whether to betray the Bonn commitment or cause public outrage by allowing energy prices to rise. He opted for the latter, believing that betraying Bonn would raise Schmidt’s fury to unprecedented heights and cause summit participants to believe American promises lacked credibility. Along with the phased decontrol of oil, which began on June 1, 1979, Carter pushed for a 50 percent windfall profits tax, providing money for an “energy security fund” that aided poor families and subsidized mass transportation and investments for energy. Carter signed a windfall profits tax in April 1980. His decision to deal with America’s energy import problem created widespread outrage, especially because his actions occurred simultaneously with an oil supply problem caused by the unrelated disruptions of the Iranian Revolution. The Americans connected the supply problems that again caused long gas station lines and shortages with the administration’s policy, damaging Carter’s domestic political position.\textsuperscript{134} Although Schmidt claimed the Americans pushed him into reflationary steps, he got everything he wanted by outmaneuvering the Americans and his domestic opponents. Moreover, he inadvertently caused Carter political damage that would contribute to Carter’s downfall.

Aftermath

\textsuperscript{133} Schmidt to Carter, July 28, 1978, Document Number: CK3100144047, DDRS.
\textsuperscript{134} See Biven, \textit{Jimmy Carter’s Economy}, 176-178.
By the second half of the Carter administration, Carter’s Locomotive plan had been derailed. Stuart Eizenstat, Carter’s White House Domestic Policy Staff Director, later reflected, “Our biggest mistake on economic policy was…misjudging the strength of inflationary forces in early 1977 and having an economic policy which over-stimulated the economy.”\(^{135}\) Carter’s appointment of Paul Volcker as Chairman of the Federal Reserve in August 1979 caused a shift to a more restrictive monetary policy.

Schmidt himself felt vindicated and later declared victory in the battle of the two economic policy models. On November 30, 1978, he met with the Bundesbank Council. Schmidt’s purpose was to convince the Bundesbank to support EMS. At the meeting, he stressed the foreign policy value EMS had for Germany. Carter and his advisors, Schmidt exclaimed, had badly judged the global economic situation and how to deal with it. He emphasized that his own stubborn refusal had caused American policymakers to yield. He told the bankers, “One must make oneself aware that the United States [has] reversed under the pressure of the German example and the German argument for stability....A tremendous development!”\(^{136}\)

Schmidt’s core arguments to the bankers centered on the national political and economic benefits EMS offered. He argued that other Europeans either envied or feared German success, and thus masked their own systems’ inadequacies by blaming Germany for their shortcomings or by making accusations related to Germany’s Nazi past. He feared that if left unchecked, such trends could lead European politicians to adopt protectionist policies that would damage West German exports. Bonn could counter such trends, however, by enticing other European nations into a monetary union. The carrot,

\(^{135}\) As quoted in Biven, *Jimmy Carter’s Economy*, 206.
Schmidt argued, was the strength and responsibility of Germany, which would underwrite stability, sheltering the currencies of the weaker economies of Europe from the wild fluctuations caused by erratic American policy. In addressing potential central banker concerns that such a system would mean that the bank would have to prop up such currency through cash injections, he told them that they had already been supporting the American dollar, and it would be far less expensive in the long run to buttress the currencies of Western Europe’s far smaller economies. Moreover, the Germans could exert far more pressure on politicians and bankers of these smaller economies to get their fiscal houses in order than they could on American policymakers. The Chancellor also believed that the Germans could entice other nations to join by arguing that national politicians could avoid blame for unpopular fiscal policies, because EMS would institutionalize such decisions. To the bankers, Schmidt’s EMS promised the domination of Bundesbank tight-money policy over Europe.

Schmidt stressed that to prevent frightening the rest of the world, Germany had to cling to two sources of legitimacy as it grew more powerful: its transatlantic relationship with Washington, institutionalized through NATO, and its relationship with other Western European nations, formalized through the European Community. Despite having more soldiers than even the Americans, Germany could not flex its political muscle for its own interests. “Everything that the Germans undertake alone in this field very quickly makes virulent the inferiority feelings of the others, and resistance immediately grows as a consequence,” he lamented. He said that the Germans remained vulnerable because of their responsibilities to West Berlin and by their Nazi past. Emphasizing his point, he told the bankers, “The more successful we are in areas of

\[137\] Ibid.
foreign policy, economic policy, social economic matters, and military matters, the longer it will be until Auschwitz sinks into history.”

The Bundesbank consented to the EMS proposal only after receiving a written promise from Schmidt that if Germany’s responsibilities toward the EMS conflicted with the bank’s priority of controlling inflation, Bonn would side with the bank. EMS went into effect on March 13, 1979. It initially included Germany, France, Belgium, Denmark, Italy, Ireland, Luxembourg, and the Netherlands. The EMS created “a grid of fixed bilateral exchange rates..., linked by a purely notional unit of measure, the European Currency Unit..., and underwritten by the stability and anti-inflationary priorities of the German economy and the Bundesbank.” In September, Der Spiegel featured an illuminating illustration, titled “European Currency Summit,” of a muscular figure in a gymnast suit with a German mark coin for a face holding up a troop of weaker gymnasts.

Belatedly, American policymakers realized the significance of what had happened. In October 1979, the CIA reported that Organisation for Economic Co-operation and Development (OECD) “partners have undergone a series of gradual changes whose cumulative impact suggests the United States is losing its leadership position within the OECD arena, without being replaced by any one, or group of its allies.” The decline of America’s influence partly derived from “a diminution of American decisionmaking power and influence with its allies resulting from lack of trust

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138 Ibid.
139 Judt, Postwar, 461.
in US responsiveness and policymaking skill, as well as from a perceived decline in relative American political, economic, and military power.\textsuperscript{141}

American allies had long criticized American policymaking. But until the late 1970s, they could only “resist major US initiatives…—but they could not initiate.” The report cited the collective resistance to the Multilateral Force initiative and France’s withdrawal from NATO as two examples of resistance. The novelty of this transition, the report concluded, was the willingness of the Europeans to make initiatives on their own, and this development derived from the simultaneous relative decline of American power and the rise of skepticism of American capability. The West Europeans, for the first time in the post-World War II era, were presenting proposals and forcing the Americans to react.\textsuperscript{142}

The assessment cited monetary questions as “one of the best current examples of changing allied relationships.” Even in the chaos that followed the collapse of Bretton Woods, the allies still looked to the Americans for leadership. In the late 1970s, however, the Europeans “ceased to do so.” Instead, the allies had forced the United States to change policy. The CIA reported, “The anti-inflation and dollar support programs adopted by the United States in the fall of 1978 were the result in great part of allied pressure.” Sensing a leadership vacuum, France and Germany launched EMS. European leaders privately blamed “US economic and fiscal mismanagement” for the need to establish EMS. EMS would continue to be plagued by Germany’s unwillingness to act as the United States had in the Bretton Woods system, the lack of a common currency, the diversity of European economic policies, European countries’ reluctance to

\textsuperscript{141} “Changing Power Relations Among OECD States,” October 22, 1979, NLC-7-16-10-14-1, CL.
\textsuperscript{142} Ibid.
make domestic sacrifices to benefit the system, and the continued relative power of the American economy in the world. Despite these problems, EMS members would likely not leave the system, because EMS had stabilized the European currencies and “the members feel that their political and economic credibility is too much at stake for them to allow the EMS to fail.”

The CIA concluded that Germany’s rise and Britain’s decline had transformed the power balance in Europe. The “special relationship” with the UK had lost most of its meaning and significance. The British no longer collaborated significantly more with the Americans than with other allies. Moreover, “even if the old relationship still existed, it would not mean a great deal, given the United Kingdom’s now largely secondary political, economic, and military role in the EC, in NATO, and in the Third World.”

Because of French weakness, de Gaulle had been forced brazenly to defy the United States to pursue French interests. Now, with its close political and economic cooperation with West Germany, France had drastically increased its power, and because of this, “Giscard can be more cooperative when that suits his interests…, while going his own way when that appears more profitable.”

In contrast, the report stressed Germany’s importance. The most important change was the precipitous rise of German policymakers’ confidence: “The economic giant is no longer the political dwarf who was reluctant to take any initiatives and who was usually ready to do the bidding of the United States,” the report stressed. Instead, Germany was now more openly pursuing its own interests and pressing for European integration to do so more effectively. Schmidt was crucial to this transformation, because of his

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143 Ibid.
144 Ibid.
145 Ibid.
confidence, his disdain for others, and his close cooperation with Giscard. Germany would likely not “return to its previous docility when Schmidt leaves the Chancellorship; it simply took some one of his personality, ability—and generation—to make the breakthrough.”

Conclusion

The Carter administration, in adopting a reflactionary policy and demanding that Germany act as a locomotive to pull the rest of the world up, had unwittingly provided Schmidt with the motivation and useful leverage for Germany to pull Western Europe together. Of course, given the fact that a locomotive starts, stops, and sets the speed of the train cars connected to it, West Germany had thereby gained enormous leverage over Western Europe. But because each European state maintained its own political system, the locomotive analogy is imperfect.

As Schmidt knew, post-World War II German leaders had to avoid appearing to lead internationally. Although he would not admit it, Schmidt followed the maxim he accused Carter of failing to follow: He led without appearing to do so. He recognized that an assertive German leader could not brandish nuclear weapons, march at the head of military parades, or appeal to German national pride as de Gaulle had done in France. Thus a German Chancellor had to be an anti-leader to lead. The Chancellor could criticize the American president, arguing that a leadership vacuum within the alliance existed, but a German leader could not assert that he (or she) could assume that role. To lead, a German Chancellor must consult, even when he or she wielded far greater clout than some of his or her European counterparts. Thus during the Schmidt period, Europe became more integrated. Positively for European integration efforts, the leader of the

146 Ibid.
most powerful West European nation had to be a perennial self-abnegator or face suspicion and resistance to a degree exceptional to Germany. Yet the requisite self-abnegation of Europe’s most powerful leader also generated confusion, as was evident during the Carter period when Schmidt expected Carter to treat him as the most powerful man in Europe without acknowledging it.

By appearing intransigent, Schmidt, however, gained more than domestic support for stimulus measures, an American promise to do something about energy and balance of payment deficits, and trade concessions—he also crafted West European and American acceptance of the creation of EMS. In meetings with his European colleagues, he had repeatedly condemned the Carter administration for its irresponsibility and unpredictability, stressing the need for a European shelter against the vicissitudes of the American government and its dollar. While Schmidt recognized that the Europeans could not control American inflation, they could better control the way their currencies reacted to it.

The same president who spoke out boldly in public against the Soviets for violating basic human rights agreed to at Helsinki in 1975 also had to manage the delicate diplomacy on the neutron bomb, a weapon that purportedly would kill only humans while sparing structures. President Jimmy Carter’s handling of the neutron bomb issue from summer 1977 to spring 1978 caused the alienation of leaders on both the right and the left in the United States and Europe, causing serious harm to European and American domestic confidence in his capability to lead on foreign policy matters. Carter first alienated the left by seeking the approval of European governments for a new weapon that was dubbed inhumane and viewed as likely to lower the threshold at which nuclear weapons would be used. He later alienated the right and the left by appearing indecisive and weak when he chose to defer production and deployment after West European governments, the Federal Republic in particular, refused to give Carter unequivocal support. Although European public opposition certainly helped cause the fiasco, Carter’s inability to take decisive action early on the neutron bomb issue or to communicate clearly with his subordinates and allies throughout the period of negotiations over the neutron bomb produced disastrous consequences. Rather than simply cancelling the bomb when it became apparent that the weapon would evoke strong European public opposition, or opting for a unilateral production of the weapon, Carter allowed his
advisers to spend months attempting to iron out a deal with West Germany and other West European governments in which the neutron bombs would be deployed. In the months that followed, bureaucratic inertia took over, and Carter administration officials came close to reaching a deal with the Europeans which, to their utter horror, Carter renounced. Rather than heed his advisers’ unanimous advice, Carter unilaterally scrapped months of negotiation by deferring production and deployment of the weapon.¹

**The Eurostrategic Conundrum**

The search for a credible defense of Western Europe had posed a major problem for American policymakers since the beginning of the Cold War. After the French withdrawal from NATO’s integrated military command in 1966, West Germany’s importance in the NATO alliance had risen substantially. However, the legacy of the Nazi period and West Germany’s geographical position imposed numerous constraints upon the FRG. Fears of a rearmed, independent Germany and the threat that it might acquire control over nuclear weapons had been at the core of the superpower struggle since the beginning of the Cold War. Throughout the 1950s and 1960s, the Americans and West Germans had developed conflicting interests concerning effective deterrence strategy. Lacking their own nuclear arsenal and aware that the Cold War frontline lay on their eastern border, the West Germans wanted to ensure that plans would cause any conflict between the superpowers to escalate quickly into a nuclear war between the

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¹ Recent treatments of Carter’s foreign policy contain very little about the neutron bomb debacle but provide excellent discussions of Carter’s difficulties resolving the Vance-Brzezinski feud. See for example, Kaufman, *Plans Unraveled*; Glad, *An Outsider in the White House*; Schwartz and Schulz, *The Strained Alliance*. Wiegrefe, *Das Zerwürfnis* and Soell, *Helmut Schmidt, 1969 bis heute* provide excellent German-language accounts of the controversy, employing Helmut Schmidt’s personal papers and interviews.
superpowers. The Germans wanted the Soviets to view sizable American forces in West Germany as a trip wire, causing the immediate firing of American strategic missiles at silos, cities, and bases on Soviet territory. The potential for such a calamity would prevent either side from considering a regional conflict. In contrast, because of the increase of Soviet strategic capabilities throughout the 1960s, many American strategists sought greater flexibility in response to a Soviet attack, so that a conflict at the regional level would not necessarily lead directly to a global nuclear war. In other words, American planners hoped that cooler heads could still prevail even after much of the European continent had been reduced to rubble, saving the United States itself from nuclear destruction.

Although by the 1970s the superpowers no longer played a high-stakes game of nuclear brinksmanship in Europe, great numbers of nuclear weapons remained, ready to be launched at a moment’s notice, potentially killing much of the continent’s population. While American and Soviet strategists still prepared for such an apocalyptic showdown, détente and Ostpolitik had greatly reduced the likelihood of war, transforming their respective architects’ interests. Ostpolitik had given the West Germans greater control over their own destiny, because as trade between the FRG and the Warsaw Pact countries had increased, West Germany’s economic leverage with the Soviets had also grown. No longer did German interests lay purely in ensuring West German security though NATO defense forces. Many West Germans began to believe that their safety depended as much upon continued cooperation with the Soviets and Eastern Europeans as upon American

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3 See Matthius Denbinski, “Differences on Arms Control in German-American Relations,” in The United States and Germany in the Era of the Cold War, 140.
nuclear and conventional forces. However, the Red Army’s massive presence in Europe and the Soviet arsenal could not be ignored. West Germany found itself in the difficult position of possessing economic and political might but suffering from strategic dependency. Thus West German policymaking was fraught with the conflicting impulses of promoting détente between the superpowers and continuing to improve Bonn’s relations with the Eastern bloc, on the one hand, and deterring the Warsaw pact from invading the Federal Republic or threatening it into a state of political submission on the other.4

These conflicting impulses were personified in Helmut Schmidt. On the right wing of the Social Democratic Party, Schmidt had been an advocate of both Ostpolitik and military balance with the Soviet Union long before he became chancellor of the Federal Republic in 1974. He believed that the best way to secure stability in Europe was through a balance of power between East and West. In the 1960s, he had argued that this goal could be achieved by the withdrawal of most foreign troops from Central Europe. Although the FRG would remain in NATO and Eastern European nations would remain in the Warsaw Pact, a Central European zone of arms limitation and control could be built that would result in a balance of forces that would bring stability to Europe. Since the Soviets relied far more upon the threat of force than the Americans to maintain their sphere of influence, the withdrawal of the Soviets would destabilize the East. Schmidt proclaimed, “We know that step-by-step withdrawal from the DDR [East Germany] and

4 Shake, “NATO Strategy and the German-American Relationship,” in The United States and Germany in the Era of the Cold War, 133.
other states in the East would undoubtedly have problems over there—and, after all, should do so. That is the point of the thing.”

By the late 1970s, however, it was the growing threat of Soviet intermediate nuclear weapons that grabbed Schmidt’s attention. The German Chancellor believed that the Soviet decision to replace its outdated SS-4 and SS-5 intermediate missiles, which had a range of approximately 2,000 and 4,800 kilometers respectively, with the SS-20s, which had a range of 5,500 kilometers, endangered West German security. Thus the Soviets could place these weapons farther to the East, out of range of European-based missiles. Only American intercontinental ballistic missiles (ICBMs) could reach the SS-20s, and because SALT I had resulted in a parity of American and Soviet ICBMs, Schmidt feared that the Americans, in a war with the Soviets, would more likely fire their intercontinental missiles at Soviet ICBMs to protect the United States itself rather than attempt to destroy the mobile SS-20 launchers whose missiles could not reach American shores. Moreover, because most of NATO’s intermediate-range missiles were positioned on West German soil, the Soviets would be certain to launch their new weapons at targets within the Federal Republic. While Schmidt did not believe Soviet Premier Leonid Brezhnev would start a war, he could not be so sure about future Soviet leaders. Furthermore, the vulnerability of West Germany could cause the Soviets to exercise greater political power over the Federal Republic. These “weapons of extortion,” Schmidt wrote, were causing Germany to become a “threatened pawn.”

Thus Bonn needed some means to convince the Soviets to withdraw these weapons.

**Carter’s Reevaluation**

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5 As quoted in Carr, *Helmut Schmidt*, 37.
7 Ibid., 65.
It soon became apparent, however, that dealing with the imbalance of conventional power and the SS-20 issue was not high on the Carter administration’s list of priorities. Instead, Carter wanted to begin his effort to eradicate all nuclear weapons by starting with deep cuts to the superpowers’ strategic arsenals. In his inaugural address, Carter proclaimed, “We pledge perseverance and wisdom in our efforts to limit the world’s armaments to those necessary for each nation’s own domestic safety. And we will move this year a step toward the ultimate goal—the elimination of all nuclear weapons from this Earth. We urge all other people to join us, for success can mean life instead of death.” The President hoped to lessen the fear evoked by the large number of nuclear weapons possessed by each superpower. As a first step toward the ultimate goal of eradicating all nuclear weapons, Carter and his advisers sought an arms-control agreement that made “deep cuts in existing arsenals, limited the capacity of either side to surprise the other with a technological breakthrough, and followed the principle of essential equivalence of strategic nuclear weapons on both sides.” The public proposals for deep cuts shocked both the Soviets and the West Germans.

The Soviets did not understand why Carter had ignored the Vladivostok Accord, in which Gerald Ford and Leonid Brezhnev had agreed to an equality of launchers and missiles as a basis for SALT II, and took such a “radical position” of making drastic cuts to strategic forces. Since the Soviets enjoyed a numerical superiority in strategic weaponry over the Americans, they were unwilling to sacrifice their advantage without

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9 Smith, Morality Reason and Power, 69.
10 Leffler, For the Soul of Mankind, 246-247.
11 Anatoly Dobrynin, In Confidence: Moscow’s Ambassador to America’s Six Cold War Presidents (New York: Random House, 1995), 385.
gaining something in return from the Americans. As Strobe Talbott aptly stated the
Americans sought “substantial reductions in existing Soviet systems in exchange for
marginal cuts in future Americans ones.”

Moreover, they believed that the Carter administration’s public release of the SALT II proposals as well as the administration’s simultaneous call for the Soviet Union to respect citizens’ human rights sprang purely from a desire to gain a global propaganda edge over the Soviet Union rather than a more altruistic desire to observe openness in diplomacy and to spread human rights around the globe. Brezhnev flatly refused Carter’s proposed deep cuts, saying that they were “deliberately unacceptable” because they disregarded the terms agreed upon at Vladivostok. Moreover, Brezhnev responded to Carter’s human rights attacks by accusing Carter of meddling in Soviet affairs through the use of “pseudo-humanitarian slogans.”

Carter’s hardline National Security Advisor Brzezinski believed that Brezhnev’s February 25 letter, in which the Soviet leader attacked the new administration’s human rights campaign and his SALT proposals, was “brutal, cynical, sneering, and even patronizing.” Although Brzezinski later wrote that he believed the administration had made a mistake by making the deep cut proposals public before negotiation with the Soviets, he also saw the rejection as a propaganda victory, because the Soviets appeared to be hampering arms limitations.

Schmidt, however, had a very different interpretation of Carter’s early handling of the SALT II negotiations. The Chancellor was angered that Carter’s departure from the

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12 As quoted in Glad, An Outsider in the White House, 52.
14 Brzezinski reflected in his memoir, “With the benefit of hindsight, it seems to me that our side perhaps did make the mistake of discussing too publicly its proposals for comprehensive cuts….Our public pronouncements regarding the forthcoming U.S. proposals on deep cuts might have created the impression in Moscow that an acceptance of them would be a one-sided concession to Carter.” Brzezinski, Power and Principle, 164.
Vladivostok agreement, which Gerald Ford and Brezhnev had agreed to in 1974, meant a focus on the unrealistically high reduction of only strategic forces, which, Schmidt correctly predicted, the Soviets would reject. The Chancellor wondered why Carter had completely ignored medium-range weapons in his new proposals. His subsequent efforts to convince the Americans to include intermediate-range nuclear forces in the SALT II negotiations were initially rebuffed by Carter and Brzezinski, who said that the American strategic arsenal would be sufficient to protect Western Europe. Consequently, Schmidt increasingly believed that “the refusal to include the intermediate-range missiles directed at European targets in the negotiations concealed Washington’s intention merely to reduce the strategic threat to American territory without being bothered by any European security interests.”

He believed that reductions and equality of strategic weapons would mean that the American guarantee to use nuclear missiles to defend Western Europe would be less credible.

The Press Explosion

Before Carter and his advisers could readjust their negotiating strategy with the Soviets, they were caught off guard when the Washington Post broke a story on June 6, 1977, that the United States was about to produce the Enhanced Radiation Weapon, a weapon “specifically designed to kill people through the release of neutrons rather than to destroy military installations through heat and blast.” After American physicist Samuel Cohen conceived the idea of the neutron device in 1958, the U.S. military began developing the weapon. Pentagon planners believed that the neutron bomb would provide a more credible deterrent on the European continent than the tactical nuclear

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15 Schmidt, Men and Powers, 185.
weapons already stationed there, since the American intermediate nuclear and tactical nuclear force on the European continent was aging and the Warsaw Pact had three times the number of tanks that NATO had. The neutron bomb had the advantage of being more effective than traditional atomic weapons at killing Soviet tank and personnel carrier crews, at minimizing civilian casualties (because of its increased effectiveness in a smaller blast radius), and at allowing a swifter NATO counteroffensive, because the harmful neutrons would dissipate far faster than the radioactive cloud following a traditional atomic blast.17

The novelty of the ERW was that it spared physical structures, because it had a far lower blast yield than a traditional nuclear warhead. Like traditional nuclear warheads, the neutron device was designed to detonate several hundred meters above its target, but because the blast radius was smaller, only deadly neutron rays would reach most targeted infantry units, vehicles, or buildings. According to the journal *Ambio*, the destruction wrought by the blast and the thermal heat of a one-kiloton version of this weapon would be restricted to an area of approximately 10 hectares. However, the neutrons emitted by the weapon would incapacitate all enemy soldiers within an area of about 270 hectares (240 hectares for tank crews) within five minutes. According to the journal, “Victims would remain incapacitated for 30 to 40 minutes after which they would recover temporarily but suffer functional impairment until their certain death which would occur within four to six days.”18 Past the 270 hectare zone of certain death, approximately fifty percent of soldiers would be killed in the zone stretching up to 520 hectares. Thus any Warsaw Pact advance into Western Europe would quickly grind to a halt after the use of

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17 Ibid.
the neutron bombs, but the West European infrastructure would be spared, allowing the NATO forces to mount a devastating counterattack.

The neutron bomb story immediately garnered attention from the American, European, and Soviet press. The press echoed and helped frame the parameters of the debates occurring within the Carter administration, Congress, European parliaments, and among NATO allies. Although no more inhumane than the thousands of atomic weapons already deployed on either side of the Iron Curtain, the neutron bomb stoked new anti-nuclear passions in Europe and the United States. The weapon produced sentiments ranging from moral outrage at the creation of a device that killed people but preserved property to fears that its deployment would increase the odds of nuclear war, since the ERW could blur the distinction between conventional and nuclear arms. Some journalists wrote that the ERW would increase the likelihood of nuclear war, because in the event of a Soviet attack in Europe, American presidents would be more likely to use it rather than tactical nuclear weapons (a notion that Carter firmly rejected in public). In contrast, others wrote that the weapon would lessen the threat of war, because the Soviets would now question the efficacy of their conventional superiority.

The novelty of a device that killed only living organisms created an emotionally charged firestorm in the United States. A section of the July 4, 1977, issue of the Washington Post devoted to letters to the editor regarding the neutron bomb captured the degree of anger and cynicism the neutron bomb had aroused in many Americans. Many writers greeted the weapon with sarcasm. One proclaimed that the weapon would “slaughter our enemies but spare their factories, increasing the profit of war.”\(^\text{19}\) Another sarcastically lamented, “It is a pity we did not have this bomb sooner. When I think of all

the fine buildings of Dresden, London and Hanoi that were destroyed, it makes me dead inside.”

John Dilyard wished that Pentagon weapons designers had constructed a bomb to kill generals instead and named it the “moron bomb.” More seriously, one correspondent wrote “The form of death that these ‘mininukes’ would inflict on its victims, including ‘convulsions, intermittent stupor and a lack of muscle coordination,’ taking several hour or days is barbaric and reminiscent of napalm.” Another writer voiced her disgust at the creation of such an inhumane weapon, believing that the designers and proponents of the weapon “must surely bring a loving grin to the decaying carcasses of Adolf Hitler and the like.”

Reacting to the development of the neutron bomb, protestors threw what they claimed to be human blood at the Pentagon on July 7.

American journalists examined the possible benefits and drawbacks in regard to American deterrence and defense capabilities. A July 10, 1977, editorial in the Chicago Tribune argued that the neutron bomb was far cleaner, far more humane, and more likely to deter a Soviet attack on Western Europe than the tactical nuclear weapons already stationed in Europe. However, an editorial in the Washington Post ridiculed the advocates of this so-called clean weapon. The editorial went on to argue that the weapons’ introduction into the tactical weapon stockpiles in Europe would reduce the European nations’ incentive to expand their conventional forces to assist the United States in countering the Red Army and would “commit NATO more deeply to the dangerous premise that a small nuclear exchange could be conducted without serious risk

20 Ibid.
21 Ibid.
of expanding into a general nuclear war.” Moreover, the introduction of the weapon, *The Post* argued, damaged substantially American credibility in arms control negotiations, just as badly as if the United States had decided to deploy chemical weapons.

Herbert Scoville Jr., former Deputy Director of the Central Intelligence Agency, and Edward Teller, a scientist who had helped develop the hydrogen bomb, provided a more sophisticated critical appraisal of the neutron bomb in a July 12 issue of *The New York Times*. An illustration of a skeleton figure holding a neutron shell while standing on top of a pile of shattered skeletons accompanied Scoville’s and Teller’s analyses. Scoville first debunked the notion that the ERW would enhance American deterrence credibility and could save the European cities in the event of war with the Soviets. The Soviets, Scoville wrote, likely would not believe that the Americans would use such weapons against a conventional invasion, because the Americans would believe that such use would cause a Soviet nuclear response which would destroy European cities even if the lower-yield neutron weapons had not. Moreover, Scoville argued that the neutron weapon would still cause long-term health problems to Europeans near any battlefield on which they were used. Thus, rather than allow the Soviets to charge that the United States was developing a “supercapitalist weapon” that kills people while preserving property, Scoville stressed that American policymakers should instead rely on bolstering American conventional forces in Europe more effectively to deter the Soviets.

Teller rebutted that the weapon would indeed reduce civilian casualties while effectively disabling tank crews and soldiers (while they suffered a painful, and

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oftentimes prolonged, death) in the target area. Teller argued that the neutron bomb would be more effective in deterring Soviet aggression if the United States made it clear that the weapon would be used with absolute certainty in the event of a Soviet invasion of Western Europe. Such a claim would cause the Soviets to think twice about invading.\textsuperscript{26}

Similar divisions became visible in the Federal Republic, where the weapons would be deployed and used should war between the superpowers occur. Arguing that the weapon would enhance defense capability and deterrence credibility, the conservative \textit{Die Welt} advocated the deployment of the ERW.\textsuperscript{27} However, many on the West German political left voiced their disgust at such a weapon. Egon Bahr, the intellectual architect of \textit{Ostpolitik} and executive secretary of the SPD, proclaimed that the weapon was “a symbol of the perversion of thought.” Bahr was quoted in a July 17, 1977 issue of \textit{Vorwärts} as saying “Reduced to a simple formula this is a weapon which causes no, or only slight material damage, but ‘cleanly’ kills man. This is to be the final progress? Is man about to go crazy?...Here the scale of all values is being turned upside down. The goal has become the preservation of the material things: man is secondary in importance.”\textsuperscript{28} The attack by such an influential figure as Bahr had the effect of bringing emotion into the German public discussion of the neutron bomb.

The influential German newsmagazine \textit{Der Spiegel} quickly brought the issues involved in the potential neutron bomb to the German public and policy elite in a July 18 article entitled “Bright Flash over the Elbe.” The subheading framed both the potential horrors the new weapon could unleash and the questions its existence in the NATO

\begin{itemize}
\item\textsuperscript{26} Ibid.
\item\textsuperscript{27} Sherri Wasserman, \textit{The Neutron Bomb Controversy: A Study in Alliance Politics} (New York: Praeger, 1983), 66.
\item\textsuperscript{28} As quoted in Herf, \textit{War by Other Means}, 61.
\end{itemize}
arsenal raised: “If ever a neutron bomb explodes, it will send out its death rays across German soil. A puzzling question now engages the defense planners: Through the lowering of the atomic threshold, will deterrence be improved or will the danger of a nuclear war be increased?” 29 The article first reminded readers of the horrors a nuclear war would entail by recounting the depiction made by John Hershey of the awful destruction and suffering wrought by the atomic explosion at Hiroshima. On one page of the article, an aerial image of a German city displayed what the destruction caused by an atomic bomb would look like versus that of a neutron bomb explosion. In one half of the photo, the German city was in complete ruins, while on the other half, the city structures remained intact. The image, however, displays similar casualty figures which demonstrate how deadly both weapons were. The article goes on to contrast “American hawks” with more rational observers who did not see a reason to panic over Soviet military superiority. If the weapon were built, the article suggests, the Russians would have to consider whether they would want to risk exposing their forces to it. Yet, at the same time, the risk that such an attack would escalate into a nuclear war would be raised.30 An illustration in a July 25 article of Der Spiegel juxtaposed two skeletons, one looking out of a window after a nuclear blast and the other after a neutron explosion. The skeletal remains of a nuclear blast victim are surrounded by crumbled and charred buildings, while the neutron blast victim hauntingly stands still in his suit looking out of

30 Ibid.
an unscathed building. The caption asks the reader “Do you find the atomic or neutron bomb more humane?”  

The Kremlin immediately used the weapon for propaganda purposes, charging that the United States was attempting to restart an arms race by building the neutron bomb. Moreover, Soviet leaders castigated the Carter administration for hypocritically claiming that the Soviet Union violated human rights while the United States was building a weapon designed specifically to kill people. One Soviet official asked publicly, “How can one pose as a champion of human rights and at the same time brandish the neutron bomb that threatens the lives of millions of people?” Washington believed that such propaganda would serve only to push West European leaders to demonstrate greater unity with the United States and failed to counter with an effective campaign against the deployment of the far more powerful Soviet SS-20s.  

The Soviets also seized the opportunity presented by the bomb to pressure leaders of NATO nations from supporting it. In reference to Carter’s proposal to develop and deploy the neutron bomb, Soviet Premier Leonid Brezhnev argued in a November 1977 letter to British Prime Minister James Callaghan that as signatories to the Helsinki Final Act, leaders of Eastern and Western nations had a choice between “follow[ing] the path of strengthening security, détente and cooperation in Europe, or we shall have a build-up of the international tensions both military and political with all the consequences.” Brezhnev sent similar letters to all West European leaders throughout the ERW affair.

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33 Ibid.
34 Wasserman, The Neutron Bomb Controversy, 80.
Dealing with the Bomb

Because the U.S. press report about the neutron bomb had not been anticipated, the Carter administration had neither formulated how it would present the weapon to the public nor how negotiations with the allies would be handled. The press explosion, however, ensured that any decision on the weapon would come under intense public scrutiny. Thus rather than unilaterally develop the neutron weapon and then later enter negotiations for deployment in Europe, as past administrations had done with nuclear weapons, the Carter administration consulted its NATO allies on whether they wanted neutron weapons deployed on their soil. Carter did not want to bear sole responsibility for deploying such a weapon, but the President’s burden sharing plan created new complications. American policymakers now faced the problem of dealing with European leaders who both wanted American protection and recognized the existence of widespread domestic opposition to that protection. The Carter administration’s attempt first to deploy the ERW and then the President’s unilateral decision to cancel deployment would confirm Schmidt’s fears that the American President did not understand foreign policy matters and could not be relied upon.

In the weeks that followed the public revelation of the ERW, Carter wavered over his support for building the neutron weapon. In late June, an arms control impact analysis on the neutron bomb was provided to the White House that supported the arguments of many of the weapon’s opponents. The analysis found that the deployment of the ERW would likely make NATO deterrence capability more credible but acknowledged some validity in the argument that the weapon could possibly make the use of nuclear weapons more likely. The document also explained that the use of the
neutron weapon would likely cause a Soviet response and the use of regular nuclear weapons, which would vitiate any of the advantages that the neutron bomb might offer in minimizing collateral damage. The analysis concluded that the ERW would not give the United States an arms control advantage, would likely result in Soviet accusations that the Americans were escalating the arms race, would provoke negative responses in Europe that would affect NATO leaders’ attitudes, and would marginally lower the nuclear threshold.  

Although the arms control impact statement offered a rather pessimistic appraisal of the neutron bomb, Brzezinski and Office of Management and Budget Director Bert Lance counseled otherwise. On June 21, they urged Carter to continue supporting ERW but to announce that he would review the weapon before reaching a final decision on whether to produce and deploy it. They argued that the neutron bomb would be militarily useful and rejected arguments that the weapon would lower the nuclear threshold or was in some way less humane than ordinary atomic bombs.

Carter followed their advice, deciding not to cancel the weapon despite the public controversy. His decision was understandable, since such a move would have made the president appear either incompetent, for not knowing what weapons systems were under development in the military which he commanded, or weak, for cowering in the face of domestic controversy and Soviet propaganda attacks. Ironically, Carter himself did not want the weapon. After all, he had hoped to decrease the Soviet and American

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arsenals—not expand the American arsenal in a way that could provoke a renewal of the arms race. But he felt compelled by political circumstances not to cancel it.

Carter’s decision came during contentious Senate debates on July 1 and July 13. Senators sparred over the same issues that were being debated within the press. To ensure that he could keep his options with the neutron bomb open, Carter wrote a letter to Senator John Stennis on July 12 urging him to support funding for the weapon in Congress. Press reports of Carter’s letter marked the first time that the public learned of Carter’s stance on the weapon. Carter assured Stennis “We are not talking about some new kind of weapon, but of the modernization of nuclear weapons.” Carter said, “In the absence of satisfactory agreements to reduce nuclear weapons we must retain and modernize our theater nuclear capabilities, especially in support of NATO’s deterrent strategy of flexible response…These weapons are not strategic and have no relationship to SALT.” He emphasized that the addition of neutron weapons to the American arsenal would not alter the fact that only the President, and not local commanders, could give the command to use weapons of mass destruction. Contradicting the opinions of some experts, Carter justified the development and deployment of the weapon by claiming the ERW would enhance the deterrence value of the American tactical weapon missile stockpile in Western Europe. He argued that since NATO’s primary purpose was to defend the West from Soviet attack, any war with the Soviets could involve fighting within Western nations themselves. Thus “an aggressor should be faced with uncertainty as to whether NATO would use nuclear weapons against its forward echelons. For these purposes, the capability for discrete application of force—which the ER weapons may

38 Letter from Carter to Stennis, July 12, 1977, NSA—BM, Subject File, box 16, Folder: “Enhanced Radiation Weapons and Biological Warfare, 6-8/77,” CL.
provide—present (at least in this sense) an attractive option.” However, rather than declaring his full support for the neutron bomb, declaring that the United States would defend Europe with the best weapons available, or declaring instead his shock and disbelief about such an inhumane weapon which Pentagon planners had initially wanted in an era in which superpower conflict had been far more likely, Carter instead said that “whether or not the weapons have significant destabilizing aspects requires and will receive [further] study” and that a decision on production would be made shortly after August 15.39

The letter had greater consequences than Carter could foresee. Brzezinski and Brown, according to Peter Bourne, who had served as the President’s special assistant, “took the letter, in the absence of any contrary statements by Carter, to mean that he was committed to deployment of the bomb, and they began discussing it with the NATO allies.” Carter would later tell Bourne, “I felt I was confronted with a decision that had gone far beyond what I personally had decided.” He would admit when discussing the Stennis letter, “I was constantly signing letters to members of Congress, maybe ten or fifteen a day to key members…and I have to say that sometimes I didn’t meticulously study every letter.”40

Secretary of State Cyrus Vance made it clear that the mere idea of a weapon that killed only people while sparing structures was already having a destabilizing impact in European politics. In a July 25, 1977, message to Carter, Vance described the European public reaction to the neutron bomb and provided a cogent assessment of European politicians’ attitudes. He wrote that the public debate in Europe, especially in Germany,
over the ERW “reflects the basic dilemma which has surrounded [the] theater nuclear posture since the 1950s.” Although the positioning of tactical nuclear weapons on Western European soil had increased NATO deterrence capability and reassured Europeans that the United States was committed to European security, the notion that these weapons might be used “in a battlefield war-fighting role has evoked images of mass destruction in densely populated Europe, and has therefore been an unacceptable topic of discussion.” Such a fear that the weapons might actually be used had caused Europeans to be “suspicious of US moves to improve theater nuclear technology in ways which seemed to make precise use of weapons possible with limited collateral damage.” Vance warned that members of Schmidt’s own party, the SPD, had publicly criticized the weapons, arguing that the ERW would increase the likelihood of war, damage East-West relations, and lower the threshold at which the use of nuclear weapons would be acceptable. Although the Secretary of State believed that the Europeans would acquiesce in a Presidential decision to produce the weapon, he advised that European leaders “would breathe easier if you should cancel.”

Rather than cancel the production in the face of European opposition, Carter decided to consult European allies in hopes of getting European governments to declare publicly their stance on the neutron weapon. Brzezinski’s NSC staff advised the President to involve European allies in the neutron bomb issue to allow him “to appear responsive, instead of either ‘arbitrary’ or ‘backing down.’” Thus by involving the Allies, he could reject production and deployment without laying himself open to the charge that he had backed down in the face of Soviet criticism. And either way, he will gain stature

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in Europe.” Carter followed this advice, but the results would not be quite what the NSC staff had envisioned.

American officials sought strong statements of support from West European governments, especially from the West Germans. After the Defense Department study had been concluded in August, Defense Secretary Harold Brown and Brzezinski urged Carter to proceed with ERW negotiations, but Carter did not want the Americans to press the Europeans on the issue. According to Brzezinski, on August 17, Carter told Vance, Brzezinski, and Brown that “he did not wish the world to think of him as an ogre and we agreed that we will press the Europeans to show greater interest in having the bomb and therefore willingness to absorb some of the political flak or we will use European disinterest as a basis for a negative decision.” Thus, for the first time in NATO’s history, the United States tied the production of an American nuclear weapon to European acceptance of it.

The German View

Schmidt, however, had no intention taking too much political flak. He wanted the United States to produce the weapon unilaterally, stating repeatedly that “production of the weapon was solely an American decision” and that the issue of deployment could be dealt with after the Americans agreed to produce the weapon. The West German Foreign and Defense ministries conducted their own assessment of the neutron weapon. Although the West Germans acknowledged that the weapon would be particularly useful against a Soviet tank assault, they feared that the weapon, if deployed, could increase the

43 Brzezinski, Power and Principle, 302.
44 Wiegrefe, Das Zerwürfnis, 189.
45 Ibid.

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likelihood of a localized clash between NATO and Warsaw Pact forces. Moreover, Bonn officials worried that the deployment issue could isolate the Federal Republic diplomatically. West Germany could not afford to either to challenge openly its main security guarantor, or appear too eager to accept such a controversial weapon. Thus Bonn concluded that it “must seek a multilateral deployment.” The Federal Republic thus sought to make it clear that all bilateral talks between the Americans and West German officials had to have the appearance of simply laying the groundwork for broader alliance consultations where the real decisions would be reached. Following the guidance of his foreign ministry, Schmidt informed Washington that he could not fend off both Soviet and domestic criticism without an Alliance decision to accept the deployment of the weapon.

Indeed, the chancellor had to walk a political tightrope in dealing with the neutron bomb issue. His SPD/FDP governing coalition had only a ten-seat majority in the Bundestag. His political opponents in the CDU/CSU supported the bomb while members of his own party were its most vocal opponents. Schmidt knew that if he took a strong position on the weapon, he would risk attack from either the right or the left that could cause the collapse of the SPD/FDP coalition, which would force him out of the chancellorship. Thus his government chose public neutrality in the months following the revelation of the neutron bomb. The Chancellor recognized the need to cooperate with the Americans on defense matters. However, he also did not want to damage relations with the Soviets, which could impede the FRG’s successes with its Ostpolitik and strengthen the CDU/CSU opposition.

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Schmidt thus admitted to Carter that he could not give a clear statement of support for the neutron bomb’s deployment. In a September letter, the Chancellor stressed that “the discussions and reaction have been even more passionate and sensitive in my country” than in the United States. Moreover, he emphasized that “it is important for the Federal Republic of Germany that this matter should not be presented as a bilateral German-American problem but that the Alliance should find an answer which will have the common support of all its members.” Schmidt had good reason to prevent the matter from becoming bilateral. If just West Germany asked for the ERW and the American production of the weapon was conditional on the acceptance of its deployment, then he would bear the international and domestic consequences of ordering an American weapon that had evoked such controversy. However, Brzezinski warned that the political risk of producing such a weapon without prior European public backing was too great and urged Carter to seek such support. Responding to his national security adviser’s suggestion, Carter emphasized in a September 19, 1977, letter to Schmidt the need for “a strong European desire” for the deployment of the neutron weapon.

In late September, Brzezinski traveled to Bonn to exchange views with Schmidt on the neutron weapon issue. The Chancellor told Carter’s national security advisor that if the European governments were given more time, they could be persuaded “to treat the neutron weapon as a normal weapons development.” The Chancellor cautioned, however, that if the Americans forced the Europeans into a quick decision, a hostile reaction could result. He explained that there were really three—not one—decisions involved with the neutron bomb and they must each be dealt with separately. The first

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50 Carter to Schmidt, September 19, 1977, NSA—BM, President’s Correspondence with Foreign Leaders File, box 7, Folder: Germany, Federal Republic of: Chancellor Helmut Schmidt, 5-12/77, CL.
step was the American decision on whether or not the weapon would be produced. The
second step was an alliance decision on whether “the new weapons should be deployed by NATO.” The final step was where the weapons should be deployed. Schmidt
predicted problems with getting nations to agree to accept these weapons. The
Scandinavians would never accept them. A deployment in Britain would be militarily pointless, because the ERW was a tactical weapon. The French would not allow the
weapon to be deployed on their soil. Finally, “If the new weapons were deployed only on
the soil of the Federal Republic, widespread German resistance should be counted
upon.”

Schmidt went on to emphasize that members of his party, the SPD, were asking
him “whether the production decision could not be used as a negotiating position for
SALT or MBFR.” He said that he wanted to pass along this suggestion. Moreover, he
told Brzezinski that highly respected military officers such as [retired Luftwaffe
commander and Chairman of the NATO Military Committee] General [Johannes]
Steinhoff had spoken out in public against the neutron weapon.” Nevertheless, Schmidt
stressed that a deployment of the neutron bomb was not completely unfeasible, but Bonn
and “the other European governments should not be pressed.”

Brzezinski steered the conversation back to the SPD’s suggestion that the weapon
be used as a negotiating tool. He wondered aloud whether the weapon could be used to
get the Soviets to reduce their tank numbers, since the weapon had been designed with
the explicit purpose of disabling Soviet tanks. The national security advisor also
pondered whether West Germany and “perhaps also the Netherlands and Belgium” would

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52 Ibid., 1251-1252.
accept deployment of the weapons. Brzezinski, however, stressed that Carter would have
to decide in the next month about whether or not to produce the weapon or risk losing
Congressional funding. Schmidt asked Brzezinski why Carter could not simply say “that
the American government had decided to produce the weapon, but the deployment had to
be discussed with the allies later.” Brzezinski disagreed, insisting that the decision to
produce and to deploy the weapon were bound too closely together. “It would only be
practical to deploy the weapons in Europe.” Schmidt warned Brzezinski that if Carter
forced him to make a decision about the neutron weapons in the middle of October, he
would “probably have to give Carter a negative answer.” Brzezinski responded, “The
president may not even be dismayed.” Although Schmidt did not say it, such an event
would place the onus of cancelling the American weapons system squarely on his
shoulders, opening himself to attacks from the right. At this point, he could have asked
Brzezinski what Carter truly felt about the weapon, but instead he informed the national
security advisor that the West German National Security Council would meet on 6
October and would deal with the neutron weapon [issue].” Brzezinski responded that it
would be very important for Carter if he could tell Congress that a prominent European
politician like Schmidt and other European leaders were disposed to accept the neutron
weapons. In what should have seemed an alarming response to Brzezinski, the
Chancellor said that he saw definite chances for a positive decision in two or three years.
However, in the near future, he did not see the possibility of “offering a commitment to
accept the weapons.”

53 Ibid., 1252.
54 Ibid., 1253.
Brzezinski responded that the Germans should either reject the neutron weapons or NATO use the weapons in MBFR negotiations. He told the German Chancellor that President Carter believed “the neutron weapons were militarily useful and good, but he did not want to be seen internationally as an ogre.”\textsuperscript{55} Schmidt responded that he supported the possibility of using the neutron weapons in MBFR negotiations and wanted to leave the decision on production open. Brzezinski responded that “he had himself suggested the use of the neutron weapon in MBFR” and promised to relay Schmidt’s suggestion to Carter.\textsuperscript{56}

**German Response and Initiative**

On October 6, Schmidt told the West German Security Council that Carter’s “decision to make the decision [on whether to produce the neutron weapon] dependent upon consultations with the allies, indicated that the US President had great worries regarding foreign and domestic policy.” Yet Schmidt did not want West Germany to be used by Carter to lighten his own burden for the decision. He worried that the rise of West German economic and military power in Western Europe was already causing envy and unrest among West Germany’s NATO allies in Europe. A bilateral agreement with the United States would only add to this disconcerting development within the alliance. Moreover, the Chancellor questioned the feasibility of a broad-based alliance agreement to accept the deployment of neutron weapons.\textsuperscript{57}

\textsuperscript{55} Carter himself had relayed his fear of appearing as an ogre internationally to Schmidt in a 16 September 1977 telephone conversation. During this earlier conversation, Schmidt indicated that the Europeans would need more time to come up with a positive decision. Schmidt also told Carter that dealing with the questions involved would be easier, “if the debate in the United States was quieter.” Knowing that the public debate in West Germany was even more rancorous than in the United States, Carter responded, “Please tell me, what can I do to rein in the American public?” See Telefongespäch mit Präsident Carter, September 16, 1977, AAPD 1977, 2:1330, fn6.

\textsuperscript{56} Ibid.

\textsuperscript{57} Schmidt an Leber, October 6, 1977, AAPD 1977, 2:1330.
In his October 28 speech in London to the International Institute for Strategic Studies, Schmidt deliberately steered public attention away from the weapon’s military implications to the possible arms control opportunities it presented. He hoped this redirection would quell unrest within his own party, allow Bonn to lend Washington greater support, and also focus the Americans’ attention on the need to address West German security concerns over the conventional and nuclear imbalance that existed in Europe. The Chancellor felt the Americans had ignored the latter prior to the neutron controversy. Schmidt insisted that “Eurostrategic nuclear weapons and conventional fighting forces in Europe be included in the arms limitation the two superpowers were striving to achieve in SALT II,” and proposed using the neutron bomb as a bargaining chip in arms reduction negotiations. Through this suggestion, Schmidt had cleverly reframed ERW from an item relevant to defense and deterrence strategy to an object for negotiation for arms reduction, which would be acceptable to his party. However, Schmidt would soon come to regret the proposition.

As his September conversation with Schmidt and his memos to Carter indicated, Brzezinski liked Schmidt’s idea of linking ERW production to arms negotiations, which he correctly suspected was aimed at making the neutron proposal more palatable to the Chancellor’s party. However, the national security adviser did not believe that the Soviets would accept trading the ERW for tank force reductions, as the Germans wanted, writing that such a proposal would be viewed by the Soviet leadership as “an

58 Schmidt, Men and Powers, 188—189.
59 By Autumn, Schmidt began to wonder whether the neutron bomb deployment might start a new arms race between the United States and Soviet Union or could further the tendency of American planners to “regionalize” potential European conflicts. Sitzung des Bundessicherheitsrats, November 9, 1977, AAPD 1977, 2:1529.
60 Memo from Brzezinski to Carter, November 8, 1977, NLC-1-4-3-40-9, CL.
empty ploy.” Carter agreed with Brzezinski’s assessment. Defense Secretary Brown suggested instead that the ERW should be used in relation to the Soviet SS-20. The Americans would simply agree not to deploy the ERW if the Soviets agreed not to deploy the SS-20 in Europe. Such a linkage would enable European leaders to better deal with their domestic opposition, because the ERW issue would be seen as a catalyst to arms reduction rather than arms proliferation. In a November 24 letter to Schmidt that Brzezinski helped draft, Carter “raised the possibility of linking the SS-20 and the ERW, in effect trading Western restraint for a tangible Soviet gesture.” In the letter, however, Carter also wrote, “I would expect, in turn, that you and other allies would express support for the deployment of these weapons in Europe, and that we would issue coordinate statements to that effect.” Thus, by acting in accordance with Schmidt’s proposed reframing of the ERW issue, the Americans hoped they could get the Europeans to bear the burden of publicly declaring their desire for the weapon’s deployment.

However, in November 1977, Schmidt’s hands were further tied. His party, the SPD, instructed the Chancellor “to create the conditions that would insure that the deployment of the neutron weapon in Germany is not necessary.” Schmidt needed an American decision to produce the ERW, after which NATO could use the threat of deployment in arms negotiations with the Soviets. By contrast, the Americans wanted

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63 Ibid.
65 Ibid.
the German decision to accept the deployment of the weapon either to precede the American decision to produce the ERW or to happen simultaneously.

This basic difference in policy emerged during negotiations in the winter of 1977-78, as the United States continued to seek unequivocal European support for deployment while the Europeans continued to refuse it. Schmidt held to the position that he would accept the weapon only if the entire NATO alliance agreed to its deployment and if it were deployed to at least one other West European nation. While the Germans saw greater potential for the neutron bomb to bargain away Soviet tanks rather than SS-20s, Schmidt decided not to quibble with the Americans over their choice to negotiate over SS-20s. At least the Americans were finally addressing the Eurostrategic imbalance.

Accomplishing Schmidt’s goal of achieving a multilateral, rather than a bilateral, agreement for ERW deployment was difficult for the Carter administration, since the issue had become so controversial in Europe. The Dutch Parliament passed a resolution on March 5 by a 110-40 vote that opposed production of the neutron bomb. America’s second most important ally in Europe, Great Britain, moreover, refused to allow the weapons to be deployed on its soil. British Foreign Secretary David Owen “personally poked a stick into the otherwise smoothly moving machinery in the Alliance toward the resolution of the neutron bomb issue,” Brzezinski informed Carter in a March 7 memo. Owen had demanded that deployment of the weapon should be linked to “some vague

70 A leading historian of Anglo-American relations, Kathleen Burk, has written, “The 1960s and 1970s in general saw a steady decline in British military capabilities, as expenditure on the armed forces was repeatedly cut back. The US increasingly turned to a dynamic and affluent Germany as her primary European ally.” Burk, Old World, New World, 629.
progress on European arms control.” Brzezinski believed that such a “vague progress” would cause the elimination of a “threshold point at which deployment would be feasible. The Soviets could string us along with promises that there would be progress,” or threaten that deployment would take away any chance for progress. Thus Brzezinski urged the President to press Owen to accept the Schmidt proposal of trading the ERW for SS-20s.

Carter’s Decision to Defer

Nevertheless, after months of difficult consultation, the allies finally reached a compromise. First, the United States would announce its intention to produce the weapon and request the Soviets to bargain to stop deployment. Then, if negotiations failed, NATO would agree to deploy the weapons. America’s NATO allies agreed to release a statement shortly after the White House statement, declaring that the Allies “take note of the US decision to proceed with the production of ERWs with a view to their deployment on certain short-range nuclear delivery systems within 18 to 24 months.” Moreover, should the Soviets not halt the deployment of the SS-20s, the Allies would accept that “the deployment of ER/RBW on the Lance missile and the eight inch howitzer should proceed as a necessary form of modernization of NATO short-range theatre nuclear forces required for strictly deterrent purposes.”

Carter’s foreign policy team had worked well in pushing forward the alliance machinery without close presidential supervision. Unfortunately for their efforts,

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72 Ibid.
73 Attachment to Memo for Vance and Brzezinski from Secretary of Defense, March 9, 1978, NSA—BM, Subject File, box 17, Folder: ERW 2-4/78, CL.
however, they needed Carter’s final assent to produce the ERW and to seek to use it as a bargaining chip with the Soviets. On 18 March 1978, Brzezinski wrote a vacationing Carter: “Hate to spoil your fishing with thoughts like these, but you should know that we are about to take the final steps to implement with the Allies the three part policy on Enhanced Radiation Warheads (ERW) which you set in motion in your November letter to Chancellor Schmidt.” Moreover, Brzezinski told Carter that Secretary of Defense Harold Brown, Secretary of State Cyrus Vance, and he were “in unanimous agreement that the time has come to put this issue behind us, and we have a good chance of doing it in the next few days.” However, Carter wrote an ominous response: “To Zbig, Re: Production, etc. Do not act until after consultation with me. J.C.”

Carter had developed serious qualms about deploying the weapon, believing that the Germans were being unreasonable to demand that another European nation allow the ERW deployed on its soil, since West Germany was the only nation where the short-range weapon would be a practical counter to the threat of a Soviet invasion or missile attack. The President met with Vance, Brown, and Brzezinski on March 20 to discuss the issue. The national security adviser’s staff warned Brzezinski before the meeting that a decision against production and deployment would “without any doubt, damage our authority and standing with the Europeans, and raise shocking questions about whether we know what we are doing and our basic competence.”

Brzezinski recorded in his notes from the meeting that Carter told Vance, Brown, and Brzezinski that he wanted to “back out of this issue.” An exasperated Carter declared, “I wish I had never heard of

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74 Ibid.
this weapon.” The three responded by trying to convince the president not to back out. Brzezinski told him that he wished he could “give him advice which would be more compatible with his moral and political sensitivities, but in my judgment, for him not to go through with what he had proposed earlier would contribute to a sickness and then weakening of the alliance.”

Carter became further convinced to cancel the neutron bomb after meeting with British Prime Minister James Callaghan. In a March 23, 1978, diary entry, Carter recorded that Callaghan had told him that the British would not agree to deploy the weapon in their country and would be relieved if the President announced that he would not go ahead with the deployment. During the morning briefing on March 26, Carter told Brzezinski “that he did not wish to go through with it; that he had a queasy feeling about the whole thing; that his Administration would be stamped forever as the Administration which introduced bombs that kill people but leave buildings intact; and that he would like to find a graceful way out.”

On March 31, Schmidt learned that the President now leaned against producing the weapon. In Schmidt’s Hamburg home, Deputy Secretary of State Warren Christopher gave Schmidt a list of reasons why Carter was leaning strongly against producing the weapon. He said that Carter had concluded that the weapon had caused too much division within the alliance, since it had aroused widespread public opposition in Europe and the United States. The Americans also viewed the weapon as only of “marginal” importance to the defense of Western Europe. Schmidt responded that he recognized that some Western European nations, such as Belgium and the Netherlands, would praise a

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77 Ibid.
78 Ibid., 227.
79 Brzezinski, Power and Principle, 305.
decision to not to produce the weapon, but such praise would be short-lived. The Chancellor prophesied that while some within the Federal Republic would applaud a decision to not deploy the neutron weapon, the majority would not. “It will be much more difficult to clarify to our public why the ERW could not serve as a bargaining chip,” he predicted. He said that though the decision over the weapon’s production was a decision that only the American president could make, a decision not to develop the weapon would be felt in Europe. The Americans, he believed, would be wasting an opportunity to use the ERW to negotiate with the Soviets over the SS-20s and the buildup of Soviet tank forces. Moreover, the Chancellor stressed that his domestic political opponents would accuse him personally of hindering the Americans from developing the neutron bomb. Thus Schmidt wanted to ensure that the Americans did not blame him for an abrupt cancellation on West German intransigence.  

Schmidt’s anger with Carter’s vacillation became more apparent in the following days. Schmidt began an April 4 conversation with the American ambassador to Germany by saying that while there had never been a postwar Chancellor of the Federal Republic as close to the United States as he, “There has also scarcely been a time when there have been so many irritations as there have been in the last fifteen months.” He said that he had put his political reputation on the line to get the West German government to agree to use the ERW as a bargaining chip and “had he only known of the president’s mindset earlier, things would have been much easier for him.” Moreover, while he said that he had never put much stock in the contribution the ERW would make to the military defense of Western Europe, “one could not first seek West German politicians’ personal

commitment [to supporting deployment] and later assert that the ERW would have only a marginal importance [to NATO’s defense posture if deployed].”81

On the same day in Washington, West German Foreign Minister Hans-Dietrich Genscher urged Carter not to cancel production. The President told the German foreign minister that it would not make sense for the United States to produce the neutron weapon if no assurances for accepting the deployment of the weapon had been given in advance by European allies. Genscher reaffirmed his country’s position, saying he found the American position, which linked production with a deployment agreement, to be wrong, “because the production decision is only an American decision.”82 During the meeting, Brzezinski asked, “if the general attitude is ‘Please, after you,’ would it not be better to no longer pursue the issue?” Carter observed that he “would not have all of these problems if he could deploy the weapons on American territory.” Genscher responded that the German position had been consistent and it would be wrong to blame West Germany for not agreeing to deployment. Brzezinski retorted that the West German “position had not been explicit and clear and asked why the government of the FRG had insisted on the participation of other allies [in agreeing to accept the neutron weapon]. Genscher responded that the [ERW deployment decision] must not be just an American-German issue. A broader foundation is required.”83

After the meeting with Genscher, Carter became convinced that the Germans were “playing footsie with us on the ER weapons,” hoping for the United States to bear the onus of announcing the weapons production and agreeing to the deployment of the

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83 Ibid., 483.
weapon only if another European nation also agreed to it. In an April 4 diary entry, Carter wrote that this meeting had caused him to decide to defer the decision to develop and deploy the weapon. According to Peter Bourne, his special assistant, the President “was concerned about the ‘anti-human aspects of the neutron bomb…Although it was not nearly so dramatic a technological change as going to multiple warheads, it was symbolically much more important in the public mind because the average American, even peanut farmers can understand the difference between a weapon that destroys property and one whose penetrating radiation is basically designed to kill human beings.”

The European press mostly expressed confusion and frustration with Carter’s hesitation over the neutron bomb, offering a wide range of explanations for Carter’s apparent decision to cancel the weapon. The British conservative Daily Mail declared that Carter’s ‘dithering over the decision has been beyond belief…unhappily, Jimmy Carter’s domestic image rather than Europe’s danger, is likely to be the decider.” France’s Le Monde found the reasons behind Carter’s “internal wrench” to be “mysterious” and believed that the hesitation stemmed largely from Carter’s religious beliefs. West Germany’s Die Zeit believed that Carter’s sudden change of course was caused by Soviet resistance and expressed concern that Carter had changed his mind “at the very time when general consensus of all Allies was around the corner.”

On April 8, 1978, Carter made the announcement “that the United States would defer production of the ERW, pending demonstrations of Soviet restraint in their

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84 Carter, Keeping Faith, 228.
85 Bourne, Jimmy Carter, 395.
86 As quoted in a Memo for Brzezinski from the Situation Room, “Evening Notes,” April 6, 1978, NLC-1-5-7-26-0, CL.
deployment of the SS-20.\footnote{Brzezinski, \textit{Power and Principle}, 306.} The "deferral" proclamation was an obvious last minute attempt to lessen the damage with Congress and NATO allies after the neutron bomb production had been effectively canceled. Vance later remembered, "It is painful to recall, but tragically, none of us recognized or took seriously enough continuing signs of the president’s uneasiness with the progress reports he was receiving on the course of our ERW strategy and consultations with the allies."\footnote{Cyrus Vance, \textit{Hard Choices: Critical Years in America’s Foreign Policy} (New York: Simon & Schuster, 1983), 96.} Brzezinski later reflected that because of Carter's ERW decision, "The President’s credibility was damaged in Europe and at home, and personal relations between Carter and Schmidt took a further turn for the worse and never recovered."\footnote{Brzezinski, \textit{Power and Principle}, 301.}

The real motive behind Carter’s decision effectively to cancel the neutron bomb was neither his moral beliefs nor his concern with Soviet pressure. Rather, Carter’s decision was motivated by a desire to minimize domestic and international political exposure to controversial alliance decisions. He intended to transform the alliance from one that emphasized Washington’s role as leader to one that emphasized Washington’s role as partner, with Bonn being its major counterpart in Western Europe.\footnote{As late as 1980, Carter insisted to Franz Joseph Strauss, Minister President of Bavaria and Schmidt’s conservative opponent in the 1980 election, “We are ready to deploy the neutron bomb whenever you are ready.” Carter meeting with Strauss, March 13, 1980, NLC-128-1-9-1-8, CL.} Bonn, however, was not in a position to act as partner for historical, domestic, international political, and geographic reasons. Ironically, consultation, which was meant to promote alliance harmony, actually caused disharmony.

The reasons that the Germans chose to play “footsie” with the Americans should have been apparent to Carter and his advisers. Had Bonn declared that it would accept

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\footnote{Brzezinski, \textit{Power and Principle}, 306.}
\footnote{Cyrus Vance, \textit{Hard Choices: Critical Years in America’s Foreign Policy} (New York: Simon & Schuster, 1983), 96.}
\footnote{Brzezinski, \textit{Power and Principle}, 301.}
\footnote{As late as 1980, Carter insisted to Franz Joseph Strauss, Minister President of Bavaria and Schmidt’s conservative opponent in the 1980 election, “We are ready to deploy the neutron bomb whenever you are ready.” Carter meeting with Strauss, March 13, 1980, NLC-128-1-9-1-8, CL.}
the deployment of the neutron bomb, the Federal Republic, a nation without nuclear weapons and one that still bore the stigma of the Nazi period, would be responsible for the production of the American weapon that killed only people while sparing structures. As the historian Michael Stuermer wrote, “The only opportunity left to Germany [after 1945] was to play the Western game, to be the most European nation among the Europeans, and to translate Germany’s geostrategic position into political negotiating power.”91 Moreover, Timothy Garton Ash has argued that Germany, along with the need to attach itself to European integration efforts, relied heavily on the cover of NATO and reliance on American power for security.92

Schmidt’s comments to the Bundesbank demonstrate just how much he believed he needed the umbrella of Western Europe to cover the rise of West German power while pursing Bonn’s interests: “German foreign policy rests on two great pillars: the European Community and the North Atlantic alliance. And the decay of one of these pillars or even the removal or the collapsing in on itself of one of these two pillars would destroy the equilibrium of German foreign policy.” We need this mantle not only to cover our foreign policy nakednesses, like Berlin or Auschwitz, but we need it also to cover these ever-increasing relative strengths, economic, political, military, of the German Federal Republic within the West. The more they come into view, the harder it becomes to secure our room for manoeuvre.” 93 Thus Carter’s demand that Bonn declare its desire to have the weapon deployed on its soil would force West Germany to temporarily step out from under the twin umbrellas of European integration and NATO that had been fundamental

91 As quoted in Ash, In Europe’s Name, 21.
92 Ibid.
93 Bundesbank Council meeting with Chancellor Schmidt (assurances on operation of EMS),” November 30, 1977, MTF, http://www.margaretthatcher.org/document/111554. The original document has been translated by the Margaret Thatcher Foundation.
to postwar German political and military legitimacy. Rather than acting within Western Europe and within the alliance, West Germany would have effectively taken the lead on what had become a major Western European and NATO security issue. Moreover, the West Germans could potentially have borne responsibility for restarting an arms race between the superpowers, which could endanger not only détente but also its successful Ostpolitik.

**Carter’s Foreign Policy Credibility Falls**

As Carter’s advisers had feared, the President’s credibility on foreign policy matters with European policymakers, with Congress, and with the American public was damaged by the decision to defer the weapon. GOP senior leaders were critical. On April 7, former President Gerald Ford told Republicans present at a fundraiser dinner in Los Angeles, “We must and we will resist those policies that weaken or cripple our security.”

On the same day, Kissinger told Republicans gathered at the New York Hilton Hotel, “There can be no American strength if by unilateral decision, without consultation with the Republican leadership, major weapons systems are abandoned.”

At a press conference before a speech at the Bonds for Israel Dinner, Ronald Reagan castigated Carter, charging that he “was trying to drop the neutron bomb, and now he’s doing the only thing he could do and saying ‘maybe.’...This is typical of the vacillation of this administration.”

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95 Ibid. Kissinger, however, voiced private misgivings with European criticism of Carter’s neutron bomb decision. privately told the administration. Under Secretary of State David Newsom reported, “While Kissinger is not completely happy with the neutron bomb decision, he does not feel it merits the kind of criticism it has received.” In the margin next to Warren Christopher’s reporting that Kissinger would attempt to calm Schmidt and other West Europeans, Carter wrote, “This helps—good—we might make him an ambassador.” Memo from Warren Christopher to Carter, April 17, 1978, NLC-128-13-7-10-7, CL.
Carter’s decision also provoked outrage in Congress from Republicans and Democrats alike. Congress had become more independent of the executive on foreign policy matters because of the Vietnam War and Watergate. Even members of Congress from the same party as the president had learned from Vietnam and Watergate to scrutinize decisions made by the executive. Moreover, senators and representatives had increased their staffs in an effort to obtain enough information to challenge the president. Thus, Carter, who had been elected because he was a Washington outsider, faced an army of Washington insiders in Congress armed with the resources to challenge even an extremely competent and experienced executive on foreign affairs issues.\footnote{Smith, \textit{Morality, Reason, and Power}, 246.} Carter’s handling of the ERW issue did nothing to win their respect.

Republican and Democratic representatives castigated Carter for endangering American national security, making one dramatic statement after another during an April 13, 1978, congressional discussion of the president’s decision to defer the weapon. Eldon D. Rudd, Republican Representative from Arizona proclaimed: “With the neutron warhead, we have a fighting chance to defeat the enemy if fighting or war should break out in Europe. But without it, there is little chance that Europe could be saved.”\footnote{The President’s Proposed Decision on the Neutron Bomb, April 13, 1977, Volume 124, Part 8, 95th Cong., 2nd sess., Record ID: CR-1978-0413, 10139.} The ERW had frightened the Soviets, Rudd argued, and caused both the Soviet Union and Eastern European countries to question whether the United States would use such a weapon in response to a Warsaw Pact armored invasion of Western Europe. Melvin Price, a Democrat from Illinois, feared that “we have given away a bargaining point….Before we even have a chance to find out what the other side might bargain for, we have given away that option.” Mockingly, Price said “I hope that perhaps the Soviets
may still consider the fact that we have taken such action and might, out of the goodness of their hearts, give up their latest weapons systems.”

American newspapers also slammed Carter for his decision to defer the neutron bomb. *The New York Times* ran a story titled “The Mishandled Bomb,” which began by stating that “Few episodes in the 15 months of the Carter administration have been more disturbing than its handling of the ‘neutron bomb.’” The failure of the Carter administration to develop and deploy the neutron weapon would weaken NATO’s defenses against mass tank attacks, removed a bargaining chip that could have been used to negotiate a reduction of Soviet conventional and nuclear strength in Europe, made it appear that the United States had bowed in the face of Soviet pressure, and infuriated Allied leaders who had been asked to risk their own political careers by supporting the weapon. *The New York Times* article, “The Maybe Bomb,” argued that Carter’s decision to defer had caused the President to look weak and NATO allies to question his leadership. *The Washington Post* listed the neutron bomb as a reason why the Congressional Democrats had begun to question his capacity to lead.

The European media mostly expressed confusion and frustration with Carter’s decision. *Der Spiegel* also reported that confidence in the Carter administration had been shaken because of the neutron bomb debacle. The conservative *Frankfurter Allgemeine* charged, “Militarily, the West surrenders a weapon able to smash Soviet tanks. Politically, it abandons an attempt to restore the arms balance on the central front.

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99 Ibid., 10141.
101 Ibid.
Strategically, it surrenders a convincing element of deterrence in the psychological barrage from the East and from some Western leftists, NATO is preparing for partial capitulation.”104 Although placing some of the blame for the neutron fiasco on West European leaders’ hesitation, West German television also attacked Carter, proclaiming that West European hesitation “is not yet a sufficient explanation for the shocking treatment the American President is giving his Allies.”105

Schmidt’s supporters and opponents in the West German Government believed the neutron bomb fiasco demonstrated Carter’s weakness as a leader. Franz-Jozef Strauss, conservative leader of the opposition Christian Socialist Union, declared that Carter had “cringed before a Russian czar” by deferring the deployment of the weapon. 106 After Carter’s deferment decision had been made, Adolf Scheu, an SPD member of the Bundestag, wrote to Schmidt, saying “I know how difficult it is to bear with someone who knows less and is capable of less than you, but who has more power.”107

Schmidt himself felt personally betrayed, as he had risked much political credibility to attain as much support as he could for the deployment of the ERW. The neutron bomb controversy, moreover, crystallized the West German peace movement, which would later help cause Schmidt’s fall from power. An enraged Schmidt let it be known to all who would listen that the American President had foolishly ruined a chance to use the ERWs as a bargaining chip for negotiating a reduction of SS-20s. 108 He told his cabinet on 5 April that he had “engaged himself with security matters for twenty

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105 Memo for Brzezinski from the Situation Room, April 7, 1978, NLC-1-5-7-33-9, CL.
107 Wiegrefe, Das Zerwürfnis, 205.
108 Carter, Keeping Faith, 228.
years. He could only remember one event remotely parallel to today’s events—the [Multilateral Force cancellation] decision by President Johnson. There will be accusations against the Federal Government’s attitude from various quarters. We have an urgent interest in ensuring the relationship with our most important allies does not suffer incalculable damage, even if the United States had treated us in a ‘singular manner.’”\(^\text{109}\)

**Conclusion**

Contrary to the assertions of American and West German leaders, neither side was completely responsible for the neutron bomb diplomatic fiasco. Policymakers on both sides of the Atlantic were constrained by public opinion from achieving a suitable compromise. The Carter administration was caught off guard when the weapon was made public in 1977. In hindsight, Carter should have either cancelled the development of the weapon when it became public or boldly declared that the United States would unilaterally develop the weapon. The middle course of floating the idea among America’s European allies, which Carter took, turned the neutron bomb into a transatlantic hot potato. Even then, Carter could have lessened the scale of the debacle, or avoided it altogether, had he kept better track of the negotiating process, communicated his true feelings about the weapon to his subordinates as well as allied leaders, and better understood the political and historical constraints the West Germans had to deal with.

Neither Carter nor Schmidt really wanted the weapon deployed, but they had both allowed the discussions to be dragged out. Schmidt wanted to appear cooperative, but not responsible for the deployment of the weapon. He wanted Carter to act in the realist

\(^{109}\) Kabinettsitzung vom 5 April 1978, Bestand 150, Bestellnummer 390, AA.
mold, using the weapon as a bargaining chip with the Soviets in arms negotiations, as Nixon, Ford, or Kissinger would likely have done, at little cost to him. Carter, however, had campaigned against foreign policy realism. The President wanted to maintain his credibility domestically and internationally, to act in a more consultative and responsive manner, and to not appear an ogre. The problem was that these goals were incompatible. Moreover, the Carter administration had failed to understand that the Federal Republic would never offer an unequivocal statement of support for the deployment of the neutron weapon on only its soil. The foreign policy realist Schmidt had seen the neutron weapon as an opportunity to address the continental imbalance of power with the Americans bearing the political burden. As leader of West Germany, however, Schmidt could not give more than qualified statements. They accomplished the objectives of shielding him from too much international and domestic heat, preventing the Americans from credibly charging that West Germany was an impediment to Western security, and encouraging the Carter administration to move in a realist direction.

The fallout from the ERW debacle would not have been as damaging to American-German relations had West German and American leaders better understood and acknowledged that their counterparts were not acting irrationally but rationally about the politically possible. Instead, Carter and Schmidt came away from the neutron controversy convinced that the manner in which the other leader handled the issue of the deployment and development of the neutron bomb had demonstrated that the other simply did not sufficiently care about his own interests, setting the stage for even more intense disputes in the coming years.

On December 12, 1979, a special meeting of NATO Foreign and Defense Ministers declared that 108 U.S. Pershing II launchers and 464 U.S. Ground-Launched Cruise Missiles (GLCM) launchers, each armed with one nuclear warhead, would be deployed in Western Europe in four years in response to the strategic imbalance created by the Soviet Long-Range Theater Nuclear Force (LRTNF) buildup begun in 1977. The Dual-Track Decision said that NATO would seek to negotiate with the Soviet Union to dismantle Soviet intermediate missiles targeting Western Europe but would deploy LRTNF missiles to Western Europe four years after the signing of the agreement if talks failed. NATO was responding to a buildup of Soviet LRTNF.

During the 1977-78 neutron bomb debate, President Jimmy Carter had felt “queasy” about producing and deploying a weapon that killed people but spared structures. Because the Europeans had been ambiguous about their support for the bomb and he feared being labeled an “ogre,” Carter decided to scrap months of negotiations and defer production of the neutron bomb in April 1978. Yet just as he did so, Carter was becoming increasingly convinced that the Kremlin harbored nefarious goals of seeking to expand Soviet influence globally. Furthermore, West German Chancellor Helmut Schmidt’s harsh criticism of Carter’s handling of the neutron bomb created an alliance rift, causing Carter to seek to restore his international leadership and credibility.
This chapter explores how, for divergent reasons, West Germany and the United States achieved the NATO Dual-Track Decision, in which the alliance members decided to deploy Pershing II and Long-Range Cruise Missiles in Western Europe in response to the strategic imbalance created by the Soviet deployments of the SS-20s to Europe. In the late 1970s, the Kremlin decided to replace its obsolete and cumbersome SS-4 (a Medium-Range Ballistic Missile with a 2,000 km range) and SS-5 (Intermediate-Range Ballistic Missile with a 4,800 km range) with the SS-20 Long-Range Theater Nuclear Missile (which had a range of 5,500 km). In contrast to the SS-4s and SS-5s, which were massive, liquid-fueled, inaccurate and in need of several hours to fire from fixed, vulnerable launch sites, the highly accurate, solidly-fueled, rapidly-fired SS-20 missile could be launched from mobile launch platforms and carried three MIRV warheads each. The SS-20’s range extended far enough to cover all of Western Europe, but not far enough to threaten the United States.

The Pershing II and the GLCM were NATO’s answer to the strategic dilemma created by the SS-20. The Pershing II’s speed, range, warhead blast power, and accuracy would improve tremendously America’s strategic posture in Europe. A Pershing II fired from Western Europe could strike the Soviet Union in six to ten minutes, as compared to 25 to 30 minutes for U.S.-based ICBMs. The new missile, moreover, was ten times more accurate than the Pershing I. The precision and the blast of its thermonuclear warhead meant the Pershing II could destroy Soviet ICBM silos and command and control centers, potentially crippling the Soviets’ ability to retaliate before the arrival of slower cruise missiles and ICBMs launched from the United States or from its submarines. Of course,

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1 Garthoff, *Détente and Confrontation*, 963.
2 For a good discussion of the Pershing IIs capabilities, see Garthoff, *Détente and Confrontation*, 969—70.
even if NATO were somehow to destroy all Soviet ground-launched missiles and aircraft capable of carrying nuclear weapons, Soviet missile submarines, which would be far more difficult to destroy, could still retaliate. Moreover, the missiles’ range only covered the Western Soviet Union. Nevertheless, when nuclear weapons between the superpowers were the subject of consideration in Moscow, Bonn, and Washington, the perception of the other side seeking an advantage mattered more than one side actually achieving a real gain over the other.

In this chapter, I first examine how, in the wake of the neutron bomb debacle, Schmidt and Carter reevaluated their strategies for dealing with the dilemma posed by the Soviet SS-20s. Next, I examine how Carter’s desire to improve his image as leader of the alliance and Schmidt’s aspiration to gain a bargaining chip to be used against Soviet SS-20s, caused both leaders to support the improvement of NATO’s strategic capabilities while the Americans and Soviets simultaneously sought to limit strategic capabilities through SALT II. Then I explore the “Second Cuban Crisis,” in which an intelligence debacle devolved into a crisis that delayed SALT II and further tarnished the administration’s image in Moscow and Bonn. Finally, I explain how the administration corrected course by working with Bonn to achieve a NATO “consensus” on the Dual-Track Decision in the face of an aggressive propaganda campaign that the Soviets had launched in reaction to the “Second Cuban Crisis” and plans to deploy Long-Range Theater Nuclear Forces (LRTNF) in Europe. I emphasize that even while cooperating with the Americans in the end on the Dual-Track Decision, the West Germans did so for their own ends. Rather than reaching a decision that represented either a reassertion of
American leadership or a high point of NATO cooperation—as the Carter administration had hoped—that the process revealed quite the opposite.

Since the early post-World War II years, the United States had used forward bases and the threat of nuclear retaliation as a means to quell West European fears of a Soviet attack, but the German security issue was never truly settled. No Western state dealt with the realities of the Cold War and the legacy of World War II on a daily basis as did West Germany. The Federal Republic faced the Cold War-imposed division between East and West, the vulnerability of West Berlin and its separation from the Federal Republic, the memories of the Holocaust and German militarism on both sides of the Iron Curtain, and its inability to defend itself with nuclear weapons.

When in the late 1970s the Soviets began deploying the SS-20s, the West German security dilemma was exacerbated. If the Soviets were to attack Western Europe, Soviet armies would pour first into West Germany. In response, NATO forces could respond by firing nuclear weapons but they would hit Soviet forces on Western or Soviet satellite territory only. The Soviets could then retaliate, firing their SS-20s at West Germany. After this response, the West would be faced with the decision of whether to use strategic weapons—a decision over which the West Germans themselves had no control over.

Because West Germany had no weapons of its own to bargain, Schmidt had to convey assertively to Carter the threats posed by the SS-20s. Although the missiles’ launch site locations seemed esoteric to Carter, to Schmidt, they made all the difference. If Moscow knew that NATO was prepared to deploy LRTNF missiles capable of striking Soviet SS-20 launchers, then the Kremlin would likely seek to bargain on the SS-20
issue. Soviet leaders, Schmidt knew, would never bargain away their superiority unless pressured.

Schmidt did not have the means, however, to bargain alone. If one were to think merely in defense and deterrence terms, the easiest answer to the question of the Federal Republic’s security would have been for it to control its own strategic nuclear arsenal. Yet, when one factored in political, economic, and historical considerations, the most effective solution was actually the most unrealistic. With a firm grasp of the political, economic, security, and historical realities he dealt with, Schmidt would seek to maximize West German influence over Western policy.

Scholars and contemporaries have debated the reasons for the Soviet deployment of the SS-20s, the merits of NATO concerns regarding the Soviet SS-20s, the degree to which domestic politics and European concerns caused the United States to push for the deployment of the Long-Range Theater Nuclear Force deployment, and the consequences the Dual-Track Decision had. Although often at odds over the decision’s consequences, most interpretations have maintained that the decision exemplified NATO’s successful operation. Yet neither American nor Western European policymakers desired a successful operation of NATO for its own sake but for specific national and political reasons.

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3 Some scholars have argued that the SS-20s were deployed for modernization purposes. See Garthoff, Détente and Confrontation and Wiegreffe, Das Zerwürfnis. The most persuasive analyses argue a combination of factors influenced the Soviet decision to deploy weapons: the desire for equality with the United States, Soviet insecurity, the desire to influence Western European policy, but above all, the inability of the Soviets to understand how their actions would be perceived.

4 For a historiographical review of the Dual-Track Decision see Joachim Scholtyseck, “The United States, Europe, and the NATO Dual-Track Decision,” in The Strained Alliance, 336. Scholars have been divided over whether or not NATO fears were exaggerated. I argue that West German fears were rational. West Germany had no nuclear arsenal under its own control and thus had every reason to feel insecure over weapons over any increase in Soviet intermediate missile capability. If West Germany had not had the history that it did, it would likely have built its own nuclear arsenal as France and Britain had done, and would thus feel secure. Yet, because of its history, West Germany could not possess its own arsenal.
1978: SS-20 reevaluation.

Following Carter’s failure to use the neutron bomb to negotiate a reduction of Soviet SS-20s, Schmidt sought to address the Eurostrategic imbalance with the Soviets himself. In May 1978 at Gymnich Castle near Cologne, he quarreled with Leonid Brezhnev over whether a Eurostrategic imbalance existed and which side it favored. The Chancellor insisted that an imbalance favoring the Soviets was growing, and while he did not worry that the Soviets would take advantage of this situation as long as Brezhnev remained leader, he could not be certain about future leaders who had no memory of World War II. Brezhnev countered that any imbalance favored the Americans, causing the Chancellor to conclude that perhaps paranoia caused the Soviets to overestimate NATO capabilities. Thus Schmidt spread a military map out before the Soviet leader and his entourage and pointed at Western and Soviet missile positions. Brezhnev then took out his own, nearly identical map. Undeterred by his inability to read the Cyrillic letters, Schmidt simply pointed to the SS-20s on the Soviet map, prompting Brezhnev to rip it away. Neither leader budged on his insistence that the other side presented the graver threat to stability.

Nevertheless, Schmidt achieved the twin goals of getting the Soviets to agree to a statement that stressed the need for a continental balance and building personal rapport between top Soviet and West German leaders. Dismissing Brezhnev’s request to produce a joint communique attesting to an approximate European forces balance, Schmidt successfully pushed through a compromise communique that read, “Both sides consider it important that there be no striving for military superiority. They rely on the belief that

6 Schmidt, Men and Powers, 67.
approximate balance and parity are sufficient to guarantee defense.”7 After signing the statement, the Germans and Soviets capped the day with an evening full of vodka toasts, jokes, and cigarettes, and spent the next day at Schmidt’s home with more toasts before Brezhnev and his party returned to Moscow.8 Schmidt later recorded his amazement at Brezhnev’s heavy drinking. He explained later that how matters were discussed mattered as much as what was discussed: “the Russians learned they would not be able to bully the Germans, that the Germans had met the Russians as very human counterparts, in spite of their great power.”9 With such an agreement from the Soviets and the growth of trust between West German and Soviet leaders, many of whom had memories of the atrocities committed on the Eastern Front during World War II, Schmidt had helped distinguish his government in Soviet leaders’ minds from the Carter administration, which the Kremlin had difficulty understanding. Yet Schmidt still needed American power to help solve the SS-20 issue, as Brezhnev appeared unwilling to make concessions on the SS-20s.

Schmidt had an impact on the Soviet leader, who would tell the political consultative committee of the Warsaw Treaty member countries in November, “Politicians from Western Europe are frequently speaking about the danger of the accumulation of nuclear missiles in Europe. Schmidt had talked to me about them…In principle we are not against their reduction; there is no type of weapons for which we could not be ready for negotiating their reduction on a mutual basis and with no

7 Ibid.
8 Ibid., 68—69. Part of this understanding between the Soviet and the FRG leaders was based on their shared war experiences. Both Schmidt and Brezhnev fought, on opposite sides, in the brutal war on the Eastern Front during World War II. See Schmidt, Men and Powers, 2.
9 Ibid., 68.
diminishing of security. We should discuss at the same time the American missiles in Europe.”

**U.S.-FRG diplomacy**

Through the spring and summer of 1978, American policymakers concluded that they must craft a response to the SS-20 that reasserted American leadership within NATO after the neutron bomb catastrophe and ensured that America’s flexible response strategy remained intact. Although a quick solution to the Eurostrategic imbalance would have been to deploy missiles with ranges that equaled those of the SS-20s, Carter did not want to appear to push weapons on the Europeans once again that they did not want. Thus when Schmidt visited the United States in late May, Carter urged the Chancellor to go public with his fears about the SS-20s to give the public a better appreciation of the threat, enabling the inclusion of medium-range missiles in SALT III, the strategic arms treaty that Carter hoped would follow SALT II.\(^\text{11}\) Carter already had his hands full with hammering out an agreement with the Soviets over ICBMs and long-range bombers, and an attempt by Carter to raise the SS-20 issue with the Soviets would likely be viewed by the Kremlin as an attempt to throw sand in the SALT II negotiating process. Yet the Chancellor also did not want to take the blame for a SALT II setback or for “torpedoing SALT II.” Before going public, he said he had to think carefully about how to speak about the issue without damaging SALT II negotiations.\(^\text{12}\) He had learned from the neutron bomb issue to avoid taking a public lead on issues related to nuclear weapons,

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\(^{10}\) The meeting of the Political Consultative Committee of the Warsaw Treaty member countries, November 22, 1978, Warsaw Pact Collection, Cold War International History Project (hereafter CWIHP), http://www.wilsoncenter.org/digital-archive.

\(^{11}\) Carter, *White House Diary*, 17.

which the President could produce, deploy, or cancel on a whim. Rather than publicize his concerns about the SS-20, Schmidt restricted himself to more general statements of the need to negotiate with the Soviets over “weapons up to now not covered by the SALT negotiations, such as medium range missiles.”

During the 1977-78 neutron bomb negotiations, Schmidt repeatedly demanded that Jimmy Carter and National Security Adviser Zbigniew Brzezinski consider German political and security interests. In 1977, when Schmidt first expressed to Carter his concern over the SS-20, the President responded, “This is none of your business. America is the great strategic nuclear power and will maintain an overall balance. So why should you worry about the SS-20?” Schmidt’s doubts about Carter grew precipitously after the neutron bomb debacle, and the Chancellor pressed even harder for the Americans to include LRTNF in arms reduction negotiations with the Soviets. In contrast, after the neutron bomb fiasco, Carter sought to reassert American leadership over the alliance and repair his personal credibility as leader of NATO.

Despite his public reticence on the SS-20s, behind the closed doors of the NATO proceedings, Schmidt exclaimed that the SS-20s threatened to undermine the European balance undergirding détente. He stressed that negotiations could lessen the threat; “But so far as we cannot stabilize the military situation by establishing balance through reductions we have to mend our defenses, and make our own defense efforts.” Herein laid part of the conceptual framework behind the Dual-Track decision.

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14 As quoted in Carr, Helmut Schmidt, 127.
Discontented by the prospect of being used as an American vassal to address the imbalance, Schmidt demanded more sway over Alliance decisions. In October 1978, Schmidt told Brzezinski that the SS-20s threatened the Europeans as much as Soviet ICBMs threatened the United States, explained that SALT I and the SALT II negotiations ignored the European imbalance, causing them to become mere “chess pieces” for the superpowers, and explained that he now doubted whether either superpower really believed nuclear war would happen if war broke out in Europe. Schmidt suggested to Brzezinski an exclusive conference in which the leaders of Britain, France, the United States, and West Germany, rather than all NATO member states, could hash out a new security framework that took European interests into account. If NATO strategy needed to be updated, he wanted to be one of the chess players, not a mere pawn.16

As during the neutron negotiations, the Germans, because of their history and unique geopolitical problems, refused a special role in countering the Soviet buildup, which frustrated Brzezinski. The administration, the national security adviser stressed, did not want the Soviets to get away with intimidating the Europeans if they found they could not scare the Americans, and proposed deploying Pershing II and GLCMs to counter the Soviet SS-20s. Schmidt responded that the Soviet SS-20s threatened not just Western Europe, but also large swaths of the Middle East, Africa, and Asia.17 He refused for West Germany to be the soul country to accept weapons capable of “reducing Soviet cities to ashes.” Such a special strategic role for the FRG, already the continent’s

dominant economy, would arouse feelings of “envy” and fear from other Europeans and create a domestic political firestorm that could “awaken memories of the unholy past” and bluntly explained that West Germany had two foreign policy vulnerabilities: “Berlin and Auschwitz. These limit our political room for maneuver.” He explained that the Germans had to keep the door for national reunification ajar and wondered aloud whether the national security adviser, of Polish origin, might understand better than most the German historical dilemma, remarking that he “thought with admiration of the Polish position in history and of the national anthem sung for generations, ‘Poland is Not Yet Lost.’” Such musing frustrated the national security advisor who had little sympathy for Germany’s unique foreign policy problems, as Schmidt alone of non-nuclear West European state leaders had displayed interest in deployment.

Brzezinski indeed understood the special historical circumstances surrounding Germany, but his understanding did not translate into sympathy. In discussing his native Poland with Soviet ambassador Dobrynin, Brzezinski admitted that he had some “subconscious prejudice” against the Russians. His “conscious conviction” was directed elsewhere, however. He, whose father had been posted as a diplomat in Germany during the Nazis’ rise, reassigned to the Soviet Union during Stalin’s great purges, and escaped World War II only because his father was reposted to Canada in 1938, told the Soviet ambassador, that “he was well aware of the fact that the national destiny of the Poles was unbreakably connected to the Soviet Union, to Russia. Against a background of the Germans’ struggle for reunification, Poland has no alternative but to ally itself with

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18 Dobrynin, *In Confidence*, 463.
Moscow. Otherwise the Germans would crush Poland, and ‘as a former Pole’ he saw no other choice for Poland.” 19

Following their meeting, both Schmidt and Brzezinski pressed Carter to hold Schmidt’s proposed summit. Brzezinski believed such a meeting would provide Carter a stage to display leadership and push LRTNF deployment forward. 20 Schmidt, on the other hand, viewed the venue as an opportunity to reshape NATO policy to suit West German interests. A realization that the United States had legitimate military reasons to be concerned about SS-20s, the need to reassert American leadership after the neutron bomb debacle for international and domestic political reasons, and the growing sway of Brzezinski within the administration all factored into Carter’s decision to agree to a big four meeting to address the LRTNF issue.

**Guadeloupe**

To emphasize the consultative nature of the meeting, Carter accepted Giscard’s offer to hold the big four conference on the French island of Guadeloupe on January 5—6, 1979. This meeting would mark the first time that a West German leader was treated as an equal on military matters with the Western victors of World War II. 21 A confidante of Schmidt said later that the Chancellor believed Guadeloupe marked West Germany’s “deflowering”, as the Federal Republic had entered into a new big four club. 22 Prior to the summit, both Schmidt and Carter received advice that shaped their attitudes at the conference. Like boxers getting last minute coaching by trainers before heading into a

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19 Ibid.
21 Wiegrefe, *Das Zerwürfnis*, 262.
title fight, each leader got advice that reinforced his own position, and each received recommendations to convince the other of the correctness of his strategy.

In December 1978, the West German ambassador to the United States, Bernd von Staden, used a birthday greeting to Schmidt to explain the Carter administration’s behavior and what to do about it. Carter’s neutron bomb decision had nurtured many West German policymakers’ beliefs that the new administration was amateurish in its conduct of diplomacy. But von Staden extrapolated a larger understanding of the American system from what the West Germans considered the Carter administration’s blundering. The mistakes, he concluded, were not all Carter’s fault. Rather, the American form of government was to blame. Von Staden explained to Schmidt that “practically the entire upper echelon of the American foreign policy apparatus changed with every administration.” Thus the trajectory of American foreign policy tended to shift radically with each new administration. Moreover, “the majority of the leading central officials and important diplomats are ‘nonprofessionals,’” with little diplomatic training or experience. Von Staden argued that this dearth of professionalism caused American officials to act in poorly calculated ways internationally. Moreover, “Everything depends on the president,” von Staden explained. Thus unless a subordinate precisely relayed a president’s words, American officials’ words could be at odds with the President’s thoughts. As a consequence, von Staden argued that Washington needed constant help, and West Germany had to use its influence to guide the mightiest but also perhaps the most myopic Western power.23

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Also seeking to prepare his boss for the January summit, Brzezinski explained to Carter that he had to use the meeting to restore a sense that Carter was the leader of the alliance who had a viable foreign policy strategy. Carter faced a difficult challenge, as the Europeans increasingly believed the administration lacked “any overall scheme, and that the United States is no longer prepared to use its power to protect its interests or to impose its will on the flow of history.”

Brzezinski himself seemed somewhat unsure about Carter’s overall scheme but was more than willing to tell the President what he thought it was not. He surmised on the basis of the President’s “speeches and actions” that his policy “has evolved,…is quite distinctive and—I believe—historically more relevant” than the divergent policies of Carter’s European counterparts. Brzezinski explained it was not Reagan’s confrontational strategy, which he found too unilateral and “too simplistic…for the increasingly complex world.” Nor was it a recapitulation of Nixon and Kissinger era policy, which failed to account for a world “too dynamic to sustain an essentially reactionary balance-of-power policy” and fostered bitter resentment by “everyone else, and thus would backfire strongly against our own alliance relationships.” Also, Brzezinski felt that Carter’s policy was not “simply a partnership,” as George McGovern advocated. Like the second approach, such a policy scared allies and encouraged Soviet adventurism.

Finally, Brzezinski explained what Carter’s policy was, or at least what the national security adviser felt it should be: “Your policy, if I understand it correctly seeks…Reciprocal Accommodation, which means (1) containment, (2) resistance to indirect expansion (3) ideological competition, and most

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important and above all, (4) creation of a framework within which the Soviet Union can accommodate with us, or face the prospect of isolating itself globally.” The national security adviser then expounded upon the many ways Carter’s strategy had succeeded and provided recommendations for how it could be even more successful. Brzezinski praised Carter for restoring America’s global image after Vietnam and Watergate, telling Carter “whatever the ups and downs of day-to-day alliance affairs—the psychological underpinnings of our central alliance are in improving shape.”

In discussions on a pavilion facing a nude beach on the isle of Guadeloupe on January 5 and 6, Carter, Giscard, Callaghan, and Schmidt discussed and debated the main issues facing NATO with the LRTNF issue being central among them. If Schmidt felt honored by the invitation, he did not show it. According to Carter, Schmidt arrived in Guadeloupe on January 4 “in a very bad mood, saying that Germany was suspect because of Hitler.” At the beginning of the first day of the pavilion talks, Schmidt touched a raw nerve by saying that he “had long known that the megalomaniac Shah would be brought down….His whole attitude was very negative.” Although aggressive toward Carter, Schmidt seemed “appeasing…toward the Soviets.”

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26 Ibid.
27 Robert Gates traveled to Guadeloupe as part of an advance planning team in mid-December. He wrote that he was shocked to discover that the meeting would the pavilion was open-sided and looked out onto a beach populated with topless bathers. “In such a setting we planned a historic summit meeting on one of the most critical issues in NATO’s history—the deployment of new nuclear weapons to Europe.” Gates, From the Shadows, 112.
28 Carter, White House Diary, 272.
29 The Shah would not leave Iran until January 16, 1979. However, the Americans were becoming increasingly convinced that the collapse of the Shah’s government was imminent. On January 4, 1979, Carter wrote, “My own belief, difficult to prove, has been that the shah, [Prime Minister] Shapour Bakhtiar, and the military are acting in concert. We are sticking with the shah until we see some clear alternatives, since we can’t force the shah to leave and the military must be kept cohesive.” On January 5, American Ambassador to Iran William H. Sullivan informed Carter, “[I]f the shah leaves, Bakhtiar has a chance; if the shah stays in Iran, Bakhtiar has no chance.” Carter, White House Diary, 272-273.
30 Carter’s personal notes, January 5—6, 1979, NLC-128-4-12-3-9, CL. An abridged version of Carter’s personal notes can be found in Carter, White House Diary, 272-276.
Carter turned the conversation back to SALT II and the SS-20 threat. He stressed the need for the Europeans to defend themselves better and blamed the European leaders for not accepting “the neutron weapons, nor the Ground Launch Cruise Missiles, nor the Pershing IIs” to meet the threat posed by the SS-20 and the Backfire bomber. Carter’s comments infuriated the German Chancellor, who demanded, “What is the NATO military strategy?” According to Carter’s notes, the Chancellor said that he did not understand why the Soviet military concerned the West and argued that fears of “their medium range missile ability [were] unwarranted.” He told Carter that the only way that he would ever allow GLCM and Pershing II deployments on West German soil was if other European countries did so also.31 Belligerent though he was, Schmidt had set the conditions by which he would support LRTNF deployments. Callaghan responded to Carter’s comments by saying that such “grey area” systems, or weapons not covered in SALT II, had to be included in SALT III. Anticipating the Dual-Track Decision, Giscard added that if SALT III were to include “grey area” systems, NATO had to agree to modernize LRTNF arsenal “to trade off for the SS-20s.” Yet, Giscard refused French participation in the negotiations leading to the Dual-Track decision.32

Carter appeared not to view a LRTNF deployment as incompatible with the strategic limitation goals of SALT II. Schmidt’s combative attitude surprised Carter, who reflected in his notes that the Pershing II was “only an evolutionary step from [the] Pershing I.” Carter failed to recognize, or perhaps conveniently forgot to mention, that the Pershing IIs could reach Soviet territory while the Pershing Is could not. On the second day of the summit, the President promised to bring up his concerns about the

32 Callaghan, Time and Chance, 549.
Soviet SS-20 deployments with Brezhnev, and although the 16 hours of discussions had often been tense, summit participants used a press conference to tell the world that all was well with NATO.33

Carter was disappointed that the three European leaders had failed to provide him with unified feedback about NATO modernization34 and was especially concerned about Schmidt’s belligerence.35 The President was frustrated that the Europeans wanted him to do something about the SS-20s but failed to give him the unified support that would strengthen his hand for negotiations with Brezhnev. He wrote later, “The Europeans leaders would let the United States design, develop, and produce the new weapons, but none of them was willing to agree in advance to deploy them.”36 Brzezinski, who had been with the president, was shocked by Schmidt’s hostile attitude toward deployments, as Schmidt had been the one to draw the Americans’ attention to the Eurostrategic imbalance.37

Schmidt’s cantankerousness at Guadeloupe stemmed not from conviction but political pragmatism. The Chancellor recognized that nuclear weapons issues evoked uproar within the left wing of his Social Democratic Party, and while the Chancellor had little patience for these idealistic visionaries, he needed at least their tacit support stay in office. After becoming Chancellor, Schmidt decided not to assume the SPD chairmanship, telling his predecessor, Willy Brandt, to remain leader of the party faction in the Bundestag. He later told Brandt and others that “it was helpful for him not to have

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34 Callaghan, Time and Chance, 555.
36 Carter, Keeping Faith, 235.
37 Brzezinski, Power and Principle, 295.
to devote a great deal of attention to the party and its ‘kindergarten’ as well as to the chancellorship.” 38 One revealing incident occurred later in 1982 at an SPD party rally at a time in which the unrest over the Dual-Track decision had become fiercer. Schmidt had eggs thrown at him, which were deflected by a bodyguard’s umbrella, and was heckled by young protestors. The Chancellor screamed, “What kind of miserable wretches are you, you egg-throwers!” He went on, “You behave like the Reds and the S.A. [Nazi brownshirts] of 1932!...Social Democrats have a lot of patience and are tolerant. But somewhere the patience of a long-standing Social Democrat is at an end!” 39 While dismissive of the “Young Socialist arrogance” and “quasi-theological pontification in foreign and security policy” of the SPD Left, 40 Schmidt shrewdly found it safer in early 1979 to battle Carter than alienate the Left of his own party.

Thus, although Schmidt believed strongly that the SS-20s posed a grave political threat to the FRG, he wanted to appear to accept countermeasures conditionally and only in the name of alliance solidarity. By remaining uncooperative, Schmidt could force the Americans into enticing the Federal Republic into accepting the deployment through linking the weapon to arms-reduction negotiations, as they unsuccessfully tried with the neutron bomb. Of course, Schmidt did not favor an actual deployment of the missiles, because it would provoke domestic uproar. Further, the Germans themselves would not control these weapons. The Chancellor wanted the Soviets to believe that NATO would deploy the weapons, and then enter negotiations that would end with the mutual reduction of Eurostrategic forces.

38 Brandt, My Life in Politics, 311.
40 As quoted by Brandt, My Life in Politics, 312.
Despite Schmidt’s assurances that he whole-heartedly supported the administration, Carter had further reason to distrust a chancellor who made semi-public disparaging remarks about his leadership. On March 16, the Chancellor lambasted American leadership at a private dinner. He made “off-record” remarks with the American ambassador to West Germany “at his elbow” and with forty French, English, and West German guests in attendance. He envisioned a Europe culturally reunited from France to the Soviet Union and attacked American economic leadership. The United States, he said, had lost its position as global economic leader during the Nixon administration “and had no ambition to recover it. He did not see anybody in New York or Washington training for the job.”41 One American who had been present paraphrased the Chancellor’s remarks: “What can you think of a country that just prints money, letting $500 to $600 billion float around the world out of control, and thus threatening the fabric of Western life with disintegration?”42 The Chancellor opined that the Europeans, especially the Germans and the French, now must lead the West. Washington Post correspondent Michael Getler provided an astute assessment, arguing that the Chancellor, as powerful a figure as Adenauer at his apex, believed that West Germany had “paid its dues” for the Nazis’ crimes and now prepared to act independently for its own interests as the United States declined.43

To discourage such questioning of American leadership and encourage alliance cohesion, Washington applied consistent high level pressure on the Europeans in the spring of 1979. On April 23, Vice President Walter Mondale met with Dutch Prime Minister Van Agt and Minister of Foreign Affairs Van der Klauen in an early attempt to

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test how difficult fulfilling Schmidt’s conditions for accepting LRTNF deployment would be. Mondale explained that the West needed to modernize its Theater Nuclear Forces to counter the growing Eurostrategic imbalance. Van der Klauen cautioned that a “large majority” would reject any modernization. To counter the Dutch reservations based on memories of the neutron bomb debacle and the growth of an anti-nuclear movement, Mondale explained that he had once (when serving as Senator from Minnesota) opposed the American anti-ballistic missile system but, in hindsight, was glad that he lost the fight. Instead, an ABM treaty was signed, money was saved, and the Soviets did not build the system. Moreover, Mondale rather myopically predicted that because the American public or politicians did not seem to make a connection between the neutron bomb and TNF, he did not think the Dutch would either. Van Agt responded that the Dutch would not accept an increase of the numbers of missiles. Mondale asked, “Could the Dutch Government not keep things quiet by emphasizing as much as possible the connection between détente/arms reduction and modernization?”

Defense Secretary Harold Brown sought to keep the Allies unified on the deployment. At a meeting of the NATO’s Nuclear Planning Group (NPG) on April 24 and 25 in Homestead, Florida, he warned fellow NATO defense ministers of the coming propaganda storm from Moscow. He stressed that the United States would lead the Alliance, but Washington needed European unity to respond to the imbalance caused by the SS-20. In response, the NPG decided to deploy between 200 and 600 long-rage theater launchers and missiles (Some combination of Pershing II and Ground-Launched Missiles). The Allies would seek a decision for the parallel initiation of

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44 Which had not been modernized in 15 years.
production/deployment of LRTNF forces and negotiations with the Soviets for grey area systems reductions.  

NATO had thus assented to the overall parameters and objectives of Dual-Track.

Upon hearing about the NPG meeting, Schmidt told Defense Minister Hans Apel that he regretted that rather than first produce weapons and then negotiate their deployment bilaterally as previous administrations had done, the Carter administration once again sought united European approval for both production and deployment of American weapons systems, as they had during the neutron bomb negotiations. “Carter’s approach reflects once again the weakness of his administration.” His confidence in Carter would be completely shattered if the President once again “left us in the lurch.” Carter’s efforts to consult the Allies on the production of American nuclear weapons again evoked Schmidt’s consternation, even though the Chancellor preferred consultation on most other foreign policy matters.

Realizing that LRTNF deployments hinged on Bonn’s acceptance and promotion of the American line, the administration positioned itself for dealing with the Germans effectively in order to reverse the neutron bomb legacy of inconsistency. In early May 1979, Vance and Brown informed Carter that a strategic imbalance had existed in Europe since the 1960s, but the issue now had a “political, as well as a military significance.” They explained that the Germans had been particularly vocal about the political threat posed by the SS-20s. Vance and Brown advised that because of Schmidt’s insistence that other nations be involved with the deployments and because the Soviets would launch a vigorous campaign aimed at a Western European public receptive to anti-nuclear

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46 Pauls und Brandt an Auswärtiges Amt, April 28, 1979, AAPD 1979, 1:498-505.
47 Aufzeichnung von Hofmann, April 27, 1979, AAPD 1979, 1:506.
48 Ibid.
rhetoric, the United States must remain firm and consistent in its support of the LRTNF deployments. Further, rather than seek to change Bonn’s conditions (as had been the case during the neutron bomb controversy), the American government should embrace the German view and help provide pressure on other allies to accept the weapons. Vance and Brown stressed that to reverse the legacy of the neutron bomb fiasco, the President needed to demonstrate his personal endorsement of deployments early to push the alliance into a consensus before the year’s end. “If allied leaders see US leadership, they’ll assume that in the end NATO will decide for deployment, and they will begin to work toward that end.”\textsuperscript{49} They explained that Schmidt was the most important leader to convince that the administration would remain consistent. He had been the first to define the problem in his October 1977 London speech, and Carter needed to make great efforts to demonstrate that he was cognizant of the Chancellor’s political problems.

Aside from warning that the cancellation of LRTNF could preclude Senate ratification of SALT II, the memo lacked significant analysis of the impact modernization would have on arms-control talks. Rather, Vance and Brown focused on how best to overcome obstacles that stood in the way of deploying the weapons and predicted dire consequences if Carter chose not to push forward LRTNF.\textsuperscript{50} Without American leadership on this issue, the already strong European doubts about Washington’s willingness to defend Western Europe would fester. The alliance would be further weakened and Western Europeans would act increasingly independently.


\textsuperscript{50} Brzezinski endorsed the recommendation, explaining to Carter that he must lead the alliance to a consensus. He informed Carter that the Germans “have emerged from the uncertainties of the March Bundestag debate with a more constructive attitude.” As long as the systems were based in another country, the Germans would help the Americans arrive at an alliance consensus. Ibid.
Rather dubious logic undergirded Vance and Brown’s assumptions. They noted, “Nuclear issues provoke strong reactions among European publics.” Yet they viewed European public opinion as an obstacle to be overcome. If the Carter administration sought mainly to prevent the political decoupling of Western Europe and maintain “internal European stability,” deploying weapons that would cause domestic uproar in Western Europe hardly seemed the best long-term solution. Moreover, pushing for the deployment of weapons the Soviets viewed as strategic was at odds with the spirit of SALT II. For varying reasons, a deployment decision would please Schmidt (as long as arms-talks accompanied the decision), skeptics and opponents of détente, and NATO military planners—not most European voters.

Meanwhile, across the Atlantic on May 11, Schmidt informed newly-elected British Prime Minister Margaret Thatcher about German concerns about American leadership. He told Thatcher that he feared that the Americans had foolishly failed to address the Eurostrategic issue in SALT II and were trying to rectify their oversight by “sing[ing] out” the West Germans. He told Thatcher that Bonn would agree to LRTNF deployments only if the Alliance decided that a “long-range ground-launched missile” was needed and these missiles were deployed to FRG and one other “non-nuclear power,” which Britain was not. Responding to Thatcher’s fear that the neutron bomb fiasco would be repeated, a very sore subject for Schmidt, he asked the British “to study exactly what happened during that episode” and suggested for the British Foreign and Defense Secretaries to “have a private talk with their German opposite numbers.” Remembering well how bureaucratic inertia had allowed a NATO decision to be reached
only to have it rejected by Carter, Schmidt stressed that collaboration at the highest
national levels must precede rather than follow NATO decision making.\textsuperscript{51}

Carter also remembered the neutron bomb fiasco. The administration recognized
that Schmidt lacked much room for political maneuver but knew that how Schmidt
handled the LRTNF issue would determine Western Europe’s direction.\textsuperscript{52} Thus Carter
collaborated with Schmidt. In a June 1 letter prepared by Brzezinski,\textsuperscript{53} Carter told the
Chancellor that he now shared his view that détente and Ostpolitik could only endure if
NATO created a Eurostrategic balance. Carter stressed that he required Schmidt’s
“active support.” He wanted alliance consensus by the year’s end so the issue would not
be part of the 1980 American and West German elections. Success hinged “on whether
others believe that the Federal Republic will also accept new deployments.” He agreed
that the deployment decision would be combined with an arms control appeal, but
doubted the Soviets would reduce their SS-20 stockpile in the near term. Only Western
strength, unity, and resolve could force the Soviets to the negotiating table, and Carter
thus wanted “concrete statements about what each country is committed to do to
implement the consensus.”\textsuperscript{54} He emphasized, “Some essential deployments” had to take
place regardless of any Soviet overtures.

In June, Carter made it clear to the Chancellor that the Americans were somewhat
skeptical about the use of American missiles as arms reduction negotiation tools. The
President told Schmidt that although the United States was prepared to modernize
NATO’s LRTNF forces, if negotiations with the Soviets over intermediate-range forces

\textsuperscript{51} Ibid.
\textsuperscript{52} Memo from Jim Rentschler and Robert Hunter for David Aaron, May 31, 1979, NLC-15-14-2-15-2, CL.
\textsuperscript{53} Brzezinski to Carter, May 31, 1979, CK3100473881, DDRS.
\textsuperscript{54} Ibid.
proved successful, the Americans would thus have spent a great deal of money on weapons only to have them destroyed. Such musing should have caused the Chancellor to doubt the earnestness of the Americans’ promise to bargain over LTRNF. The Chancellor used his speech at Harvard University’s Commencement Ceremony on June 7, 1979, to publicize his message to the Carter administration that the Alliance must include intermediate-range nuclear weapons in the SALT III negotiations with the Soviets. The weapons themselves, Schmidt declared, “ought to be called more appropriately ‘Eurostrategic weapons,’ because they have a strategic destructiveness.”

At Vienna from June 15 to June 17, Carter and Brezhnev finally met to sign SALT II. They agreed to provisions that limited strategic missiles to 2,400, allowed each superpower to “develop and deploy one new missile system,” and limited the multiple independently targeted reentry vehicles (MIRVs) per missile to ten. No agreement was made on the Pershing II or SS-20, however.

Yet, contrary to later Soviet claims, the Euromissile issue did come up in the plenary discussions between Carter and Brezhnev. At the June 16 session, Brezhnev objected to NATO’s modernization plans, saying that the proposed deployments posed a strategic threat to the Soviet Union and he thus found Western talk of “gray zone” weapons rather “foggy.” In contrast, he explained that Soviet SS-20s and bombers could not strike the United States. Emphasizing his point, Brezhnev pointed to a matchbook, telling Carter that if one of the matches were a missile that lacked the range of an ICBM but could still strike the Soviet Union, it would not be included under the classification

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56 Speech by Federal Chancellor Schmidt at the Commencement Ceremony at Harvard, June 7, 1979, Bd. 115941, Zwischen Archiv, AA.
57 See Glad, Outsider in the White House, 69.
“ICBM” and would thus not be included in the SALT II treaty. SALT III had to address this oversight. Carter agreed, but wanted to keep the focus on SALT II and would “subsequently respond to Brezhnev’s other points.” Carter did not want to see SALT II fall apart over the Euromissile issue and wanted to ensure that the push for a NATO modernization decision would continue unhindered unless the Soviets agreed to reduce their SS-20s. The following day, Carter proposed SALT III negotiations to follow the SALT II treaty. He told the General Secretary that the United States hoped to reduce its nuclear stockpiles far below SALT II levels and “would be willing to explore an immediate moratorium on the construction of any new nuclear launchers and missile warheads.” Such a proposal would mean that the Soviets would discontinue deployment of SS-20s and NATO’s forces would not be modernized.

However, Brezhnev did not give a direct answer to Carter’s freeze proposal. While in the elevator with Brezhnev after the session, Carter handed him a note with his proposals for SALT III. In addition to the freeze proposal, Carter suggested they “begin talks to limit and control nuclear weapons not covered under SALT II [medium-range and other theater weapons.]” Brezhnev responded that “this was the most important thing we could accomplish in Vienna,” and suggested further discussion of SALT III at a later meeting. Yet, Brezhnev took a far tougher line in later discussions, saying that SALT II first needed to be implemented and other countries, including France, Great Britain, and China, needed to be involved, because they also had nuclear weapons

58 Summary of conversation 6/16/79 between Carter and Brezhnev, June 16, 1979, Document Number: CK3100073502, DDRS.
59 Vance, Hard Choices, 98.
60 Third Plenary Meeting between Carter and Brezhnev, June 17, 1979, Document Number: CK3100073513, DDRS.
61 Carter, Keeping Faith, 255.
threatening the USSR. When Carter asked Gromyko whether the Russians really wanted to include other countries in SALT III, the Soviet foreign minister “gave a typically equivocal answer. When I offered to be responsible for France and Great Britain if he would be responsible for China, he threw up his hands in mock horror at the thought.”

To add to Schmidt’s mistrust of Carter, the Soviets misleadingly told the Chancellor that the Americans had completely neglected the Euromissile issue at Vienna. On June 25, Schmidt stopped at the Moscow airport for a three-hour meeting on his way to the G7 Summit in Tokyo. He was greeted by Gromyko and Prime Minister Alexei Kosygin. Suspecting that the Americans had failed to represent West European interests properly, Schmidt decided to deal with the Soviets himself. He had concluded from his conversation with Brezhnev in May 1978, that that the Soviet leader had understood the need to balance the Eurostrategic weapons. He warned the Soviets, “If the Eurostrategic weapons are not included [in the negotiations] and if the problem is not solved, the Western alliance will, in his opinion, be forced to retrofit [its intermediate-range arsenal].” The Chancellor implied that if the Soviets agreed to balance or withdraw their SS-20s, LRTNF deployments would be curtailed or cancelled altogether.

Later at dinner, one Russian host said, “Chancellor, we do not understand you. In Vienna neither President Carter nor any other American so much as mentioned the intermediate-range weapons!” The Chancellor was infuriated by this apparent oversight. Schmidt recalled, “I had to swallow this and hold my peace; inwardly I was

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62 Ibid., 257.
64 Garthoff, Détente and Confrontation, 951. Kosygin informed the Politburo of Schmidt’s proposal, but “Defense Minister Dmitry Ustinov objected and the matter was put aside.” According to Garthoff, some division existed within the Politburo about whether to take up Schmidt’s proposal. Ibid., fn. 32.
65 As quoted in Schmidt, Men and Powers, 74.
deeply dismayed. I had not thought such an omission possible immediately after the Guadeloupe meeting. But the following day in Tokyo, Cyrus Vance largely confirmed the Soviet claim: the intermediate-range weapons had been mentioned once and only in passing.”66 According to Schmidt, Moscow informed him later that Carter had brought up the SS-20s in the elevator with Brezhnev. When Brezhnev refused to discuss the SS-20s, Carter had dropped the issue. “So insult was added to injury as far as I was concerned.”67 The Soviets likely shared an abridged version of the elevator ride, which conveniently neglected mention of Carter’s SALT III note, in order to withhold the information from Schmidt that they had brought up the TNF issue at Vienna and also to convince the Chancellor that the issue was not considered important enough to bring up in the official proceedings between the superpowers. This was undoubtedly intended to dissuade Schmidt from believing that the threat of NATO deployments could pressure the Soviets to bargain, which would make Schmidt less likely to accept American deployments.

Following his advisers’ suggestions to demonstrate alliance leadership by pushing for a consensus on LRTNF deployment, Carter put bilateral pressure on West European nations. In a July 12 letter to the Dutch Prime Minister, Andreas van Agt, Carter stressed the need for allied support to answer the Soviet SS-20 threat by “deploying long-range nuclear systems in Europe capable of reaching Soviet territory, and by being prepared to negotiate viable arms control agreements.” Carter emphasized, “I am ready to do my part to lead the Alliance to a consensus, but I will need your support.”68 Less than one month

66 Ibid., 74.
67 Ibid.
after meeting with Brezhnev to sign SALT II, Carter urged the enhancement of Western strategic power.

By late summer, the Americans and West Germans began cooperating rather well on the LRTNF issue, but for differing reasons. The Germans recognized that the Americans would not accept an alteration of weapons modernization. Rather than continuing to challenge the American view, Bonn decided to embrace modernization as a weapon for arms negotiations. In early August, Foreign Minister Hans-Dieterich Genscher responded to Carter’s concern that Schmidt seemed unsure of whether alliance consensus was possible by December. He stressed that Schmidt supported the deployment decision, because it gave teeth to the arms reduction negotiations, which were the main goal. As in the neutron bomb deliberations, the American leader focused on how to convince the Europeans to deploy the weapons through arms control negotiation promises while the West German chief focused on how to turn the possibility of American deployment into an arms control bargaining chip.

Despite this late-summer harmony, the CIA cautioned that the Soviets would seek to create problems for the alliance. In August, the CIA predicted that the Soviets would likely attempt to preempt the expected December NATO proposal by proposing a freeze of LRTNF deployments, thereby creating chaos within NATO over LRTNF. To woo Western Europeans into rejecting American deployments, the “Soviet proposal should be simple in content and focus on first steps, not ultimate outcomes.” After appearing to be on the side of détente and disarmament, the Soviets could take the moral high ground in the nuclear weapons debate, thereby damaging international American prestige and make

it politically costly to support a NATO proposal that promised deployments when the
Soviets were seemingly willing to negotiate.70 CIA officials did not realize, however,
that American intelligence that had been collected on Cuba over the summer would lead
to a new debacle, just as damaging to Carter’s leadership image as the neutron bomb
issue had been in 1978.

The Kennedy Challenge and the Soviet “Combat” Brigade in Cuba

By the summer of 1979, Carter became aware that he faced an unusually difficult
electoral year for an incumbent. The President suspected Senator Edward Kennedy
would run against him, as the Senator had publicly criticized him and opposed Carter’s
legislative agenda. On June 20, when asked by a Democratic Congressman about how he
would handle a Kennedy challenge, Carter responded, “I’ll whip his ass.”71 Such
boasting masked unpleasant political realities. In a Gallup poll taken in June 1979, when
asked whether they would support Kennedy or Carter in a head-to-head matchup, 62
percent Democratic voters responded they would support Kennedy while only 24 percent
favored Carter.72 In the midst of such a tense political atmosphere, the National Security
Agency discovered the Soviet brigade in Cuba, and wrongly concluded it had only
recently been introduced.

The crisis developed because American intelligence had failed to recognize that
the Soviet brigade had been in Cuba since 1962 with the reluctant acceptance of the John
F. Kennedy administration.73 The Carter administration’s concern about the brigade

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70 Theater Nuclear Force Negotiations: The Initial Soviet Approach, August 10, 1979, Item Number:
SE00526, Soviet Estimate, DNSA.
71 Carter, White House Diary, 332.
73 After the Cuban Missile Crisis, the Soviets removed their missiles from Cuba. “The administration of
John F. Kennedy had asked the Kremlin to remove those soldiers. It received no response and dropped the
issue.” Kaufman, Plans Unraveled, 184; Garthoff, Détente and Confrontation, 925.
began leaking in August 1979, but the intelligence failure became a crisis after the administration tried to control the leak by confirming the brigade’s “discovery” to Congressional leaders in hopes that informed senators, in gratitude for the information, would not go public about the Soviet brigade. However, Senator Frank Church, the new Democratic chairman of the Senate Foreign Relations Committee who had been labeled by Republicans as overly soft and who faced a difficult reelection, decided that the story presented a political opportunity too good to pass up on. On August 30, 1979, Church gave a speech announcing the presence of a Soviet combat brigade. He proclaimed, “The United States cannot permit the island to become a Russian military base, 90 miles from our shores.” Thus before the administration had time to conduct a thorough assessment of the brigade issue, a political firestorm began.

By late summer 1979, Brzezinski also advised Carter to demonstrate greater assertiveness. In a September 13 memo on which Carter wrote “good,” Brzezinski began by asking two provocative questions: Why was the American public not giving the President credit for his foreign policy accomplishments and why did international public opinion perceive the “Administration as perhaps the most timid since World War II?” Although the distortions and biases of the “prejudiced” media domestic and the “mindless” international press were partially to blame for the image, the national security adviser believed that the negative image of the administration derived from domestic and international observers’ beliefs that the Americans had become “acquiescent” in the face of increasing Soviet assertiveness. The Americans appeared passive in Iran, in arms competition, in Africa, and in Latin America. The geriatric Soviet Politburo, ruling over

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74 Garthoff, Déntente and Confrontation, 921.
75 Glad, Outsider in the White House, 187-189.
a stagnant, moribund economy, appeared to be running the table internationally on the
dynamic, affluent United States. Brzezinski advised the President: “[F]or international
reasons as well as for domestic political reasons you ought to deliberately toughen both
the tone and the substance of our foreign policy.” He recommended a continuation of the
American defense buildup, a more explicit condemnation of Soviet and Cuban meddling
in the Third World, an aggressive campaign to isolate Cuba economically and politically,
the use of Radio Liberty and Voice of America to sow unrest among Soviet national
minorities, a conveyance to the Soviets of American willingness to address unilaterally
nuclear arms imbalances, and action in other areas, including Afghanistan. He also urged
Carter to challenge the Soviets over the Cuban brigade issue. Brzezinski’s closing
argument concerned the domestic political advantages of appearing tough internationally.
He told the President, “the country will rally behind the President as he responds firmly
to a foreign challenge.” Moreover, “undercutting a President engaged in a vigorous
assertion of national security is usually seen as unpatriotic and divisive.” The national
security adviser did not have to add that the political benefits of such assertiveness would
be reaped in the 1980 presidential campaign.76

The potential for a tough primary fight was on Carter’s mind, as was evident from
his diary entries. On September 11, Carter wrote, “The general feeling in the White
House, our campaign headquarters, and the DNC is stimulation and excitement since the
increasing speculation about Kennedy’s candidacy. We’re ready to meet him.” On
September 17, Carter told Vice President Mondale that he and his wife were at “ease”
over the potential challenge. Yet, in the same diary entry, Carter recorded his many

76 Cold War: Brzezinski Weekly Report for Carter (perceived timidity of US Administration), September
frustrations with Kennedy, who questioned his leadership despite the Senator’s many failures, and the press, who seemed to favor Kennedy. These were not the thoughts of a president at ease, but rather one extremely annoyed with Kennedy, the press, and the prospect of fighting a tough primary fight.

Washington gradually became aware that the Soviet brigade had been in Cuba for a long time. Throughout September, Vance held a series of meetings with Soviet Ambassador Anatoly Dobrynin, who had been forced by the Soviet government to leave his mother’s deathbed to return to the United States to deal with the crisis, and asked whether the brigade had been there since the Kennedy administration. When Dobrynin confirmed that it had, the Secretary of State asked, “Anatoly, can’t you get them to move some ships around—to move some troops a little bit—so that we can say that it was now acceptable?” Dobrynin responded, “You know, after the Cuban missile crisis, there is no way we are going to do that sort of thing; it would be too humiliating.”

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77 Carter, *White House Diary*, 356. In a later annotation regarding the harshness of his comments, Carter explained to readers “it must be remembered that [the comments] were written in the midst of a political campaign that pitted me as the incumbent president against a Democratic challenger who had killed comprehensive health care and was opposing almost all my other legislative proposals and foreign policy decisions.” Ibid.

78 As quoted in Glad, *Outsider in the White House*, 191. Dobrynin would also tell the American Secretary of State, “We have a crisis on our hands. If the Soviet Union presented such questions to the U.S. about its installations around the world, the U.S. would tell the Soviets to go to hell.” Gates, *From the Shadows*, 158. Reflecting about the crisis in his memoir, Dobrynin wrote, “Vance later dismissed the whole uproar sarcastically as a ‘memory lapse’ by the intelligence services of the United States. As Marx said, history repeats itself, first as tragedy and then as farce. But this farce cost the ratification of the treaty and our relations further deteriorated.” Dobrynin, *In Confidence*, 429. In mid-September, American intelligence verified Dobrynin’s claim that the brigade had been in Cuba for a while. A 19 September CIA report, indicated that the brigade “had been in Cuba since at least the mid-1970s. It is possible that the unit or its precursors had been there since the early 1960s as a residual of the 1962 Soviet troop presence.” The purpose of the brigade, the report concluded was likely to “provide a small but concrete Soviet commitment to Castro, thus implying a readiness to defend Castro and his regime.” Another purpose of the brigade was guard duty around Soviet facilities. The report concluded that although the brigade might have helped train Cubans in the 1970s, the best evidence suggested that the brigade no longer served that function after the Soviet military advisory mission in Cuba assumed the role. Updated Report on Soviet Ground Forces Brigade in Cuba, September 18, 1979, CIA Electronic Reading Room, http://www.foia.cia.gov/docs/DOC_000014459/DOC_000014459.pdf.
Yet, to relent on the brigade issue would also be too humiliating for American policymakers, as it would demonstrate a breakdown of American intelligence. Worse for the President’s reelection chances, the Carter administration would appear incompetent. One of his potential Republican opponents had suggestions. Republican primary presidential candidate George H. W. Bush warned that inaction would allow “a peace that echoes Neville Chamberlain’s ‘peace in our time’ four decades ago and demanded for Carter to “send a very blunt message to the Soviet Union: Remove your combat troops from Cuba.”  

The Cuban “crisis” displayed the degree to which the administration itself was split. Vance, after realizing that the brigade issue had been overblown, moderated his tone. Brzezinski, however, continued to view the Soviet brigade issue as an opportunity to enhance Carter’s position domestically and put the Soviets on the defensive. Brzezinski urged toughness, comparing the Cuban brigade crisis to the 1961 Berlin Wall crisis. Brzezinski wrote to Carter, “JFK called it ‘unacceptable’ and responded by taking a number of steps designed to indicate to the public that he would assert U.S. interests and be prepared to use force.” Carter agreed with the analogy.

On September 23, two days after his phone call with Schmidt, Carter met with the Senate Democratic Senator Robert Byrd from West Virginia, who told Carter that he believed it would be “inappropriate for a mighty nation to go into a delirium over about 2,300 Soviet troops that had neither airlift nor sealift capability to leave Cuba.” Yet the

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81 Ibid.
frequency of meetings with congressional leaders made the crisis seem even more real to the Americans.\(^82\)

Although Carter wrote in his diary that he would rather be defeated than to allow SALT II to fail over the brigade issue,\(^83\) he still looked for a politically costless way out of the crisis. On September 25, Carter wrote to Brezhnev to express his grave concern about the Soviet combat brigade in Cuba. He emphasized, “This concern is not an artificial creation. Its prompt solution through joint accommodation will prevent adverse developments in our relations.”\(^84\) Carter warned that “it would be a tragedy” if SALT II would collapse if the two governments were unable to solve this brigade crisis.\(^85\) Responding two days later, Brezhnev told Carter that “we are extremely surprised by the campaign, openly hostile to the Soviet Union, which is unfolding in the U.S.A. with the active participation of the administration, for which the United States has no real reasons and no legal [basis].” Brezhnev informed Carter that the so-called “combat unit” was in reality a training operation, which was a lie which the Soviets hoped would help Carter get out of the crisis,\(^86\) had been present in Cuba for 17 years, did not violate the 1962 agreement, and since Soviet leaders would not change the function of the brigade, the forces posed no threat to the United States. Brezhnev’s recommendation was blunt. “My

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\(^82\) Glad, *Outsider in the White House*, 192.
\(^83\) Carter, *White House Diary*, 357.
\(^84\) Carter letter to Brezhnev, September 25, 1979, Document Number: CK3100487737, DDRS.
\(^85\) Ibid.
\(^86\) Raymond Garthoff wrote, “That was a false claim by Moscow to make the unit seem less objectionable, in an effort to help the American administration get off the limb it had climbed out of.” The Cubans were actually incensed by the Soviet use for the term “training brigade.” It devalued the deterrent potential of the Soviet force and “made it seem that the Cuban Army needed such training.” See Garthoff, *Détente and Confrontation*, 925.
advice to you: discard this story.” He said that the training center would not be closed and feared that the “artificially contrived campaign” would undo détente and SALT II. 87

Carter eventually dropped the story, at least partly. He first invited to the White House fifteen “Wise Men,” or prominent former high-level officials, including Averell Harriman, Clark Clifford, George Ball, John J. McCloy, John McCon, Brent Scowcroft, James Schlesinger, Dean Rusk, and Henry Kissinger. Clifford brought with him a note from McGeorge Bundy that said the crisis caused the “internal error,” and it would be a mistake to continue to use tough rhetoric about the brigade. 88 Clifford, who believed the administration had clumsily handled the crisis, and the other Wise Men met with Carter and Brzezinski, in what must have been an agonizing experience for the national security advisor, and told them simply to find a way out of the crisis. 89

In consequence, Carter leaned toward Vance, who urged Carter to treat the existence of the brigade as serious but insignificant to overall relations with the Soviets, rather than Brzezinski, who still urged the President to link the brigade to a larger pattern of Soviet aggression. In an October 1 speech to the nation, Carter explained that the Soviet brigade had been left over from the 1962 crisis but said that the “presence of a Soviet combat unit in Cuba is a matter of serious concern to us.” Yet he emphasized that the force was not large and posed no threat, and using the way out given by Brezhnev, he explained that the Soviets had given him assurances that the unit was a training unit and would not be enlarged. He stressed “that the brigade is not a reason for a return to the

87 Brezhnev letter to Carter, September 27, 1979, Document Number: CK3100048854, DDRS.
88 As quoted in Glad, Outsider in the White House, 193. Brzezinski incorrectly told him that past presidents had not used outside panels to help them make decisions. Ibid. The national security adviser likely correctly feared that the former top officials would question the competence of the administration and urge Carter to find a way out of the crisis.
89 Kaufman, Plans Unraveled, 187.
cold war.”

Nevertheless, the United States would increase its monitoring of Cuba. Seeking to direct the nation’s attention to real issues, Carter explained, “the greatest danger to American security tonight is certainly not the two or three thousand Soviet troops in Cuba. The greatest danger…is the breakdown of a common effort to preserve peace and the ultimate threat of a nuclear war.”

**European Confusion over the Cuban Brigade Issue**

The American preoccupation with the brigade crisis baffled and frustrated Western European leaders, who saw the chances of a Senate approval of SALT II diminish, and deplored this further erraticism from Washington. The Europeans wanted SALT II ratified by the Senate as speedily as possible so that the focus would shift to SALT III in which they hoped negotiations concerning the reduction of intermediate-range missiles would be a top priority.

In the midst of the brigade crisis, Brzezinski more aggressively urged the alliance to move forward on LRTNF deployments to counter Soviet aggression. Meeting with Minister President Späth on the evening of September 11 in Washington, the national security advisor stressed that the “Alliance, for political and military reasons, must without hesitation come to a TNF decision,” to deal with the new strategic realities. He told Späth that the Soviets could exploit their nuclear superiority for “political purposes.” Späth responded that his government agreed, “It would be a mistake to take a long time with this question, as with the neutron bomb.” Brzezinski emphasized that while the

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91 Ibid.
Soviet brigade in Cuba deployment was not causing a crisis comparable to the Cuban Missile Crisis, it was a “symptom of two deeper problems. The first is Cuba’s endorsement of militant world revolutionary [activity]. The second is the direct political and military support of this activity by the Soviet Union.”

With the American government in an uproar over the Cuba issue, the Europeans looked to Bonn for direction. On September 12, the Belgian Prime Minister M. Wilfried Martens along with Foreign Minister Henri Simonet told Thatcher their worries about Bonn’s position. Simonet explained, “He was not concerned about the American attitudes but was very anxious about those of the Germans.” He explained that “he was not clear what Chancellor Schmidt wanted” and “he would put proposals to his Government when he was clear about the attitudes of the Federal Republic.” Simonet believed that if the Germans leaned toward modernization, the non-German European nations that did not already have missiles targeting the Soviet Union had to accept modernization, “because it would be wrong and dangerous to leave it to Germany to decide alone whether or not to accept modernized TNF on her soil. It could spell the end of the Alliance because it would lead to a special relationship between the United States and the Federal Republic.” Martens said that he learned from Kissinger that SALT II ratification was contingent upon LRTNF modernization and the Europeans had to appear supportive. But the Allies had to wait for the Germans and the Germans had to work with the other Europeans, or risk scaring the rest of Western Europe as well as angering the Soviets.

94 Ibid., 1304.
The German view became clearer in the following days. Responding to Simonet’s statement that the Belgians would follow the German lead and pay little attention to the Americans, who had let the Europeans down during the neutron bomb affair, Genscher told the Belgian foreign minister that the Germans would support modernization but only if another non-nuclear nation agreed to deploy the weapons. Genscher stressed that he did not think that it was necessary for the all NATO nations to agree to deployments of the weapons for the Alliance to push forward. Instead, just the agreement of enough nations to prevent the appearance of German unilateralism would allow the Alliance to push for a speedy alliance resolution while the Soviets still pulled their propaganda punches while the American Senate considered whether to ratify the SALT II treaty.96

Schmidt would also push Carter for a speedy resolution of the Dual-Track Decision. On September 21, Schmidt called Carter to inform him that the West German Federal Security Council had met and decided to support the NATO LRTNF and arms negotiation proposal, and thus “consensus between Washington and Bonn exists on all important questions.” Schmidt and Carter agreed that they needed to pressure the Dutch to accept the proposal. The Chancellor predicted that the Soviets would moderate their propaganda campaign until SALT II had been ratified by the American Senate. Also aware of Kissinger’s argument that a modernization decision would help SALT II, Schmidt argued that the quick achievement of the Dual-Track Decision in November could push forward the SALT II ratification process in the Senate, which he still found more important than any other consideration. Soviet propaganda would be then attacking

96 Aufzeichnung von Blech, September 17, 1979, AAPD 1979, 2:1326-1328.
a fait accompli. He told Schmidt that his top political goal was to get SALT II ratified. Neither the Chancellor nor the President seemed to recognize, or at least acknowledge, that the Soviets would view the LRTNF deployments as strategic rather than theater threats, which would undermine SALT II from their perspective.

Despite the cordiality of communication between Schmidt and Carter, German policymakers concluded a damning assessment of the Carter administration’s handling of the “Cuban Crisis Number Two,” believing it had destroyed any vestige of foreign policy credibility. Bonn’s embassy in Moscow concluded that the Americans’ handling of the brigade issue had confounded the Kremlin. Now the Soviets did not understand what the Americans wanted. They puzzled over whether Carter had pursued the campaign for domestic political reasons, to isolate the Castro regime further, or perhaps to renege on SALT II in spectacular fashion. Bonn viewed the debacle as yet another, but the most catastrophic, example of the Carter administration’s amateurishness. After first allowing a non-issue to devolve into a crisis, Washington proceeded to back down in humiliating fashion to the Kremlin, even relying on the false Soviet claim that the brigade was a mere “training center” as an excuse out of the crisis. The United States now publicly acknowledged it accepted Soviet forces in Cuba “rather than tacitly tolerate them.” The Soviets now doubted whether they could still take Carter seriously as a “coequal political partner.” Most devastatingly, the West Germans believed the crisis had increased Moscow’s “self-assessment” vis-à-vis the United States. The signing of SALT II had caused Soviet feelings of inferiority to dissipate. Now the Soviets saw their position

97 Ibid.
improved even further: “Soviet persistence had caused the Americans to relent. The
danger exists, that this new experience will encourage the Soviet leadership into more
risk taking in its dealings with the USA and the American warnings of an escalation will
be ignored, because they could be ignored with impunity this time.”

Yet, somewhat ironically, the brigade debacle had helped pushed Bonn closer to
the American line. Schmidt, who had been highly critical of SALT II’s exclusion of
Euromissiles, now feared that a collapse of SALT II would mean the end of détente.
The Chancellor’s continued concern about the SS-20s and his belief that a NATO Dual-
Track Decision would help the American Senate ratify SALT II caused the Chancellor to
ignore how the Soviets would view a push to deploy new missiles capable of reaching
Soviet territory. Because he believed the Carter administration was inept, Schmidt
supported even more strongly the administration’s efforts to push through SALT II in the
Senate, lest Moscow and the rest of Europe realize that American policymakers, who
controlled the nuclear missiles guarantying German security and maintained an overall
climate of détente, could not lead. Yet Bonn’s actions meant to save détente helped
unraveled it.

The Soviets React

On October 4 in East Berlin, Brezhnev met with GDR General Secretary Erich
Honecker to share his growing concerns about Washington’s increased belligerency. He
told the East German leader that the “hysterical clamor in the United States—in which
the Carter administration directly participated in”—over the Soviet brigade in Cuba

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100 Ibid.
101 Gespräch des Bundeskanzlers Schmidt mit Staatspräsident Pertini, September 19, 1979, AAPD 1979,
2:1339.
102 Ibid.
might cause SALT II to fail. The Soviet Union, Brezhnev said, took “a firm position against the American blackmail,” forcing the United States to back down. Nevertheless, the Soviet leader said that the prospects for détente appeared bleak, as NATO embarked on an arms buildup and the United States continued to play the China card. Brezhnev informed Honecker that given the central role that Schmidt played in the LRTNF issue, every effort should be made to convince the Chancellor that “Washington and Bonn have begun a dangerous game,” and that détente and even the security of the Federal Republic would be threatened by the deployment of the weapons. Along with this pressure on Schmidt, Brezhnev said he would seek to thwart NATO’s plans by declaring a Soviet willingness to reduce Soviet forces and arms in the East Germany, announcing this proposal in Berlin on the 30th anniversary of the GDR. 103

The Soviets believed the neutron bomb fiasco had largely been the consequence of their own propaganda campaign,104 and they planned to cause a similar debacle for NATO by again driving a wedge between the allies, especially between the Americans and West Germans. Brezhnev proclaimed in his October 7 speech in East Berlin that the West was undermining the strategic balance through its proposals to deploy more missiles in Western Europe. The Soviet leader ominously warned West German policymakers that they faced “a serious choice” and would “have to decide which is best for the FRG.” They could either continue to cooperate with other European states, or they could shatter cooperation by acting as a nuclear vanguard for the Americans.105

105 Brezhnev’s October, 1979 Speech Jimmy Carter to Helmut Schmidt, September 19, 1977, NSA—BM, President’s Correspondence With Foreign Leaders File, box 7, Folder: Germany, Federal Republic of: Chancellor Helmut Schmidt, 6-10/79, CL.
Initially, the administration viewed the speech as an opportunity to push the West Germans closer to the Americans. A White House memo attached to a translation of Brezhnev’s speech read, “If that ain’t a threat, it will do until one comes along.” Brzezinski added the handwritten comment, “This looks worthwhile to me.”106 In a letter from Carter to Schmidt, the President said that Brezhnev’s speech demonstrated how the Soviets sought to separate the FRG from the United States and the NATO alliance, but assured Schmidt that such threats could never separate the allies.107

The East Germans carried the Soviet line, seeking to explain how the East viewed LRTNF. On October 12, Günter Gaus, the West German representative in East Berlin, met with Honecker. The GDR leader explained that LRTNF deployment in Western Europe would cause “the principle ‘security for everyone’ to be undermined.” The Americans, Honnecker warned, surreptitiously sought to circumvent SALT II and enhance their strategic capabilities at the cost of West European safety.108

As Soviet propaganda continued the campaign started by Brezhnev to woo Western Europeans away from the Americans, American officials became more concerned about the impact of the Soviet offensive, and prepared an American counteroffensive. The Carter administration proposed to counter the Soviets’ proposal

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106 Memo from Robert D. Blackwill to David Aaron, 11 October, 1979, NSA—BM, PCFLF, box 7, Folder: FRG: Chancellor Helmut Schmidt, 6-10/79, CL.
107 Letter Draft from Carter to Schmidt, u.d. NSA—BC, PCFLF, box 7, Folder: FRG: Chancellor Helmut Schmidt, 6-10/79, CL. Washington concluded the proposal was nothing more than a clumsy Soviet attempt to lure West Europeans away from the American orbit at no cost. The CIA believed that by promising a unilateral cut of 20,000 soldiers from total Soviet forces stationed in the GDR, Brezhnev sought to reap maximum political advantages from continuing modifications that would have occurred to the Soviet force structure regardless of the Euromissile issue. Moreover, the promised cuts would likely not result in the total forces in Central Europe being lower than they had been before the Mutual Balanced Force Reduction talks began. In other words, the Soviets hoped to turn a planned reconfiguration of their military forces in Europe into a diplomatic asset. See Brezhnev’s Announcement of Unilateral Troop Reductions: An Interpretation, October 15, 1979, CIA Electronic Reading Room, http://www.foia.cia.gov/docs/DOC_0000969701/DOC_0000969701.pdf.
with an equally meaningless NATO gesture of withdrawing 1,000 militarily insignificant warheads.\textsuperscript{109}

Although Brzezinski believed the Soviet campaign had backfired, he feared that German support could dissipate if Soviet propaganda efforts continued, as “second thoughts in various sectors of the German SPD” might thwart German support for LRTNF deployments. He warned Carter that the Dutch proposal to cut the number of deployed weapons to only 286 “could prove troublesome, particularly in Belgium.” This idea had to be squelched by the American warhead reduction ploy.\textsuperscript{110} Washington feared that Moscow could capitalize on European skepticism of Carter’s leadership and mount a sustained propaganda campaign that contrasted the aggressive and erratic policy of the United States to the peaceful and consistent policy of the Soviet Union. Over time, it could weaken Western European leaders’ resolve.\textsuperscript{111}

The Americans did not need to fear that Schmidt would be swayed by Brezhnev’s speech or Honecker’s warnings, since, from the Chancellor’s perspective, the SS-20s still posed a political threat to the Federal Republic. In Bonn on October 9, the Chancellor told Italian Prime Minister Francesco Cossiga that he read Warsaw Pact strategy as clumsy “carrot-and-stick diplomacy.” He explained that Brezhnev’s withdrawal of 20,000 soldiers from the GDR amounted to a mere five percent reduction of forces in that country, and it was unclear whether the 1,000 tanks that would be withdrawn were obsolete models.\textsuperscript{112} The Chancellor believed the announcement did nothing to derail NATO’s modernization plans. A withdrawal of troops and tanks did nothing about the

\textsuperscript{109} From the 7,000 stocked in Western Europe. Garthoff, \textit{Détente and Confrontation}, 953, fn. 36.
\textsuperscript{111} Memo for Brzezinski from Odom, October 20, 1979, NLC -6-82-1-3-1, CL.
\textsuperscript{112} Gespräch zwischen Schmidt und Cossiga, October 9, 1979 \textit{AAPD} 1979: 2:1417.
hundreds of SS-20 rockets, each with three separate warheads, targeting Western Europe.113

Yet some on the left wing of the SPD did take Brezhnev’s willingness to negotiate at face value. Egon Bahr, the left-wing SPD leader who helped shaped West German views on the neutron bomb, praised Brezhnev’s speech, saying it was “the strongest conceivable indication of the East’s political readiness for negotiations on all points.” Bahr urged NATO to decide only to produce rather than to deploy the weapons.114 He blamed the Soviets, however, for causing LRTNF to be an issue at all, saying that “the way in which the Russians publicly criticize Western plans, which are simply answers to Soviet actions, do not help very much.”115 SPD Chairman Willy Brandt also took a positive view of Brezhnev’s proposal, arguing that it would be a wasted opportunity to ignore the diplomatic possibilities offered by the speech.116

Recognizing the need to maintain his position in the party and annoyed with the Carter administration for criticizing West Germany’s unwillingness to fulfill NATO’s commitment to raise defense spending by 3 percent in 1980, Schmidt began to take a more positive public view of Brezhnev’s speech.117 In a radio show on 15 October, Schmidt told listeners that the West should look to the potential arms control implications of the Soviet proposal and needed “to take the Soviets at their word.” He declared, “The Soviet Union has reiterated: We want to bargain.”118 Although Schmidt indeed preferred

113 Ibid.
118 Ibid.
to negotiate away the SS-20s, he was too realistic to believe that the Soviets would really
give up their SS-20s if the West threw away its bargaining chip.

**Achieving “Consensus” (and the Soviet attempt to break it)**

With the “Second Cuban Missile Crisis” over, Carter tasked David Aaron, Deputy
National Security Adviser, with achieving Alliance consensus and dealing with the
Dutch, who presented a major potential obstacle to a deployment decision. With the
active support of the Federal Republic, the Americans rather easily moved forward to a
conclusion of the Dual-Track Decision. Washington, Bonn, and London teamed together
to browbeat the governments of the smaller European nations into accepting NATO’s
decision or at least to not stand in its way. Learning from the neutron bomb crisis, when
NATO reached a decision only to be overruled by the American president, the
governments of the major Alliance military nations collaborated before the December
NATO council meeting,

On October 22, Aaron tried to pressure Dutch Defense Minister Willem Scholten
into supporting the Double-Track Decision. To help the Dutch government politically
Aaron explained that NATO would remove 1,000 obsolete warheads\(^{119}\) from Europe in
connection with its deployment decision. Scholten responded that this reduction would
not be enough and responded with a counterproposal to halve the number of new missiles
to be deployed. NATO would then negotiate over three years with the Soviets to reduce
further the number of NATO missiles deployed, and, if the Soviets failed to negotiate “in

\(^{119}\) These warheads were obsolete and most lacked delivery systems. See Garthoff, *Détente and
Confrontation*, 953, fn. 36.
good faith, the Alliance would decide to deploy the remainder of the 572.”120 Aaron dismissed the counterproposal, explaining that the Germans, Belgians, and Italians backed Washington and the Alliance now required Dutch support. Scholten refused, charging that Aaron had deliberately plotted his trip to put extra pressure on the Dutch.121

In a late October memo to Carter, Brzezinski analyzed the European debate over LRTNF, stressing that most Western Europeans positions hinged on the German attitude. The Germans had privately supported modernization but said nothing publicly. He told Carter that the British, Germans, and Italians all would support the proposal. The Dutch, however, would cause the alliance difficulties, as they “are spending more time trying to modify the NATO decision in an effort to win acceptance than they are trying to defend it.”122 While the other allies, except for perhaps the Belgians, would go ahead with the deployments without the Dutch, Brzezinski stressed that the United States should get the Dutch to agree, “Otherwise their absence could unravel the support of other countries and create a long-term problem with the West Germans.” He stressed that the West German commitment was the most critical to alliance cohesion. “Interestingly, both the Italians and the Belgians are keying their presentation and strategy to the position of the Germans (not the Dutch).123 If Schmidt stays firm, they will remain firm.”124

On October 30, Carter and Schmidt discussed tactics for achieving Alliance consensus. The Chancellor said that Carter need not worry about the Federal Republic,
as it would support the Americans on the Euromissiles issue. Schmidt said the Dutch had to be dealt with. They, Schmidt suggested, could be pressured to support LRTNF modernization if the President made public the ploy to withdraw 1,000 NATO nuclear warheads. Regardless of the form, Schmidt stressed that some degree of public pressure before the summit was necessary “to preempt moves that the Dutch have in mind.” The President opted for a compromise between unilateralism and multilateralism. He would inform NATO leaders of his proposal for NATO to discuss, and his proposal would then undoubtedly leak to the press.125

Thus Carter told the Dutch Prime Minister that Washington would support a cut from NATO’s arsenal in Europe, repeating Aaron’s earlier statement to Scholten.126 He hoped that the Dutch would see that NATO’s modernization did not mean an increase in nuclear arms.127 He dismissed the Dutch proposal to cut in half the proposed LRTNF deployments. “It would send precisely the wrong signals to the Soviet Union, undermining their incentive to bargain with us seriously, and would create serious political problems in some countries of the Alliance.”128

In November, the Soviets sought to increase their pressure on Schmidt through a three-day visit by Gromyko in the Federal Republic. Yet, while the Germans stressed that they preferred negotiating missile reductions, they would not cower in the face of Soviet threats. Genscher told the Soviet foreign minister that it would take three to four years for the American medium-range weapons to be deployed, and he hoped that the

128 Ibid.
Soviets would be willing to negotiate before then. Gromyko responded that the Soviets had already declared their willingness to negotiate, but their proposal had been met with the answer, “yes negotiations, but only from a position of strength.” Genscher replied that the modernization decision would not lead to Western predominance but balance. He emphasized, “One must use the time. The advantage of the negotiations exists in that the [NATO] missiles would not yet be there.”

On the next day, when Gromyko told Schmidt that the LRTNF decision could damage Soviet-West German relations and end the basis for arms limitation negotiations, Schmidt, like Genscher, responded that the chance existed to negotiate over the missiles before they were deployed. He also sought to remove the Federal Republic from the possible Soviet reactions to the deployment decision: “the Federal Republic made it a point to not be in a position in which it would have to play an indirect nuclear weapons role.” Schmidt believed relations between the two nations would remain friendly despite the decision as mutually advantageous trade grew. Later at Schmidt’s apartment, Gromyko repeated that the NATO decision would wreck any chance of negotiations. Schmidt reflected, “It almost seemed as if he was not inwardly happy about clinging to a line that had obviously been determined in Moscow; for the first time he seemed to me a little helpless.” Schmidt believed that the Soviets incorrectly believed Washington played the same role as Moscow did in the Warsaw Pact. They thus interpreted the NATO Dual-Track push following Vienna as an aggressive reversal,

131 Ibid.
132 Schmidt, Men and Powers, 76—77.
orchestrated solely by Washington for purely American interests. They failed to recognize that NATO bargaining, cooperation, and tension differed from the control within their own alliance.

Yet the Soviets understood the inner-workings of NATO better than Schmidt suspected. In November 1978, Brezhnev would declare, “Despite the class solidarity of the bourgeoisie from the USA, Europe and Japan, their interests do not always coincide, there are contradictions.” The Soviet leader said that Western Europeans, who faced the prospect of destruction, seemed more willing to continue détente. Further, Gromyko’s three-day stay in Bonn to try to convince the Germans not to accept LRTNF forces demonstrated that the Soviets understood that the Federal Republic had the power to prevent the Americans from deploying the missiles.

Despite Carter’s pressure, the Dutch government stubbornly insisted that the LRTNF deployment be halved or not occur at all. In late November, van Agt suggested to Carter that NATO ought merely to decide to produce rather than deploy the weapon. Van Agt feared unconditional Dutch support for the NATO Decision would mean “political suicide,” leading to the replacement of his government by one that might even leave NATO. The Belgian prime minister feared a similar fate if the Belgians supported the NATO proposal unconditionally. Thus the Dutch and Belgian leaders agreed “to approach [the NATO proposal] as closely as possible…[without] affect[ing] the cohesion of the alliance.”

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Schmidt showed no such trepidation. On December 4 at his party’s convention held in the massive West Berlin Congress Hall, Schmidt, a talented orator, gave a two-hour speech, demanding that the SPD support the alliance decision. Even indicating he might resign if his party balked, he urged his fellow Social Democrats to remember the real issue: the Soviets were deploying another SS-20 missile each week capable of striking West Germany. Schmidt said the Soviet propaganda campaign was “of no use.” Addressing Brezhnev’s offers to negotiate, Schmidt declared, “We welcome these offers,…but the United States and the Western alliance must first create a situation in which we can counter a growing imbalance.” Responding to the speech emphasizing unity with the United States and NATO, the 440 Social Democrat delegates and the thousands in the audience gave the Chancellor a standing ovation, prompting Schmidt, uneasy about such enthusiasm, to motion quickly for them to sit. In response to a delegate who urged arms talks with Brezhnev before the NATO decision, Schmidt snapped, “My partner is Jimmy Carter and nobody else.” The Chancellor explained, “Whatever the chances we may have to widen the scope of our country’s foreign politics,…we must be aware that we can only use them on the basis of solidarity with the United States, with the alliance, in full loyalty with our partners.” Through the demands of party and alliance loyalty, as well as through pleas to give the Alliance the strength to negotiate effectively with the Soviets over arms reduction, Schmidt secured

139 Ibid.
his party’s support for the NATO decision. A West German official succinctly explained Schmidt’s position to the press: “One cannot negotiate on one’s knees.”

The next day, van Agt explained to Thatcher that a political majority existed for “a moratorium, that is to say, do nothing and ask the [Soviet Union] also to do nothing any more, but to negotiate.” Van Agt, the leader of the center-right majority coalition, explained that religiously-motivated Dutch Protestants and Dutch youth, lacking memories of the horrors of World War II, could topple his coalition. Exasperated, Thatcher asked whether such groups saw no threat from SS-20s aimed at Europe without anything in the NATO arsenal to counter them properly. Van Agt responded, “many of them would prefer Russian occupation over destruction.” Infuriated by such a viewpoint, the Iron Lady launched into a scathing diatribe, exclaiming that “those who prefer being red over dead ignore the many who are both red and dead,” and telling Van Agt that the Dutch ignored the lessons of Munich.

Van Agt found an equally frustrated audience in Washington, where he met with Carter, Brzezinski, Vance, and other top American officials to explain his political difficulties and express his desire to come to a compromise solution. Van Agt explained that his government had three options. It could act in complete accord with the parliamentary majority, and thus not support the LRTNF proposal. It could ignore the parliamentary debate, be ousted from power, and be replaced by an anti-LRTNF and anti-NATO government. Lastly, and “preferably,” it could opt for a compromise between the first two options, in which the Dutch government would give a ‘commitment to

141 Memorandum of conversation between Dutch Prime Minister van Agt and British Prime Minister Thatcher, December 6, 1979, CWHIP.
commit.’” The Prime Minister explained that the Dutch government would declare that it would determine in two years whether or not negotiations with the Soviets had proven adequate. The Dutch cabinet would make its decision about the negotiations’ status “in consultations with NATO allies,” and would then decide on the stationing of Ground-Launched Cruise Missiles. Carter asked who would judge whether negotiations with the Soviets were adequate. Van Agt responded artfully “legally this will be a national decision, but…it will be taken in consultation with the allies....The position now to be taken does make it extremely difficult for the cabinet in power then to reach conclusion that deviates from that of the allies.”

Brzezinski asked whether van Agt was telling the Americans that the Dutch would not oppose the LRTNF proposal, but would simply “delay [their] own decision.” Van Agt confirmed this delay, but said that the Dutch government would still criticize the number of weapons deployed. This angered Carter, because it would make consensus and the appearance of consensus more difficult if the Dutch actively opposed the LRTNF deployment’s size. Van Agt responded that he was going much further than his parliament by making this proposal. Brzezinski asked why the Dutch government could not just announce that it would postpone its decision, but spare the alliance criticism of the deployment’s scope. Brzezinski stressed that if the alliance remained united on the decision, the Soviets would likely negotiate reductions in their arsenals. However, if the alliance appeared divided, the Soviets would have little incentive to reduce their arsenals, as they would conclude that the Allied proposal was hollow.\footnote{\textit{Ibid.}}

The Dutch found little sympathy in Bonn from Genscher and Schmidt, who said that the FRG was in line with the American position. The West Germans said that they...
did not wish to criticize the Dutch position, as Germans themselves “were also not the leaders of the alliance.” \(^{143}\) Yet these non-leaders said clearly that the Dutch “cannot and should not block decision-making in NATO.” \(^{144}\) They agreed with the Dutch desire to delay their own decision on deployment to December 1981, “depending on periodic NATO evaluations (not reappraisal!)” \(^{145}\) of the state of the disarmament talks.” The Germans also said that the Danes, who were also objecting to the Double Track Decision, “had better speak last. Their reservation should be buried somewhere in the record.” \(^{146}\)

On December 12, 1979, the Dual-Track Decision finally was unanimously approved by the North Atlantic Council foreign and defense ministers. Despite Genscher’s demands that NATO members fulfill their responsibilities for their own security and not postpone their decisions to accept deployment of LRTNF forces, consensus on which nations would accept missiles would not be reached. \(^{147}\) Only Bonn would accept the Pershing IIs. The Netherlands would withhold its judgment for two years about whether to accept 48 GLCMs, but would later extend its decision further, and Belgium “insisted on the right to review its acceptance of forty-eight GLCMs (initially for six months, later extended until the decision was confirmed in 1985).” \(^{148}\) Although Schmidt had been successful at getting West German endorsement of the dual track


\(^{145}\) The German notes of the meeting with record the intermixing of English and German: “evaluation, nicht (not) review.” The Dutch notes record the English “not reappraisal!” Ibid. The German notes did not include the exclamation mark. Aufzeichnung des Ministerialdirektors von Staden, Bundeskanzleramt, December 11, 1979, *AAPD* 1979, 2:1884.


\(^{147}\) Botschafter Pauls, Brüssel (NATO), an das Auswärtige Amt, December 13, 1979, *AAPD* 1979, 2:1903.

\(^{148}\) Garthoff, *Déterre and Confrontation*, 953.
decision, a chasm had opened between the Chancellor and his party’s left wing that would lead to his downfall in 1982.\textsuperscript{149}

Following the Dual Track Decision, the Soviets declared negotiations over medium-range missiles dead. \textit{Pravda} reported, “International commentators have called attention to the special zeal of the FRG’s leaders, who have stated that their country’s security depends on the ‘strength and solidarity of the North Atlantic bloc’ and have put all kinds of pressure on the ‘small’ wavering countries to give unconditional approval to the NATO decisions.”\textsuperscript{150} \textit{Pravda} scoffed at the notion of NATO unity, citing the reservations of the Dutch, Belgians, Norwegians, and Danes, and at NATO’s pleas to negotiate while the West “seeks to achieve military superiority over the socialist states on the European continent.”\textsuperscript{151}

\textbf{Conclusion}

Unlike during the neutron bomb debacle, American leadership during the LRTNF negotiations following the “Second Cuban Crisis” was consistent and effective, because American policymakers chose to coopt rather than combat the Germans. Together, the weight of West Germany and the United States was too much for the alliance to resist. The Carter administration learned from its earlier failures that it worked against the Federal Republic at its peril, as the relative strength of West Germany allowed German policymakers to deflect, ignore, criticize, or even push much of Western Europe away from the United States. When, however, the United States worked with the Federal Republic, American influence in Western Europe became far greater, as the Germans


\textsuperscript{151} Ibid.
could use their relative strength in the Americans’ favor. The key to Europe thus did not reside in London, Brussels, or Paris, but in Bonn. Only after the Carter administration realized that and made the necessary adjustments was success reached. It was too little and too late, however.

While factors other than the global struggle against the United States shaped much of the Soviet decision to intervene in Afghanistan, the rising tension between the Americans and the Soviets in the months leading up to the Soviet move removed restraints to Soviet action. Before the Soviet invasion and Carter’s withdrawal of the treaty, the spirit of SALT II was dead in the minds of Soviet leaders. After Vienna, the Carter administration launched its trumped-up campaign against the Soviet brigade in Cuba. Moreover, Carter personally took the lead on the LRTNF deployment issue. Unfortunately, what to Schmidt was a mere bargaining chip for use with the Soviets and what to Carter was a means to reassert leadership over NATO before an unusually difficult election year, was viewed by the Soviets as a threatening move orchestrated by the Americans. The weapons that NATO decided to deploy in its 12 December decision were “theater” weapons only to the United States. To the Soviets, the weapons were strategic. The announcement of the Dual-Track Decision came as the Soviet Politburo was in the midst of a debate about whether to intervene in Afghanistan. From the Soviet perspective, NATO’s decision killed détente. Soviet leaders believed that the Americans were increasing their strategic capabilities. They felt they had nothing to lose

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152 Zubok, *A Failed Empire*, 263.
153 Odd Arne Westad argues “The NATO decision to deploy a new class of medium-range nuclear missiles in Europe, and the reluctance in the US Senate to ratify the SALT II agreement removed the concerns of some Politburo members over the effects a Soviet intervention may have on détente.” Odd Arne Westad, *The Global Cold War: Third World Interventions and the Making of Our Times* (Cambridge: Cambridge University Press, 2005), 318.
by intervening in Afghanistan. Relations with the United States were already abysmal. Moreover, as it appeared the Americans had shifted from cooperation to confrontation, Soviet leaders placed greater emphasis on controlling territory rather than signing treaties to preserve their superpower status.

For Schmidt, the Dual-Track Decision was a partial success, as NATO had acted on behalf of West German security interests without ruining Ostpolitik. Schmidt had pushed the Americans to address the SS-20 issue in the first place, and after getting them to decide to deploy LRTNF forces to counterbalance Soviet medium-range missiles, he got them to agree to include an arms control negotiation track to the Dual-Track Decision. Thus Schmidt gained his bargaining chip with the Soviets. Yet, as a partial consequence of the alliance decision, along with many other factors outside the scope of this chapter, détente collapsed and Schmidt’s primary goal of getting the Soviets to agree to SS-20 reductions was not accomplished.
At 7:15 pm on December 27, 1979, Soviet KGB and army forces in Afghan army uniforms stormed into Tajbeg Palace near Kabul, Afghanistan. Forty-three minutes later, President of Afghanistan Hafizullah Amin, his five-year old son, and many of his guards were dead. By the early morning of December 28, Soviet forces seized control of the capital. While the Soviets seized power in Kabul at the cost of only 29 deaths among Soviet soldiers, that deed led to a decade of conflict in which more than 15,000 Soviet soldiers and some 1.5 million Afghan civilians would die.

Afghanistan’s close proximity to their southern border caused Kremlin leaders to view it as part of their sphere of interest. Any instability in Afghanistan, Soviet leaders feared, could be exploited by the Central Intelligence Agency (CIA). During the height of détente, the Kremlin perceived good relations with the United States as dependent upon the existence of a balance of power. Viewing the international situation as a virtual chess game against the United States (and China), Kremlin leaders believed that maintaining as many pieces on the global chessboard as the United States was more important than preserving international prestige. Soviet leaders believed that Americans viewed the international situation through similar lenses, and sought out opportunities to increase real global power. After American forces arrived in the Persian Gulf in response

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2 Ibid.
to the fall of the American Embassy in Tehran to fundamentalist Islamic forces, Soviet military leaders feared that the Americans would construct bases in Pakistan and seize Afghanistan for themselves.³

Soviet concerns about the loyalty of Afghan communists and fears that the Americans sought to expand their sphere of influence shaped Soviet understanding of events in Afghanistan. KGB Chief Yuri Andropov fed Brezhnev reports, based on scant evidence, that Amin, who had launched a coup in October that had resulted in the strangulation of Brezhnev’s friend Prime Minister Nur Mohammad Taraki in prison, could align himself with the West and even accept the deployment of American short-range missiles in Afghanistan to secure his position as leader of Afghanistan. Embarrassed that the KGB had failed to protect Taraki, Andropov became determined to eliminate Amin.

Because of American efforts to deploy missiles in Western Europe, and Brezhnev’s personal hatred of Amin, Andropov’s reports resonated with the Soviet leader. Brezhnev had promised that he would protect Taraki. “What a bastard, Amin, to murder the man with whom he made the revolution,” the Soviet leader exclaimed, “Who will now believe my promises, if my promises are shown, to be no more than empty words?”⁴ Further influencing Soviet perceptions of the potential consequences of Taraki’s death, the Kremlin had become convinced that Carter’s anti-Soviet advisors now directed American foreign policy and sought to use anti-Soviet policy for domestic gain.⁵ Brezhnev told the Politburo that Carter “is not simply falling under the usual influence of the most shameless anti-Soviet types and leaders of the military-industrial complex of the

³ Zubok, Failed Empire, 262.
⁴ As quoted in Braithwaite, Afghaniesty, 73.
⁵ Westad, The Global Cold War, 325.
USA. He intends to struggle for reelection for the new term as president under the
banner of anti-Soviet policy and return to the Cold War.”6 American actions in the
summer and fall of 1979 further entrenched in Soviet leaders’ minds the notion that the
anti-Soviets in the Carter administration aggressively sought to shift the balance of the
international power struggle to favor the United States.7 According to historian Vladislav
Zubok, “The ‘last straw’ that tipped the scales in favor of intervention was NATO’s
decision to deploy a new generation of strategic nuclear weapons in Western Europe—
Pershing missiles and cruise missiles.” The Politburo feared that in the future the
Americans might deploy similar missiles to Afghanistan. Thus the fast-fading Brezhnev
and other Soviet leaders decided to “save” Afghanistan through intervention in reaction
to what they perceived to be a series of aggressive American moves.8

Leaders of the West, preoccupied as they had been with domestic and intra-
alliance politics, had mostly failed to consider the Dual-Track Decision’s potential to
unravel détente between the superpowers. In the coming months, American and German
policymakers developed divergent views of the Soviet intervention, prompting
conflicting reactions. Viewing the invasion as a Soviet offensive operation, Carter
viewed the action as a threat to America’s oil interests and to his credibility with the
American public and European leaders. Most importantly, however, Carter’s view of the
Soviet Union hardened. Following the invasion, the Soviets could not be dealt with as
legitimate statesmen but must be punished as criminals who had committed a particularly
heinous act. In contrast, because Schmidt viewed Soviet motives for the invasion as
defensive and Soviet ambitions as limited, he concluded that Bonn could continue normal

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6 Zubok, Failed Empire, 258.
7 Leffler, For the Soul of Mankind, 332—333.
8 Zubok, Failed Empire, 263-264.
relations with Moscow after the invasion. The Chancellor would come to believe Carter’s overreaction to the invasion, more than the Soviet intervention itself, threatened West German interests.

**Carter’s Initial Reaction**

Before the Soviet invasion, American intelligence suspected the Soviets might act militarily in Afghanistan if anti-Communist rebels endangered the maintenance of a pro-Soviet government there. Yet the CIA to predict the Soviet intervention precisely, as Soviet leaders were undecided about whether to intervene until just before Soviet soldiers crossed the Afghan border. Even though the CIA had informed Carter that an invasion was possible, the intervention came as a shock to Carter, who warned Brezhnev that the actions “could mark a fundamental and long lasting turning point in our relations.”

“We will help to make sure that Afghanistan will be their Vietnam,” an outraged Carter declared on the afternoon of the incursion. Carter wrote next to Brezhnev’s response that Soviet forces had been invited by the Afghan government, “The leaders who ‘requested’ [a Soviet] presence were assassinated.

The invasion caused Carter to accept National Security Advisor Zbigniew Brzezinski’s understanding of the Soviet threat and follow his recommendations for how to confront it. Viewing the invasion as Soviet militaristic expansionism and a potential

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9 Special Coordination Committee Meeting, December 17, 1979, MTF, http://www.margaretthatcher.org/document/110505.
10 Carter letter to Brezhnev, NSA—BM, President’s Correspondence With Foreign Leaders File, box 18, CL.
12 Letter from Brezhnev to Carter, December 29, 1979, NSA—BM, President’s Correspondence With Foreign Leaders File, box 18, CL.
13 Betty Glad provides an excellent glimpse at the inner workings of the Carter White House. She argues that Afghanistan intervention caused Carter take the “Brzezinski line” on Soviet policy. The Brzezinski-Vance split, which I have discussed in an earlier chapter, had thus been decided in Brzezinski’s favor. Glad, *An Outsider in the White House*, 205.
threat to American oil sources in the Middle East, Brzezinski informed Carter that with Iran in turmoil and the weakness of the other governments in the region, a Soviet triumph in Afghanistan would spell the achievement of “the age-long dream of Moscow to have direct access to the Indian Ocean.” Yet American intelligence indicated that the United States would likely not receive much help from the West Europeans, especially the West Germans, who would seek to “try instead to limit and confine East-West tension, to ensure that détente in Europe is not damaged at the core.”

Although Secretary of State Cyrus Vance later evinced a far more accurate and less apocalyptic assessment of what motivated Soviet leaders to invade Afghanistan than Brzezinski, he also initially supported tough measures meant to punish the Soviets for their military action. He believed that the Soviet invasion resulted more from Soviet insecurity than opportunistic expansionist desires and wanted to “preserve a bridge [with the Soviets] until things stabilized,” as he told Soviet Ambassador Anatoly Dobrynin on 20 January. However, such a view did not prevent Vance from asking Soviet Ambassador Anatoly Dobrynin whether the Soviet Union would attack Pakistan, Iran, or Yugoslavia.

Eventually, Vance correctly surmised that the Soviets had established their own domino theory, but unlike the American experience in Southeast Asia, the fall of these dominos directly threatened the Soviet state. Others in the Kremlin believed that intervention into Afghanistan could improve the Soviet position in relation to the Chinese and the Pakistanis. The Soviets felt that Amin’s nationalist Communist regime was an unreliable

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14 Brzezinski’s report to Carter on the Soviet Afghan intervention, December 26, 1979, in Westad, The Fall of Détente, 330—31. Moreover, in his memoirs, Brzezinski said that he “reminded the President of Russia’s traditional push to the south, and briefed him specifically on Molotov’s proposal to Hitler in late 1940 that the Nazis recognize the Soviet claim to preeminence in the region south of Batum and Baku.” Brzezinski, Power and Principle, 427; Westad, The Global Cold War, 328.
15 Western Europe: Response to US-Soviet Tension in Wake of Afghan Crisis, The Director of Central Intelligence. January 7, 1980, NLC-6-22-2-3-6, CL.
16 Dobrynin, In Confidence, 447.
ally. Moreover, the Kremlin feared that Amin’s regime could fall, and would be supplanted by a fundamentalist Islamist government similar to the one that had toppled the Shah in Iran. If the Afghans caught this “Khomeini fever,” it could spread into the Soviet republics that bordered Afghanistan. Moreover, Vance believed that “the downward spiral in U.S.–Soviet relations had released the brakes on Soviet behavior.” He believed that the Kremlin had determined “by late December that the SALT Treaty was in deep trouble, that access to American trade and technology was drying up, and that the dangers of American-Chinese-western European encirclement were growing[.] It probably had concluded that there was little reason to show restraint in dealing with a dangerous problem on its border.”  

Initially, Carter hesitated on how to react to the Soviet invasion, not knowing whether to throw away SALT II, which he considered one of his administration’s crowning achievements, to begin grain embargoes, which he feared would hurt American farmers, or to politicize the Summer Olympic Games to be held in Moscow by boycotting them or organizing an alternative competition. Carter concluded immediately, however, that he needed to rally Washington’s allies and Moscow’s foes to punish the Soviets. His early thought to turn to NATO, however, would be repeatedly dashed by European reluctance to consider the Soviet action as NATO’s concern.

In the days following the invasion, Carter rapidly toughened his stance, after concluding that the threat posed by the Soviet action merited a punishing response that would deter further aggression, alliance leadership demanded assertive action, and punitive actions would not be politically damaging. On December 28, he told European

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18 Robert Blackwill to Brzezinski, Summaries of President’s Telephone Conversations with European Leaders, December 29, 1979, CK3100098402, DDRS.
allies’ that although the United States would strongly condemn the intervention, Washington “would not let the Soviet action interfere with SALT.” Schmidt responded, “I think that is appropriate.” Yet, on the same day, Brzezinski recommended that the President could blame the deferment of SALT II on the Soviets, minimizing the political costs to himself. Moreover, the national security advisor convinced Carter that by blaming the Soviets for the cancellation, he could convince the Europeans, who remained reluctant about accepting American cruise missiles and Pershing IIs even after the Dual-Track Decision, to accept American Long Range Theater Nuclear Force (LRTNF) deployments. Carter followed Brzezinski’s advice, asking the Senate on January 3 to defer consideration of SALT II while Soviet soldiers were in Afghanistan, but Carter decided to abide by the SALT II parameters as long as the Kremlin did the same.

Carter, facing a tough challenge in the Democratic primaries from Ted Kennedy, knew that a decision to begin a grain embargo could hurt his chances of winning the Iowa caucuses in early January. However, according to Chief of Staff Hamilton Jordan, Carter became convinced that a strong response to the Soviet invasion would demonstrate “American resolve,” which would rally America’s allies. He asked those attending a foreign policy breakfast on January 4, 1980, “How am I going to lead the West and persuade our allies to impose sanctions against the Russians if we aren’t willing to make some sacrifices ourselves? What can I say to Margaret Thatcher or Helmut Schmidt if

20 Ibid.
21 Brzezinski, Power and Principle, 566.
22 Ibid.
23 Carter, White House Diary, 394.
we fail to exercise the single option that hurts the Russians most?”24 Yet the impact on
the Soviets would be softened as Argentina refused to cooperate with the American grain
embargo, selling the Soviets six million tons of grain after Carter announced sanctions.25

**The German View**

If mustering West European support by leading through example was indeed
Carter’s main motive for launching the grain embargo against the Soviets, the President
had terribly misread Schmidt but correctly judged Thatcher. The Chancellor blamed
Carter’s “inept leadership” for helping to cause the Soviet decision to intervene in
Afghanistan.26 He felt the response to the invasion was “badly thought out.”27 He felt
that Washington had overreacted. The Soviets had no desire to seize the Gulf’s oil
reserves but instead wanted to ensure the existence of a pro-Soviet government in
Afghanistan.28 Schmidt believed that the Federal Republic, because it was less
entangled in the Middle East than the United States, which was suffering through the
Iranian hostage crisis at the time, was able to “recognize the objective problems” related
to the Soviet invasion easier than Washington.29

In contrast to Carter and Brezezinski, Schmidt correctly surmised that the Soviets
were “merely callous in pursuing Soviet security interests” and that the threat the Soviets
posed was regional—not global.30 It would be foolish, Schmidt believed, to sacrifice

*Ostpolitik* to punish the Soviets for their actions when they did not directly threaten West

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Brzezinski confirmed Jordan’s story, saying that Carter dismissed warnings from Vice President Mondale
that the embargo could damage his chances in the Iowa caucuses. See Brzezinski, *Power and Principle*,
431.
28 Wiegrefe, *Das Zerwürfnis*, 332.
30 Ibid., 92.
German interests. Through a secret channel to the Kremlin, Schmidt had learned that the Politburo had been surprised by the American reaction, and Schmidt used his channel to tell Brezhnev on January 17 that he worried about the escalation of tensions. Rather than seek to punish the Soviets, Schmidt wanted to give the Kremlin incentives to leave Afghanistan. German Foreign Minister Hans-Dietrich Genscher summed up the German position well in a speech delivered to the Bundestag on January 17, 1980: “I cannot imagine there is anyone more interested in being allowed to continue working for détente and balance in Europe than the German people, who are forced to live in two states.” The entire Bundestag erupted in thunderous applause, and Willy Brandt walked to the podium to demonstrate his support for Genscher’s statement.

Thatcher’s frustration was that it took Carter so long to understand the Soviets. Like Schmidt, she believed that Carter was naïve, but, unlike Schmidt, Thatcher blamed Carter’s naiveté for continuing his predecessor’s policies of détente for too long. She blamed Carter for being overly “influenced by the doctrines then gaining ground in the Democratic Party that the threat from communism had been exaggerated.” Carter “found himself surprised and embarrassed” by the Soviet invasion, she wrote. In contrast, Thatcher had long known “détente had been ruthlessly used by the Soviets to exploit western weakness and disarray. I knew the beast.”

Thus leaders on both Carter’s left and his right judged him as naïve, as both Schmidt and Thatcher claimed to understand the “beast” better than Carter. To Thatcher, the beast could not be tamed and had to be beaten over its head. In Thatcher’s view, the

31 Wiegrefe, Das Zerwürfnis, 332.
32 Ibid., 334.
33 Genscher, Rebuilding a House Divided, 157.
34 Thatcher, The Downing Street Years, 68.
35 Ibid., 87.
Carter administration had waited too long to demonstrate American toughness but had finally come around to seeing the Soviets for what they were. To Schmidt, the beast could be tamed through engagement with Soviet leaders. The more treaties and interdependence between Western nations and the Soviet Union, the more constrained Soviet behavior would be. In Schmidt’s opinion, the American mistake was to believe that by signing treaties with the Soviets pertaining to limited foreign policy realms, such as strategic weapons, they would behave better in areas not covered by treaties. When the Soviets failed to do so, American disillusionment spiked, and rather than viewing Soviet actions not covered by treaties as Soviet opportunism, the Americans felt themselves betrayed. In Schmidt’s opinion, Carter had been an inadequate tamer in the years preceding Afghanistan and, in the wake of the invasion, should have scolded the Soviets for their attack but should not have abandoned détente. Instead, they should have offered to expand rather than constrict détente to limit Soviet recklessness.

**Shaping a Response**

Spurred on by his national security advisor, Carter emphasized continued toughness as a means to ensure the loyalty of America’s allies, who, Carter feared, would be vulnerable to another Soviet propaganda campaign. To Thatcher on January 14, Carter declared that the Soviet invasion was inconsistent with European détente and the Soviet occupation presented “a calculated strategic thrust against the West’s vital interests.”

At a foreign policy breakfast on January 18, Carter said, “there is a tendency on the frazzled edges of our government to drift away from the tough decisions we made. I am not going to abide that. We cannot wince now or seem unsure of ourselves. If we

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do, we’ll get very little help from our allies.”  

The administration’s previous vacillations, however, caused West European leaders to doubt Carter, who they had seen “wince” and “seem unsure” too many times in the past.

Carter initially hesitated on how to handle the Moscow Games, first letting the Europeans believe that the Olympics would not be affected, only to ask later for American allies to boycott the games. On January 2, Carter wrote in his diary, “The Olympics issue would cause me [the] most trouble and be the most severe blow to the Soviets. Only if many nations act in concert would it be a good idea.”  

However, by January 17, Carter had received polling data that demonstrated that the American people mostly supported the administration’s tough actions against the Soviets. According to Carter’s diary, the President learned that 71 percent favored the deferment of SALT II, 78 percent were for the high-technology embargo, 77 percent favored the grain embargo, and 55 percent favored an Olympic Boycott.  

The following day, Carter decided to announce on Meet the Press that the United States would not participate in the Moscow Games.  

The Germans were outraged by Carter’s handling of the Olympic Boycott; he had informed them only a few hours before proclaiming the boycott to the world.  

While the Germans would go along with the boycott out of a sense of alliance loyalty, they did so

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37 Jordan, Crisis, 112.
38 Carter, White House Diary, 387.
39 Ibid., 393.
40 Ibid.
41 In his memoirs, Schmidt wrote that he had asked the American three times in the days leading up to the Olympic Boycott whether the rumors that he heard about such a drastic punitive action were true. Each time, American officials told him that those rumors were false, and as a result, Schmidt had reassured the German Olympic associations that they would be participating in the Moscow Olympics. Thus Schmidt was completely surprised when Carter proclaimed the Boycott “and, without consideration of the domestic humiliation he was causing his allies, demanded that they cooperate with his decision immediately.” Schmidt, Men and Powers, 206.
grudgingly. Privately, Schmidt found the Olympic boycott idea and other punitive sanctions foolish.\textsuperscript{42} The Chancellor reflected in his memoirs, “Washington’s attempt to force Brezhnev to retreat with a dozen pinpricks was hardly persuasive;… I had to ask myself whether Carter was sincere in his efforts to achieve a Soviet retreat from Afghanistan.”\textsuperscript{43} Rather than coming up with impulsive reactions and insisting that their Allies approve of them without hesitation, the Chancellor felt the Americans should have come up with a long-term solution based on coordination rather than dictation. A “division of labor” could be established, with the European allies focusing economic and diplomatic efforts on Turkey, Pakistan, African nations, and the Persian Gulf states while the Americans dealt with Afghanistan and the Soviets more directly.\textsuperscript{44}

Carter’s State of the Union speech, delivered on January 23, 1980, relied heavily on Brzezinski’s assessment of the Soviet intervention. In the address, the President declared that the invasion “could pose the most serious threat to the peace since the Second World War.” The Soviet action demonstrated not only a new aggressive turn in Soviet policy, but also brought Soviet forces perilously close to much of the world’s oil supply and the Straits of Hormuz. Carter promised that the invasion would be “costly to every political and economic relationship …[the Soviet Union] values.” After discussing the grain embargo and high technology exports and his notification to the Olympic Committee that the American government would not support sending the US Olympic team to the Moscow games, Carter proclaimed what became known as the Carter Doctrine, stating “An attempt by an outside force to gain control of the gulf region

\textsuperscript{42} Wiegrefe, \textit{Das Zerwürfnis}, 337.
\textsuperscript{43} Schmidt, \textit{Men and Powers}, 203.
will be regarded as an assault on the vital interests of the United States of America and such an assault will be repelled by any means necessary, including military force."

Not wanting to be accused of causing a rift within the alliance during a crisis, Schmidt concealed his disagreement with American policy and agreed to ask the West German Olympic team to not participate in the Moscow Games. Although Schmidt said the Germans would “need a little time,” he stressed that “in the end we will fall down on the right side.”  Schmidt would deliver on his promise, and after a 59-40 vote in a May 15 Bundestag vote, West Germany joined Japan as one of the only two major U.S. allies to boycott the Olympic games altogether. Brzezinski would later declare this a victory, as “the four most important nations in the world in Soviet eyes—i.e., the United States, China, Germany, and Japan—are not attending.”

Soviet propagandists immediately responded to Carter’s punitive actions and aggressive proclamation, castigating Carter for bellicosity, inconsistency, and perfidy. Soviet television, radio, and newspaper commentators disparaged the “Carter doctrine” as simply a “refurbished ‘position of strength’ policy against world socialism and the national liberation movement.” On a Soviet question and answer radio program on January 25, a commentator asked rhetorically, “Surely the White House’s adventurist line is not meeting with the support of the governments of West European states, whom experience has made more wise?...I cannot see how any sane politician in Europe can fall

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45 Summary of the President’s Telephone Conversation with Schmidt, January 24, 1980, Document Number: CK3100476501, DDRS. A handwritten note from Carter which Schmidt received after the conversation emphasized, “[Withholding participation in the Moscow games is the most significant and effective action we can take to convince the Soviet leaders of the seriousness of their invasion of Afghanistan],” Handwritten note from Carter to Schmidt, January 24, 1980, Document Number: CK3100107246, DDRS.
47 Brzezinski to Carter, June 6, 1980, Document Number: CK3100474020, DDRS.
48 Beglov Scores Washington’s ‘Hysterical’ AntiDentente ‘Campaign,’ January 25, 1980, NLC-6-82-9-5-1, CL.
into Carter’s trap.” West Europeans would be foolish, the commentator went on, to risk so much in following a president who cared only for winning reelection in November. On January 26, a Soviet television pundit noted that “when Carter’s administration came to power a definite zigzag course was already obvious. At one moment there would be a burst of agreements with the Soviet Union, the next moment this would give way to a quite incredible campaign due to nothing but a tendency of the United States to meddle in our internal affairs on any pretext.”

Accepting many of Moscow’s assertions, Bonn had been working to ensure that its relations with Moscow did not sour. In a January 25 meeting, Genscher told Soviet Ambassador to West Germany Vladimir Semyonov that Bonn’s policy toward the Soviet Union would not change substantially. The foreign minister stressed the need for dialogue. He told the Soviet ambassador that politics and sports were two separate realms, and that the Germans would likely participate in the Olympics. In a January 31 letter to Brezhnev, Schmidt distanced himself from Carter’s assertive line. He explained to the Soviet leader that while he thought the Soviets should leave Afghanistan, Germany would honor its treaties and would continue to work with the Soviet Union for both societies’ benefit.

Schmidt believed that American policy—not Soviet policy—had veered in a radical new direction. In a meeting with German financiers and labor union leaders,

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49 International Situation—Question and Answers: Moscow Domestic Service in Russian, January 25, 1980, NLC-6-82-9-5-1, CL.
50 Studio Nine Participants Explore Changing U.S. Policy in World: Moscow Domestic Television Service in Russian, January 26, 1980, NLC-6-82-9-5-1, CL.
52 Ibid, 161.
Schmidt outlined Bonn’s “complicated interests”. He explained that the “core of the Federal Republic’s security was solidarity with the United States.” Closely following this primary interest was the maintenance of the Franco-German entente, because of “historical-psychological reasons.” Finally, “cooperation with the USSR and the other states of Eastern Europe” was the third German interest. Solidarity with the United States, however, did not mean that Bonn would follow Washington off an intellectual cliff, damaging Bonn’s other interests in the process. Schmidt sought to explain American policy: “It’s not a lack of goodwill. It’s not arrogance. It’s a lack of sensitivity for the Europeans’ situation.”

**German Frustrations**

As time passed, American policymakers began realizing that convincing Bonn to follow Washington’s lead would be difficult, regardless of American toughness and the sacrifices American farmers were making. The CIA advised, “West Germany clearly has the most to fear from revived US—Soviet tension. It is most directly vulnerable to Soviet pressures—for example in Berlin—and it has won, correspondingly, the greatest direct benefits from détente.” Schmidt would risk “splitting his party” if he took a strong stand on Afghanistan, since the SPD’s left wing supported détente so enthusiastically. The Germans, as well as other Europeans, would seek to promote détente after the invasion:

Schmidt will seek to maintain FRG reconciliation with Moscow and Eastern Europe—especially East Germany…. A clash between the superpowers would

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55 Memorandum from the Director of National Intelligence, January 7, 1980, NLC-23-7-5-1-3, CL.
56 Ibid.
threaten the Europeans’ own freedom of action in relations to both the US and the Soviets, and compel them again to rely on US management of the East-West crisis at a time when their doubts about the adequacy and steadfastness of US leadership are grave.\textsuperscript{57}

Although Schmidt insisted that the Federal Republic stood with the United States in condemning the Soviet action, the German Chancellor’s criticisms of Carter’s reaction began to appear in the press. In a February German television interview, Schmidt asserted “We are interested in not having our economic cooperation with the Soviet Union simply thrown away,” even though the Soviets had to understand that the West would never accept the Soviet occupation of Afghanistan.\textsuperscript{58} The New York Times reported that Schmidt had told members of his party that a concern for domestic politics had partly influenced the American reaction to the Soviet invasion, thus implying that the American reaction was not entirely based on foreign policy considerations. The Chancellor expressed the West Germans’ budding dismay “about the apparent rigidity of the United States stance and irritation at expectations that the allies will adapt a similar position without sufficient efforts to poll the allies.”\textsuperscript{59} Carter must get accustomed to a “different kind of consultation,” Schmidt told SPD leaders.\textsuperscript{60}

American policymakers did not have to read newspaper or intelligence reports to understand Schmidt’s reservations and frustrations with American policy. On January 17, Schmidt told Deputy Secretary of State Warren Christopher that although he would not undermine the American sanctions, Bonn could not violate treaty agreements or its

\textsuperscript{57} Memo from Blackwill to Brzezinski, January 8, 1980, NLC-6-22-2-3-6, CL.
\textsuperscript{58} Chicago Tribune, “Schmidt Quote in German television interview, Feb. 2,” February 16, 1980.
\textsuperscript{60} Ibid.
own constitution to impose economic sanctions against the Soviets. Moreover, he told Christopher that 250,000 Germans had been repatriated from the East in the past decade, and he did not want to throw away détente, which had given his country so many advantages, so rashly.61

On February 20, Schmidt spoke with Secretary of State Vance, one of the few of the Carter administration’s senior officials whom Schmidt respected.62 The Chancellor urged the Secretary of State to remember the manner by which the Cuban Missile Crisis had been resolved. The United States had to demonstrate its power and resolve, but it also had to give the Kremlin a way out of the crisis that would not heavily damage Soviet global prestige. The Chancellor wondered what Washington had hoped to accomplish by punishing the Soviets. He opined that punishment would not cause the Kremlin to withdraw from Afghanistan, but would likely cause an arms race that could start World War III in 1981. If an arms race did occur, Schmidt stressed that even though he recognized that the Federal Republic was economically and militarily stronger than the other allies, he would refuse to let Germany “be singled out among European countries” and it should not be expected to contribute substantially more to an arms buildup than other NATO nations.

Schmidt also explained Bonn’s limitations. He asked the Americans to remember that millions of East German “hostages” lived in the Soviet sphere, making Bonn especially leery about participating in any new arms race or disrupting trade relations.

62 Schmidt said that Vance “was a good listener,” and the ability to listen was a crucial characteristic in conversations with the German Chancellor who had been dubbed “Schmidt the Lip” by many of his own countrymen. Vance, Schmidt reflected, “was both candid and understanding. Talks with him were always fruitful.” Schmidt, Men and Powers, 204—05.
with the Soviets over Afghanistan. To Carter’s later astonishment,63 Schmidt told Vance, “It was wrong to ask what the FRG and others should sacrifice in relation to the Soviet Union.”64 He said that the Federal Republic wanted to “contribute to a constructive policy.”65 Schmidt explained, “We want to, and we will, be on board the American ship. But the engines should not be fired up to full strength before knowing where the journey is to lead....We do not wish to make sacrifices for their own sake.”66

The Chancellor was irate that some in the administration viewed members of the Bonn government as “softies,” were “fed up” with criticism of the FRG’s military contribution, and “irritated” by accusations that the Left wing of the SPD controlled him. He reminded his American guest that it was Washington, not Bonn, which had wavered in the end over the neutron bomb issue. It had been the Federal Republic, he stressed, that had “rammed…through” the Dual Track agreement, after pushing the initially hesitant Americans to view the Soviet SS-20s as a threat and then taking the lead in Europe. The Chancellor vehemently refuted those in Washington who argued that Bonn did not contribute enough to NATO’s defense, saying that the Federal Republic assumed incredible risks by allowing as many nuclear weapons as it did on its densely-populated soil and maintaining a large, well-equipped, and well-trained defense force. He explained, moreover, that he controlled the SPD and would continue to do so unless ousted from power.67

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63 He wrote “!” in the margin. Vance to Carter, February 25, 1980, Document Number: CK3100097002, DDRS.
64 Ibid.
65 Ibid.
66 As quoted in Schmidt, Men and Powers, 205.
67 Memo from Vance to Carter, February 25, 1980, Document Number: CK3100097002, DDRS.
Vance revealed to the Chancellor his own dissatisfaction with Carter’s policies, saying that unlike others in Washington, he himself refused to use the term “punishment” in regard to American actions taken in response to the Soviet intervention. Vance agreed with the Chancellor that by not keeping the allies properly informed, the administration botched the handling of the Olympic Boycott declaration. “Members of the administration, who in his view should have known better, had been responsible for this oversight.” The meeting reinforced Schmidt’s high regard for Vance, but it also confirmed to him that Carter was now taking Brzezinski’s—not Vance’s—directions in steering the American ship of state.

**American Frustrations**

As the months passed, Carter grew increasingly frustrated with the Europeans for refusing to impose meaningful sanctions on the Soviet Union. In early March, the Chancellor told Carter “we need ‘both a carrot and a stick’” to get the Soviets to leave Afghanistan. Carter responded, “It was not beneficial for the Europeans to expect us to provide the stick and for them to compete with one another about providing the biggest carrot.” On March 13, Carter told the sympathetic Franz Josef Strauss, Minister President of Bavaria and Schmidt’s opponent for the chancellorship in the October 1980 elections in West Germany that “The U.S. ‘reluctantly acknowledges’ that Germany has special problems, but we need stronger support from Europe as a whole. Without such

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68 Ibid. Vance did not include his differences with the rest of the administration in his memo of the conversation to Carter. Ibid.

69 Ibid., 205. Next to Vance’s cautious paraphrasing of this confession, Carter wrote “Don’t apologize.” Ibid.

support the Soviets can divide the West.”⁷¹ In the face of Soviet ruthlessness, a division of labor was unacceptable to Carter.

Informed by bleak assessments from his national security advisor, Carter feared potential cataclysmic regional and global ramifications from a Soviet victory over the Afghan insurgents. Brzezinski hoped that American military aid, especially anti-helicopter weapons, could alter “the Soviet cost calculus.” He believed the widening gap between Washington and its allies over Afghanistan allowed the Soviets successfully to weather the initial wave of international outrage over their military action. Brzezinski feared that American diplomatic, economic, and military measures to counter the Soviet onslaught might appear “by June and July, to have been a total or at least partial failure.” Because a collapse of the Afghan insurgency would solidify Moscow’s position in Afghanistan and embolden the Politburo to yet further aggressive moves, Brzezinski warned “the next nine months are going to be the most critical test we have faced with the Soviets since the Korean [W]ar.” The Soviet Union would seek to “nail down what it already possesses, and to open up new advantages in Europe, in Southwest Asia, in Southeast Asia, and perhaps the Caribbean as well.” After the November 1980 election, the Soviets could potentially present the newly elected President with a set of faits accomplis, which he would be forced to accept. To prevent such a disastrous outcome, Brzezinski urged both a long and short term strategy: “In the short term, our hope is to

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⁷¹ Memorandum of Conversation between President Carter, Franz Josef Strauss, Zbigniew Brzezinski, March 13, 1980, NLC-128-1-9-1-8, CL. Later at an NSC meeting, Carter called Strauss “a breath of fresh air.” Even though some of Strauss’s rhetoric “scared” the President, Carter felt that Strauss was more reliable and genuine than Schmidt. He then reflected positively on how Strauss castigated Schmidt for failing to support adequately American policy in the wake of the Afghanistan invasion. Strauss reflected that in a meeting with the French about the Afghanistan invasion, they had informed him that they believed the Soviets had acted out of weakness rather than strength. Strauss replied, “How many expressions of weakness will be necessary before Soviet troops are in Paris.” As quoted in Carter, White House Diary, 410.
keep the Soviets beleaguered in Afghanistan itself and too off-balance to take advantage of the grave weakness of our present position. In the long run, our task is to restore our strength and the credibility on the part of others that we are willing to use that strength to defend our vital interests.”72 To convince the Europeans of the rightness of American strategy, Washington simply had to remain consistently bold at countering Soviet adventurism, even if the Europeans did not agree that the Soviets intended to threaten American interests.

Aside from keeping the Soviets bogged down in Afghanistan, Brzezinski urged Carter to use “political pressure and covert action to make life as difficult as possible for the Soviets in (a) Ethiopia, (b) Yemen, (c) Angola, and (d) Cambodia/Vietnam.” He also advised the President to “shift into a distinctively tougher mode in dealing with our Allies.” This “tougher mode” would entail “constant political pressure against the European theory that détente is divisible, including veiled but specific criticism of our Allies’ position.”

The national security advisor cautioned the President on the dangers inherent in the festering tensions between Americans and Europeans over the best means to react to the Soviet attack. “If the differences of view between ourselves and the Europeans persist, Afghanistan as an East-West issue will be supplanted by a far more dangerous West-West issue.” Brzezinski then reflected that the European Allies had taken no meaningful actions to inflict real damage on the Soviets. Schmidt would “do no more than stiffen COCOM [The Coordinating Committee for Multilateral Export Controls] and ‘stand beside us’ on the Olympic boycott—and that only reluctantly and not until the end of May. No other European will do more than Schmidt and most will do less.” The

72 Brzezinski to Carter, March 18, 1980, NLC-17-2-19-2-9, CL.
National Security Advisor feared that “the Schmidt theory,” that détente was divisible and Europeans could continue to conduct normal relations with the Soviets on matters not related directly to Afghanistan, would act as a virus, infecting other European leaders. The Americans could not “permit” the Europeans to accept a theory that would lead to Soviet exploitation of Western division and incite American public hostility toward the Western Europeans.  

One stratagem to give the appearance of alliance unity, Brzezinski said, was to “eclipse the Europeans initiatives [of achieving a Soviet withdrawal through advocating the creation of a neutral Afghanistan] with one of our own.” The aim was for “the Soviets to reject these proposals and reveal their position for what it really is.” Such a tactic would make it appear that the alliance was united and enlighten the Europeans to the flawed premises on which they based their “self-deceiving negotiations ostensibly designed to ‘help the Soviets out of their problem’ while, in fact, undermining our own position and the solidarity of the West.”

By March, Carter leaned fully upon Brezinski’s counsel. Gloomily, the President told his National Security Council that the American public now largely considered the United States “second to the USSR in military power” and felt the Soviets’ efforts against the insurgents had gained momentum. Partly because of European receptivity, the Kremlin had opened a chasm between the Americans and the West Europeans.

Rather than seeking to accept the German view and work with Schmidt, American policymakers, as they had during the neutron bomb debacle, reverted to seeking to bully the Germans into following the American line. Carter saw Schmidt as leading the

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73 Ibid.
74 Ibid.
Europeans away from the United States and seethed over Schmidt’s unreliability, saying that the German Chancellor told him one thing in person and the press another. Secretary of Defense Harold Brown suggested that the European reticence stemmed from their fear of the Soviets. “They want to appease them,” he said. Perhaps the Europeans deceived themselves into thinking that the Soviet actions posed no strategic threat, he speculated. To awaken the Europeans to the dangers, Brown proposed “we should rub their noses in the strategic” threats the invasion posed. Brzezinski responded that the Europeans understood the threat, but he agreed that they “are trying to preserve détente in Europe, a détente that is divided from Soviet aggressive behavior in the rest of the world.” The Europeans find the American assessment of the Soviet threat completely incorrect, Brzezinski argued, and they distrusted the Administration’s reliability. Brzezinski said, “The Europeans do not believe that we are consistent. So they do not want to go along with us and then ultimately see us reverse our position. The Germans are particularly concerned that should this happen, they will have to pay a very high price for having supported us then be left holding the bag.” The administration’s previous inconsistency now caused the Germans distrust their fickle ally. To reassert leadership, Brzezinski “favored a constant, measured and assertive posture. No mixed signals and no radical departures.”

However, the Europeans viewed Carter’s toughening American policy in response to the invasion as a radical departure from the Carter administration’s past foreign policy.

Domestic pressure was once again viewed as a means to ensure greater alliance loyalty, and American policymakers rather imprudently believed they could rein in independently minded European politicians by appealing directly to their publics. Vice

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75 Ibid.
President Walter Mondale had a particularly cynical view of Western European leaders, seeing Giscard and Schmidt as especially shrewd politicians who would forget alliance loyalty if it helped their electoral positions. He believed that the Europeans wanted the Americans to wield the stick in relations with the Soviets while leaving them free to offer the carrots. He lamented, “While we deal as gentlemen and keep the hurt inside, they are using every horn, elbow, and finger possible to give us the business.” The Vice President somewhat correctly suspected that Schmidt had “set us up on the [neutron bomb] issue and then leaked their versions of what happened in a way so as to maximize their position and damage ours.” The Germans had never intended to deploy the weapon, he concluded. To wrest Alliance control back from these cavalier European leaders, Mondale recommended putting the European leaders “on the hot seat at home.” Mondale recommended countering Schmidt by leaking “that Schmidt is mercurial and unreliable,” believing this would cause the Chancellor to “be over here in an instant trying to make friends.” Mondale was recommending countering the German leader’s efforts to distance himself from American policy for electoral gain by telling the German public that the Chancellor was “unreliable.” They were betting that they understood the German public better than the German Chancellor. Carter agreed and wanted more public opinion data to ascertain the most effective means to pressure European leaders.

Putting Chancellor Schmidt “on the hot seat,” as Mondale recommended, was easier said than done. The West German population had become increasingly skeptical of American leadership during the Carter administration. The Allensbach Institute, a major West German public opinion survey group, found that just eight percent of those polled said that they were “confident that the United States was capable of taking a world
leadership role today.” A poll by *Stern*, a major West German news magazine, observed that approximately 80 percent of West Germans believed that “the United States was no longer an exemplary nation. Seventy-three percent found that personal liberty was better protected in West Germany than in the United States, and 75 percent considered the involvement of American troops in the Persian Gulf a threat to world peace.”76 Schmidt had tried to suppress such polling data because he feared it would strain further alliance relations. His aides reported that though the Chancellor doubted Carter’s leadership capabilities, West Germany had no choice but to remain a strong ally with the United States. Nevertheless, he had become “sick and tired of his people being portrayed as real or potential cowards.”77

Supporting American foreign policy became increasingly politically unwise for German politicians. Hans-Dietrich Genscher, who had been the staunchest advocate in the German government for supporting American policy in the invasion’s wake, began changing his tune when he found the public largely opposed such close cooperation. Genscher began speaking about the need to continue détente in Europe regardless of global crises and stressed the need to understand “the legitimate security interests of the Soviet Union.”78 Willy Brandt, SPD Chairman, stressed the need to continue détente in the invasion’s wake. At a conference involving over twenty-eight Social Democratic parties at which Brandt presided, Brandt wrote that the parties felt “deep anxiety lest the achievements of détente should be endangered, since we feared that a return to the Cold

77 Ibid.
War would bring the world to the brink of catastrophe. We have seen ourselves confirmed in our belief that there is no reasonable alternative to détente.”

Yet, American demands for alliance loyalty grew in proportion to the level of danger the Soviet threat posed, while, simultaneously, the administration’s tolerance for dissension decreased. Despite knowing that the Germans would not likely lend the Americans more than symbolic support, Carter told Schmidt in March that while he recognized that the FRG had a special stake in détente, Soviet actions threatened both American and German interests in the Middle East. To separate Soviet actions in Afghanistan from other relations with the Soviet Union would be “a grave error.” The President stressed that the Alliance’s response must be “coherent, measured and concrete.” to ensure “sufficient deterrent value in the Kremlin.” However, Carter’s increasing demands only fueled Schmidt’s resentment. For Schmidt to have accepted Carter’s line, he would first have had to share Carter’s assessment that the Kremlin’s intentions were aggressive rather than defensive. He then would have needed to believe that the risk of further Soviet aggression was great enough to merit destroying over a decade of West German rapprochement with the East.

Speaking in Bonn on NATO’s 31st anniversary, Schmidt’s nemesis Brzezinski said that while he understood that Bonn feared for the fates of the millions of Germans who lived on the other side of the Iron Curtain, “We believe that a proper balance can and must be struck between individual national priorities and the need for a tangible

79 Willy Brandt, My Life in Politics, 357.
80 Flash message from Carter to Schmidt, March 7, 1980, NSA—BC, PCFLF, box 7, Folder: Germany, Federal Republic of: Chancellor Helmut Schmidt, 3-8/80, CL.
81 Letter from Carter to Schmidt, March 27, 1980, NSA—BC, PCFLF, box 7, Folder: Germany, Federal Republic of: Chancellor Helmut Schmidt, 3-8/80, CL.
expression of collective allied resolve.”⁸² He said that though the United States remained
committed to the Alliance, “the burdens, as well as the benefits of that partnership must
be reciprocally borne. The pluralistic nature of an alliance such as ours carries with it the
imperative of responsibility. Pluralism without responsibility is a working prescription
for anarchy; perhaps even worse, it poses the risk of operational paralysis.
Responsibility, like détente, like security itself, is not divisible.”⁸³ In essence, out of
gratitude for American protection, the Germans should act as “responsible” alliance
partners and follow Washington’s orders, regardless of whether they agreed.

**Mounting Tension**

Besides thinking that Carter and Brzezinski misunderstood the motives behind the
Soviet invasion, Schmidt believed that Carter’s harsh reaction to Afghanistan was aimed
at achieving political gain in the fall election (which is ironic, if one accepts Jordan’s
recounting of Carter’s decision to start the embargo). Schmidt recalled that Carter told
him privately at a meeting on March 5, 1980 that he did not think that the Soviets would
leave Afghanistan despite Western pressures. This comment infuriated the Chancellor,
because he believed that the Americans were asking him to sacrifice his own political
prestige just to help Carter appear tough with the Soviets and win reelection.⁸⁴ Although
Carter certainly did not want to lose the November election and understood that assertive
leadership was needed to help him in the election, the President was guided mostly by
conviction, with Brzezinski’s assistance, that the Soviets had to be punished as an

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⁸² Brzezinski Speech on NATO’s 31rst Anniversary, April 10, 1980, NSA—BM, Schecter/Friendly (Press
File) box 3, Folder: 4/80-1/81, CL.
⁸³ Ibid.
⁸⁴ Schmidt, *Men and Powers*, 207. Indeed, Schmidt recorded in his January 8 diary entry, “Brezhnev has
told me that the troops are…[in Afghanistan] temporarily, but our presumption is that even our economic
and political steps will not force them to withdraw.” Carter, *White House Diary*, 390.
immoral act. Once again, Schmidt and Carter pointed at each other for being prisoner to domestic politics rather than captive to conviction.

Schmidt dominated an April 15 telephone conversation, lecturing Carter on many issues, ranging from Iran to Afghanistan. Carter remained taciturn throughout. The Chancellor said prolonged economic sanctions against Iran would not free the American hostages in Iran and warned Carter against taking any military measures to liberate the hostages, saying “I am deeply worried about many rumors which one hears here about military measures being in preparation.” Schmidt, who had himself conducted a rescue operation, urged “I would very much like you to be careful and think about it a second time before you take any such decisions. The Soviets are only waiting for a pretext under which they could intervene.”

Schmidt then turned the conversation to the Soviet intervention in Afghanistan. Although Schmidt promised to make public his appeal to the West German Olympic Committee to boycott the Moscow Olympics, Schmidt emphasized that he was doing the Americans a favor against the Federal Republic’s interests. He stressed that a West German boycott could shatter the fragile relationship between East and West Germany. “It will hit the family relationships. It might hit Berlin; I don’t know. I think one should be aware that this will lead to great human hardship.”

The Chancellor would not budge on the sanctions issue. He lambasted Carter’s “collaborators,” saying they did not understand Bonn’s position regarding economic sanctions against the Soviet Union. The Federal Republic would honor its treaty obligations with the Soviet Union regardless of the situation in Afghanistan. As a nation

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85 Summary of President Carter’s Telephone Conversation with Helmut Schmidt, April 15, 1980, NLC-128-11-23-1-1, CL.
86 Ibid.
with families split by the Iron Curtain, Germany could not act as the Americans. He explained, “I have national considerations to consider as well.” Responding to Carter’s disappointment, Schmidt said that the question about whether his nation abided by its commitments was particularly “touchy” to him, because he was “a German that grew up in the Hitler war.” Germany, after having broken so many treaties in the Hitler period, had to honor its existing treaties. It is a moral feeling in myself, apart from all the political considerations.” The same man who had hitherto been critical of Carter’s moral rhetoric had now morphed into the consummate moralist. The Chancellor did indeed believe morality should be applied to foreign policy, but pragmatically. Schmidt stressed that punishing his fellow Germans to rebuke the Soviet Union for a wicked act would be immoral.

Schmidt’s respect for the Carter administration suffered a further blow when Carter accepted Vance’s resignation on April 28, 1980. Schmidt had great respect for Vance, writing later that “he was knowledgeable, sensitive to other’s interests, an important member of the Council on Foreign Relations in New York, experienced in international dealings, reliable—and a gentlemen through and through.” Vance had resigned after the President decided to launch a military rescue operation of the Iranian hostages while he was on vacation in Florida. Vance was outraged when he learned about the decision from Christopher, who served as acting secretary of state during the crisis and felt he could not express Vance’s feelings in the secretary’s absence since he had not spoken with him. He could not believe such an important decision had been

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87 Ibid.
88 Schmidt, Men and Powers, 183.
89 Brzezinski had been a leading advocate of the mission, “speaking glowingly about the members of the Delta team and their impressive training and backgrounds.” Jordan, Crisis, 251.
made without his knowledge or consent and strongly disagreed with the operation, believing that even if it were successful and the hostages were freed, a prospect which he found unlikely, the Iranians would retaliate by seizing American journalists. He feared that the Europeans would be further incensed by yet another major move by the administration without consulting them well in advance, especially since the Europeans were preparing to support sanctions against Iran as a means to prevent the United States from taking military action. 90 While not the sole cause for the increasingly snubbed Secretary of State’s resignation, the botched rescue attempt was the last straw. Without Vance’s more nuanced assessments of the Soviets acting as a counterweight, Carter would be left listening to Brzezinski’s hawkish recommendations.

The rescue operation’s failure further damaged the administration’s credibility, even casting doubt in European minds on the American military’s capability to defend Western Europe. Schmidt reflected, “The amateur preparations and weak execution of [the] failed military liberation action dealt the final blow to Carter’s reputation.”91 The ill-fated rescue attempt, made against Schmidt’s advice, did nothing to advance Carter’s hope to persuade the Germans to support his anti-Soviet measures. Instead, it further convinced the Chancellor that if he cast Germany’s lot fully with the Americans and assisted them in restarting the Cold War, he would be entrusting his nation’s security with an incompetent administration and the American conventional military apparatus, which Schmidt felt had proven to be badly flawed.92

91 Ibid.
92 Schmidt said in his memoirs, “The overly hasty scrubbing of the operation when it had hardly begun, the obvious nervousness of the people carrying it out, the confusion at the operation site—all these caused me and other heads of government to feel some doubt as to the effectiveness of the Americans’ conventional forces deployed in Europe. Of course none of the European governments let these feelings to be known.” Schmidt, *Men and Powers*, 196.
Nevertheless, the President and his national security advisor continued to demand that Bonn provide Washington “concrete” measures. They knew that the West Germans could use their economic leverage as a sledgehammer against the Soviets if they so desired.\(^93\) West Germany was the Soviets’ largest West European trading partner. However, because only about 2.4 percent of West Germany’s imports ($3.52 billion) came from the Soviet Union and only 2.1 percent of its exports ($3.250 billion) went to the Soviet Union, the administration concluded that the West Germans could impose punitive sanctions without badly damaging their own economy.\(^94\) The Soviets depended heavily on high technology goods imported from West Germany, and the Federal Republic was a major importer of Soviet energy resources. Any disruption of this economic relationship would have caused serious consequences for the Soviets.

Schmidt argued later that he had been motivated primarily by foreign policy interests—not by West German economic interests. He viewed economic interdependency as essential for maintaining some control over Soviet behavior. “Two states,” Schmidt told Brezhnev, “that depended on each other economically would not go to war with each other.”\(^95\) Thus a disruption of the economic relationship would imperil this control, thereby jeopardizing West German national security and potentially endangering millions of Germans who lived under Soviet control. The Federal Republic would be forced to rely more heavily on the United States for protection. Indeed, the West Germans could have helped the Americans use their economic might as a means to

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\(^{93}\) According to Charles Carter, West Germany “was by far Moscow’s largest trading partner among Western nations” during the 1970s. “Indeed, the value of all West German exports to the USSR for the decade was almost as high as total French, Italian, and British exports to the Soviet Union combined.” Charles Carter, “A Pipeline to Arms: Osthandel and the Rise of Soviet Arms Sales to the Non-Communist Third World” (masters thesis, University of Georgia, 2007), 11.

\(^{94}\) Ibid.

\(^{95}\) Schmidt, Men and Powers, 31.
punish the Soviets. To do so, however, would have angered the Soviets, damaged the West German economy, and imperiled relations with East Germany, all on behalf of an American administration Schmidt held in contempt. Schmidt reasoned, however, that the Soviet action did not endanger West Germany’s vital interests and that Western retribution would likely not get the Soviets to leave Afghanistan.

Regardless of Schmidt’s claims that his desire to continue trade with the Soviet Union was motivated purely by the need to maintain political leverage over the Soviets, the West German economy certainly benefited from the trade relationship with the Soviets. Although Schmidt later warned in his memoirs that to “speak of the Federal Republic’s economic dependence on Moscow to a degree large enough to affect foreign policy indicates ignorance or malice,”96 he had stressed to Vance in February 1980 that West German “trade with the USSR was five times more important to the FRG than US trade with the USSR.” He did not want German unemployment to rise simply to punish the Soviets.

American policymakers correctly suspected German economic motives were at least partly responsible for the West German refusal to join the American-led embargo. From the West German standpoint, the economic benefits rested primarily with Soviet natural gas and Soviet consumption of West German steel and machine tools.97 “The West European countries and Japan…have kept the door to the Soviet market ajar….Though these governments were ‘unwilling to directly oppose the US on sanctions,…[they] are feeling strong pressures from their own firms interested in selling

97 National Foreign Assessment Center: Memorandum on West German Economic Relations with the USSR for Brzezinski, February 29, 1980, NLC-29-11-8-2-8, CL.
Moreover, American policymakers concluded that Moscow “whetted the appetite of these firms by offering the prospect of large contracts over the next several years contingent upon the availability of government-backed financing.” The West Europeans had interest “in continued trade with the USSR” that extended “beyond developing export markets. For example, the eagerness of the West Europeans to begin negotiations on a massive natural gas pipeline from the USSR to Western Europe reflects their desire to diversify future energy supplies as well as the $4—5 billion in sales of pipe and equipment that the project would generate.”

West Germany would become a primary beneficiary from the influx of Soviet natural gas into Western Europe and would benefit from the sale of materials to the Soviet Union for the pipeline’s production. Although by joining the American embargo the West Germans could have deprived the Soviet Union of an important economic connection at a time in which the Soviets’ own economy had stagnated, the West Germans would have deprived themselves of an important trade partner. They also would have sacrificed the potential benefits from future large imports of Soviet natural gas through the proposed pipeline at a time when oil prices were skyrocketing and instability in the Middle East indicated that energy prices would continue to rise.

Although the West Germans continued to trade with the Soviets mostly because of foreign policy and domestic political concerns, economic factors did play a strong role in Bonn’s refusing to implement economic sanctions against the Soviet Union. The CIA reported that West German “growth is expected to slow in this election year. West Germany—like other EC countries—remains unwilling to adopt the one sanction that

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99 Ibid.
would harm West German industry or put it at a competitive disadvantage, i.e., halting export credit guarantees.” The West German Mannesmann steel company signed a $600 million sale of large-diameter pipe to the Soviet Union on February 20—the first major transaction with the Soviets since American sanctions had been imposed. The CIA believed that “the German deal can only increase the likelihood that other governments will give in to their own businessmen who correctly argue that they are at a disadvantage in bidding for major Soviet projects in the absence of government-backed credits.”

West Germany, by continuing a business as usual relationship with the Soviets, would demonstrate that a Western power could defy American leadership and get away with it. In 1980, West Germany’s commerce with the Soviet Union increased by 65 percent while American-Soviet commerce dropped by 60 percent. For an economy based heavily on exports, any trade disruptions could cause higher unemployment.

Although the French shared the German assessment of the invasion, they refused economic sanctions, and had also been critical of the Carter administration’s policies. They privately urged the Americans to help the Afghans inflict as many casualties as they could on the Soviets in Afghanistan. On May 8, Vice President Mondale met with French Prime Minister Raymond Barre and French Foreign Minister Jean François-Poncet. The French Foreign Minister told Mondale that the French government did not believe that the Soviet action in Afghanistan was the first stage of a master plan to seize control of the Persian Gulf. Still, François-Poncet acknowledged

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100 National Foreign Assessment Center: Memorandum on West German Economic Relations with the USSR for Brzezinski, February 29, 1980, NLC-29-11-8-2-8, CL.
101 Kaufman, Plans Unraveled, 214.
102 French trade increased by 100 percent in 1980. Ibid.
103 Glad writes, “The prime minister of France, Raymond Barre, explained on February 7 that his country did not wish to contribute to a reawakening of the Cold War by adopting an extremist attitude.” Glad, An Outsider in the White House, 208.
that the Soviets had to get out. “We feel local and regional factors will determine whether or not they do so. Why aren’t the Afghan rebels more effective? Why aren’t they shooting down Soviet helicopters?” the French foreign minister demanded. Deputy National Security Advisor David Aaron explained that the rebels had already shot down approximately a dozen Soviet helicopters. The problem of supplying the rebels came from Pakistan, Aaron said. “The Pakistanis are cautious. A much more promising route would be Iran, but of course we know the problems there.” François-Poncet replied, “Our feeling is that the weapons they have there are very limited.” Barre declared that “It is important that Russians die in Afghanistan. A friend of mine, a businessman recently visited Kiev, and the public opinion there is afraid of the consequences in Afghanistan. They are aware of casualties. They are reading newspapers.”  

Although they privately supported American efforts to punish the Soviets in Afghan, the French refused to end détente in Europe, which opened the door for greater German autonomy. Despite American pressures, French President Valery Giscard d’Estaing met with Brezhnev in Warsaw on May 21, 1980. This meeting, Washington feared, opened the door for Schmidt to meet with Brezhnev. Brzezinski felt that “The French desire to assert European leadership (by meeting with the Soviets) could only be effective if backed by Germany, and my fear throughout was that France would prove too weak to exercise such leadership, while in the meantime contributing to the emergence of a separate German road.” As Brzezinski feared, Schmidt followed the French example, and arranged his own meeting with Brezhnev for June 30, 1980, in Moscow. Schmidt said later that France, a nuclear power, could more easily “afford to offend the

104 Vice President’s Meeting with French Prime Minister Barre and French Foreign Minister François-Poncet, May 8, 1980, NLC-7-34-6-2-9, CL.
105 Brzezinski, Power and Principle, 314.
White House than could the German chancellor. But the German head of government
could follow Giscard’s example.”  

Brzezinski feared that Giscard, by opening the way
for Schmidt, “was contributing to the reawakening of the Bismarckian Dream.”

The Vice President’s meetings with Barre, François-Poncet, and Schmidt
convinced the administration that while the French and the Germans both hoped
diplomacy could convince the Soviets to leave Afghanistan, the French seemed more in
line with the administration’s response to the Soviet action than the Germans. Rather
than seek “to deter another Afghan type invasion by punishing the Soviets,” the
administration’s main goal, Schmidt seemed willing to allow Babrak Karmal’s Soviet
puppet regime to continue if the Soviets began withdrawing troops. Aaron explained to
Carter that because Schmidt feared provoking the Soviets, the Chancellor rebuffed
American requests to support more punitive actions.

Giscard and Schmidt, American policymakers feared, had played right into
Soviets hands, abetting a Soviet wedge strategy that played on West European fears of
losing détente to regain some international legitimacy in the invasion’s wake. Moreover,
by meeting with West European leaders, Kremlin leaders could achieve major
propaganda victories, as such meetings would display the degree to which American and
West European policies diverged: The Soviets “have reason to believe that they have
seen the worst of West European and Islamic reaction and that their ability to hold high-
level political discussions with West European leaders is symptomatic of the divergence
in US and West European policies toward the USSR.” The Soviets had at least two
additional motives, American policymakers thought. They hoped “either to get their

106 Schmidt, Men and Powers, 79.
107 Brzezinski, Power and Principle, 314.
108 NSC appreciation of European positions on Afghanistan, May 9, 1980, NSA—BM, box 42, CL.
dialogue with the US eventually or at least to establish that Washington is responsible for the failure to do so.” 109

The administration believed that Schmidt had scheduled his visit to Moscow to wreak vengeance upon the overbearing Americans. William Odom wrote in a memo to Brzezinski that “Schmidt privately asked for the Brezhnev invitation to come to Moscow….Schmidt reportedly understands fully, the impact this has on the U.S., and he intends the impact as a redistribution for making the FRG support our Olympic boycott decision.” More seriously, Odom informed Brzezinski the West Germans were so angered by the American handling of “Iran, Afghanistan, etc….that Sweden is now discussed as a model for Bonn to emulate in East-West relations.”110

The Venetian Brawl

The American pressure on Schmidt over Afghanistan and a June 12 letter Carter sent to Schmidt set the stage for a transatlantic blowup in Venice. The Carter administration leaked a letter from Carter to Schmidt in which the President implied that, according to “conflicting press reports,” the Chancellor had suggested a freeze in theater nuclear forces (TNF) deployment, thereby undermining the Dual-Track Decision. The letter infuriated Schmidt, who wrote back on June 16 that he was “astonished” by it. He urged a meeting at Venice and provided a translated copy of his June 9 speech to the SPD in Essen.111 The President should have known from the speeches he had transmitted to

109 Central Intelligence Agency: National Foreign Assessment Center, June 15, 1980, NLC-6-83-5-12-6, CL.
110 Memo from William Odom for Zbigniew Brzezinski, April 22, 1980, NLC-15-14-7-7-6, CL.
111 Bundeskanzler Schmidt an Präsident Carter, June 16, 1980, AAPD 1980, 1:911. “I stick to what I said: It would serve the cause of peace if during the next three years both sides were to desist from any further deployments and began negotiations on mutual limitations soon. I assume that there will at any rate be negotiations on this in the context of SALT III. We shall make our contribution—even though we as a non-nuclear power cannot, nor want to, negotiate ourselves.” Annex, Chancellor’s remarks on TNF in Essen, 9 June 1980, AAPD 1980, 1:912.
the White House that he was advocating no such thing, the Chancellor believed. He was arguing simply that the Soviets should use the time before NATO deployed missiles to negotiate TNF reductions, which would perhaps obviate the need to deploy Pershing II and Ground-Launched Cruise Missiles. The letter had nothing to do with the TNF issue, Schmidt felt, but was meant to punish the Chancellor publicly for his impending meeting with Brezhnev. Schmidt believed, “The release of the letter to the Washington press was pure spite. To all appearances someone was eager to vent his spleen—someone who had never been able to decide whether the Germans or the Russians were the archenemy of the Polish people, from whom he was descended.”112 The Chancellor was referring to National Security Advisor Brzezinski.

Indeed, the national security advisor was angered that Schmidt’s promise to support the United States in reacting to Soviet aggression had been “melting as quickly as snow in a late Rhineland winter.”113 Brzezinski’s deputy David Aaron, who had been the President’s point man for the Dual-Track negotiations, had drafted the letter, and Brzezinski had approved its transmission to Schmidt. However, the national security advisor had only a private warning in mind. According to Brzezinski, a State Department official had leaked the dispatch to the American and European press.114 Yet the administration was not displeased by the leak, as a memo to Brzezinski indicated, “Despite Schmidt’s inevitable irritation, the letter probably has had its intended effect. It

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will be very difficult for Schmidt to return from Moscow with Soviet agreement to any sort of temporary freeze without stirring a political reaction in the FRG.”

The Chancellor again fumed over what he considered a dearth of American leadership. Meeting with Chinese Foreign Minister Huang Hua in Bonn on the eve of the Venice Summit, Schmidt conveyed his frustrations with the Americans and explained why he did not want to restart the Cold War in Europe. He told Hua that the Federal Republic had 5,000 American nuclear missiles stationed in his densely populated nation, putting all 60 million West Germans at risk of annihilation should war between the superpowers break out. The Americans failed to understand that Bonn’s security dependency did not make Germans mere “underlings” controlled by Washington. Rather, the Federal Republic had its own interests to advance. German trade with the East not only benefitted both sides economically, but also gave Bonn leverage to allow more Germans to escape the Soviet sphere and enjoy full human rights in the Federal Republic. It could not sever ties with the East, as 18 million Germans lived there. Furthermore, Germany had caused great suffering to Eastern nations during World War II, which tinged perceptions of German foreign policy.

Schmidt later reflected that he looked forward to meeting Carter at Venice, because he knew that he could verbally berate the President without facing serious repercussions: Carter’s “prestige at home and in the world had suffered; mine had not.” His “spirits soared.” Schmidt’s defense minister, Hans Apel, informed the Chancellor

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115 Memo to Zbigniew Brzezinski with President Carter in Venice from Jim Thomson, June 1980, NLC-16-128-5-34-1, CL.
that Carter “had almost no chance of winning the American election.”117 His objective was to secure “free rein for my trip to Moscow, and I wanted to be sure for the rest of 1980 that the White House would not continue to hamper me unfairly.”118

Most of the meeting consisted of Schmidt’s preplanned verbal attack on Carter. According to Brzezinski, the leaders met in “a tiny room in an extraordinarily elegant old-fashioned hotel, surrounded by the Venice lagoon,…with our knees almost touching.”119 Carter recorded in his diary, “Shortly after arriving I had an unbelievable meeting with Helmut Schmidt, who acted like a paranoid child—ranting and raving about a letter that I had written him, which was a well-advised message.”120 Carter wrote, “In a long and rambling tirade, Helmut objected to parts of SALT II, …., accused me of not being sincere in negotiating for nuclear arms control, [and] remarked that Germany was not our 51st state.”121 Eventually, Brzezinski entered the fray, scolding Schmidt for being “critical of American policy in general and figures in the American government in particular!” Schmidt retorted, “If necessary, I can fight with the best of them!” Brzezinski responded, “And we know how to fight back!”122 Carter ended the confrontation. He reflected in his diary, “He’s a strange man and a good leader of Germany. He’s constantly critical of the United States, of our resolve, our fairness, our commitment, our honesty, and so forth. He knocks me and Brzezinski and Vance and Muskie and others.”123 Brzezinski confirmed Carter’s depiction of the meeting: “It was

118 Schmidt, Men and Powers, 211.
119 Brzezinski, Power and Principle, 311.
120 Carter, White House Diary, 439.
121 Carter, Keeping Faith, 537.
122 Schmidt, Men and Powers, 216.
123 Carter, White House Diary, 440. The minutes of the meeting corroborate the memoir accounts, but the memoirs and Carter’s diary better capture the charged atmosphere. Memorandum of Conversation, June
an angry and at times an altogether unpleasant session, with Schmidt striking me as occasionally not being quite balanced."

Although the meeting ended with a somewhat more respectful discussion of differences, the Americans failed to persuade Schmidt not to go to the Soviet Union. Schmidt said that he dealt so harshly with Carter and his “all-knowing national security advisor” because Brzezinski had convinced the President that the FRG was about to “embrace neutrality.” Further, Schmidt reflected that he thought that he “completely understood Carter’s psychological makeup—he was…a man who never stopped searching his soul and tended repeatedly to change his mind—and it seemed necessary to be firm with him.” Thus what to Carter and Brzezinski seemed to be an irrational tirade was in reality similar to Nixon’s madman theory. If Carter and Brzezinski considered Schmidt somewhat unbalanced, they would be less inclined to get in his way. Rather than allow his nation’s policy to be directed by a government that Schmidt deemed incompetent, the Chancellor defended German foreign policy independence through scolding Carter.

The Chancellor in Moscow

The Chancellor recalled with obvious satisfaction that despite Carter and Brzezinski’s vehement opposition, “I made the trip nevertheless.” He arrived in Moscow on June 30, just days after meeting with Carter. While in Moscow, he continued separating his nation’s détente with the Soviets from the rising superpower tensions.


124 Brzezinski, Power and Principle, 463. Since Brzezinski wrote his memoirs thematically rather than chronologically, one can find different aspects of the meeting described in several chapters.

125 Ibid., 79.

126 Ibid., 207.
Though the Chancellor affirmed that West Germany remained committed to NATO, he also pledged “an unconditional determination to uphold the German-Soviet treaties and to continue our collaboration based on them.” He continued to talk to the Soviets about reducing their SS-20 stockpile and said that he would do what he could to convince Washington to resume arms reduction negotiation efforts. Moreover, during Schmidt’s visit, the West Germans signed a long-term economic agreement with the Soviets. Schmidt’s efforts to continue détente completely defied Carter and Brzezinski’s wishes.

An after-dinner speech delivered in Moscow during his visit illustrated Schmidt’s break with Washington. The Chancellor first said he believed that Brezhnev “would make a vital contribution to defusing this dangerous crisis if you could declare that the announced withdrawal of some Soviet troops from Afghanistan is the beginning of a movement which will be continued until withdrawal is complete.” However, he wanted détente’s positive features to continue, stressing the need to continue negotiations on medium-range nuclear missiles stationed in Europe. Schmidt proclaimed that the Federal Republic maintained a “calculable policy” based on three premises: a firm position within the Atlantic Alliance and European Community, “in the knowledge that it shares common values and interests with the United States of America and the other allies”; a “policy of détente and cooperation with our Eastern neighbors; and an approach of “partnership on equal terms with countries of the Third World.” Reflecting on the Germans’ and Soviets’ similar memories of the horrors of war, the Chancellor said that the past had taught the Germans that they could “only lose everything and gain nothing from another war.” For this reason, the Chancellor said, in a thinly veiled contrast to

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127 Ibid., 83.
129 Hanreider, *Helmut Schmidt*, 68.
American policy, the Germans have adopted a “stable and clear [policy,] aimed at peace.” He emphasized that continued consultations promoted greater understanding of each nation’s interest. Schmidt affirmed, “Our long-term economic cooperation…helps to safeguard peace.” The Chancellor hoped that Moscow and Bonn—“above and beyond our bilateral cooperation—contribute toward finding solutions to problems besetting us and our partners.” Schmidt had thereby confirmed how greatly his approach to the Soviets differed from Carter’s while also hinting that the Federal Republic could act as a mediator between the superpowers.

Bonn’s desire to act as mediator became more apparent after the visit. Hans-Dietrich Genscher, who had accompanied Schmidt to Moscow, flew immediately after the visit to the United States to “brief American leaders on our Moscow visit.” He also had the secret goal “to persuade the United States government to initiate negotiations” with the Kremlin, which he claimed to achieve during the visit. Talking, however, was different than listening, and the Carter administration maintained its hard line policies in relations with the Soviets.

After returning from Moscow, Schmidt had a far more direct approach in urging the Americans to change course. He spoke with two of Carter’s Cabinet members about Brzezinski, and what he told them demonstrates just how angry Schmidt was over the American reaction to the Soviet invasion. “As Carter later told me,” Brzezinski recalled, on each occasion he used the opportunity to urge that the President dismiss me, arguing that I had had a negative influence on the President, particularly on the East-West relationship. I could not tell whether Schmidt’s extraordinary

130 Ibid.
131 Genscher, Rebuilding a House Divided, 160.
initiative, unprecedented in German-American relations, had anything to do with his earlier visit to Moscow, but I was gratified by the President’s contemptuous dismissal of it as well as by the fact that the President personally told me about it. ¹³²

That Schmidt would even think to tell an American president to fire his national security advisor demonstrates how chilly relations between the FRG and the United States had become by mid1980.

Schmidt paid a farewell visit to the president on November 10, 1980. Carter had just lost the election to Reagan while Schmidt had maintained his position as chancellor after the SPD fared well in the West German fall elections. Brzezinski refused to attend a Washington luncheon held for Schmidt, because of his incessant criticism of the Carter administration. At the luncheon, Carter records in his diary, “Schmidt was negative about everything, but he and I both made a generous statement about each other to the press.”¹³³ Carter reflected, “I’m glad to deliver Schmidt and [Israeli Prime Minister Menachem] Begin to Reagan. Hans-Dietrich Genscher and other German leaders have been remarkably helpful to us, in spite of Schmidt’s negative attitude.”¹³⁴ On same day, Carter warned Ronald Reagan “that Germany’s orientation toward the East would be a continuing problem.”¹³⁵ When the Chancellor departed the United States, the media called the goodbye “touching” because Secretary of State Edmund Muskie put his arm on Carter’s shoulder after the two had bade their goodbyes to the German Chancellor and walked back to the White House. In reality, as Carter explained to his wife Rosalyn, after

¹³² Brzezinski, Power and Principle, 463.
¹³³ Carter, White House Diary, 486.
¹³⁴ Ibid.
¹³⁵ Ibid.
saying farewell to Schmidt, Carter turned to Muskie and told him “Sometimes Helmut
Schmidt can be a pain in the ass.” Muskie responded by putting “his arm around Jimmy
and said, “I couldn’t agree with you more Mr. President.” Laughing they walked into the
Oval Office.”

Conclusion

The Soviet invasion of Afghanistan convinced Carter the Soviet Union had to be
punished for what he considered an act of naked brutality. The President certainly had
domestic political considerations in mind, but he was not guided by them as Schmidt
believed. Instead, Carter felt duped and outraged by the Soviet action and could not
grasp why Schmidt failed to view the invasion in the same light. The Chancellor,
however, viewed the invasion as a consequence of Soviet insecurity, and blamed Carter’s
moralism and inconsistency for helping to cause it. Schmidt viewed Carter’s overly
hostile reaction as yet another example of the President’s foreign policy shortsightedness.
In contrast, Carter viewed Schmidt’s refusal to enact punitive sanctions as a further
example of Schmidt’s appeasing attitudes toward the Soviets. Both pointed at the other
for being captive to electoral pressures during an election year for both leaders.

Both Carter and Schmidt felt there was far more at stake than just their respective
elections. The President feared that to allow the Soviets to succeed in Afghanistan would
encourage further Soviet adventurism and possibly threaten American access to Middle
East oil. The Chancellor feared that to follow the Americans on their wrongheaded
course would endanger Ostpolitik, damage West Germany’s export economy, and
threaten West German access to Soviet natural gas.

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136 Carter, First Lady from Plains, 370.
The way in which the administration handled the Afghanistan response further damaged Schmidt’s and his constituents’ respect for the administration. Carter and his national security advisor unwisely used criticism of Schmidt to attempt to rein him in. Had Carter been a successful president, popular in the eyes of Americans and West Germans alike, such criticism might have been an effective means to ensure loyalty. However, the criticisms of an unpopular president served only to repel the West Germans from American policy.
Conclusion

In the 1960s, the quelling of tension on the European continent helped to create détente between the Soviet Union and the United States. As the Cold War battle grounds entered the periphery, the specter of the mushroom cloud ceased to haunt Western Europeans as greatly as it had during the early Cold War. Still contending with memories of its abhorrent past, West Germany could not gain control over nuclear forces to insure its own survival. West German policymakers became more self-confident in their ability to shape their nation’s destiny in a more tranquil climate. German policymakers discovered that they gained greater domestic and international political influence when the Soviets sought to sign trade contracts rather than to seize West Berlin. Helmut Schmidt embodied both the newly confident German statesmen empowered by détente, Ostpolitik, and German economic might and the insecure statesman aware of Germany’s past and his nation’s non-nuclear status.

By the mid-1970s, the economic and political transformations that had occurred before Jimmy Carter became President lessened the West Germans’ fear of the Soviets, respect for the United States, and need for a strong alliance. The Vietnam War and the collapse of the Bretton Woods System had demonstrated that American power was limited and that all wisdom did not reside in Washington. The decline of American power should not be overblown, however. The relative decline in U.S. geopolitical and
economic strength had not been drastic from the 1960s to the 1970s. The critical change had happened in Europe. *Ostpolitik* had opened new ways by which Germany could exert influence but had also given it new interests to defend.

Although less mortar held the alliance together when Schmidt became Chancellor, Kissinger and Ford reacted well to Schmidt’s assertive style, mostly because they shared the Chancellor’s views on economics and foreign policy. They succeeded in treating Schmidt as the leader of the most powerful nation in Western Europe. Schmidt’s impact on the Alliance would not be as noticeable, because American and German policy converged. Carter, however, almost immediately upon taking office began demanding that Schmidt pursue policies that the West German leader believed would endanger the Federal Republic’s security, economic prosperity, and rapprochement with East Germany and the Soviet Union. Schmidt reacted by asserting his government’s independence and its power to reject its American ally’s advice. The Carter administration failed to recognize the dual effects of the relative decline in U.S. power and the relative increase of West German power on Germany’s leadership.

Carter had come into office hoping to redefine fundamentally the transatlantic relationship by promoting a consultative partnership with European allies. Schmidt, however, had no desire for such a radical shift in policy to be led by Carter. The Chancellor indeed wanted consultation, but he had a very different understanding of consultation than members of the Carter administration. He wished to be dealt with personally as a mentor on economic and strategic concerns, but he refused to place his nation itself in a new, public role as a powerful American partner in the Alliance. For
reasons of contrasting background, personalities, and style, Carter and Schmidt personally lacked rapport. Thus the favored role Schmidt enjoyed during the Ford/Kissinger period vanished. Rather than give Schmidt the special role he previously enjoyed, Carter's policies mostly aimed at giving Bonn a unique role that it did not want. Yet, paradoxically, the administration's attempts to give the Federal Republic a stronger role in the alliance in support of American policy had pushed Bonn into a distinct role in Western Europe as an opponent to American policy.

In the case of the Locomotive Theory, Washington's demands for Germany to adopt reflationary policies to encourage global growth would cause Schmidt to push for European monetary union to deflect the consequences of American policy and boost fiscal discipline in Western Europe to promote German prosperity. By criticizing and resisting Carter's demands while asserting the superiority of German economic policy, Schmidt derailed Carter's locomotive and built a German version in its place. Even when Schmidt recognized in early 1979 that Bonn needed to enact expansionary policies, as Washington counseled, the Chancellor shrewdly appeared stubborn to force the Americans to promise to allow American energy prices to reach world levels by 1981 and to conceal mostly their suspicions about the purposes behind and the effects of the developing European Monetary System. Furthermore, with other European leaders, the Chancellor used American economic policy as a bogeyman which could only be resisted by closer monetary cooperation.

Moreover, Carter's demand that Germany assume a special role during the neutron bomb negotiations and publicly ask for the neutron weapons to be produced and
deployed caused Schmidt to take a distinct role within the alliance by speaking publicly about the need to negotiate with the Soviets over weapons systems not covered in SALT I and II. The administration’s sudden deferral of the neutron bomb caused Schmidt to doubt even further Carter’s competency. Schmidt had been infuriated that Carter failed to recognize the negotiating potential the neutron bomb presented and angered that Washington unprecedentedly sought to link the production of an American nuclear weapon to West European acceptance of it. Not wanting to leave alliance strategy in Carter’s hands, the Chancellor urged even more strongly the need to address the Eurostrategic imbalance in Europe.

Following the neutron bomb debacle, Carter sought to restore his foreign policy credibility. Washington sought to address the Eurostrategic imbalance by deploying Pershing II missiles and Ground-Launched Cruise Missiles. Yet, by addressing Schmidt’s understanding of the West German security dilemma, Carter would cause the Soviets to believe that the Americans sought to undermine SALT II. Only months after Carter met with Brezhnev and signed SALT II to assure a relative equilibrium of superpower strategic capabilities, the United States deployed Long-Range Theater Nuclear weapons to Europe which, although technically not considered strategic weapons under the terms of SALT II, could strike Soviet territory. Kremlin leaders thus thought they had little to lose and possibly much to protect by invading Afghanistan. Moreover, close cooperation with Schmidt during late 1979 over the Dual-Track Decision masked continued questioning of American leadership. Schmidt cooperated with the administration to secure Dual-Track, but his aims diverged from those of the Carter
administration. To the Chancellor, the missiles themselves provided the carrot for immediate negotiations with the Soviets. To Carter, the promise to negotiate with the Soviets was the carrot for deploying the weapons to Western Europe, while the urgency to negotiate over Soviet SS-20s declined in the latter half of 1979.

When the Soviets invaded Afghanistan, it was apparent that the underlying differences between Bonn’s and Washington’s interests and their respective views of the Soviet Union remained strong. The invasion exacerbated fundamental differences between Germany and the United States involving interests and perceptions of the Soviet Union. In the wake of the invasion, the Carter administration treated the FRG of the 1970s as though it were the West Germany of the 1950s, demanding that Schmidt follow Washington for alliance loyalty. Carter failed to recognize that Ostpolitik had fundamentally transformed West German interests.

The Chancellor had enhanced his own national position and helped his party to contest the CDU by challenging its security and economic competency with his own expertise. This early victory would be but a prelude to the far more difficult challenge of contesting Washington’s authority over the West. Highly skeptical of visionary idealism, Schmidt sought to advance pragmatically the interests of his nation. Although Schmidt preferred for West Germany to act as a bridge between East and West, he had the confidence to act independently of the United States to preserve Ostpolitik. To separate his nation from its past without relying on the United States, Schmidt would look not just to Western Europe, as Adenauer had, but would turn to Europe more broadly, including the Soviet Union. He knew it would not have been in U.S. interests to withdraw from
Europe altogether. He also understood that the economic and political cooperation lessened the likelihood of a Soviet attack. Thus he knew his public and private criticisms of Carter would not harm German security interests. Further, because he believed that he, not the American leadership, understood the Kremlin, Schmidt felt confident enough to defy the United States.

The nature of West Germany’s postwar policy, as well as Schmidt’s own contributions to it, has been debated by scholars. Historian Fritz Stern provided an astute early observation of German policy, arguing in Foreign Affairs in 1980 that the rise of German power combined with the dearth of American credibility had given rise to Bonn resisting Washington’s policy initiatives in a “Semi-Gaullist Europe.”¹ Timothy Garton Ash argued long before the relevant documents had been released that Bonn had wanted to act “in Europe’s name” to reshape Europe in the German image and enhance its own national interests.² Matthias Schulz counters this notion, arguing that “European union was a multifaceted conceptual design developed by Europe’s transnational political and administrative elites that was widely embraced by leading actors in European politics. Schulz points to Schmidt’s Marbella Paper of January 5, 1977, expressing his concern over West Germany’s rise as the second most powerful Western nation, as evidence that Schmidt was not trying to use European integration to his nation’s benefit but rather was pushed into advocating European integration by American policy.³ I argue that Schmidt

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¹ Fritz Stern, “Germany in a Semi-Gaullist Europe,” in Foreign Affairs 58 (Spring 1980).
² See Ash, In Europe’s Name.
was neither a natural Atlanticist nor a “reluctant European.” Rather, Schmidt was a pragmatist who realistically advanced his nation’s interest.

In the decades following World War II, Washington and Moscow crafted very different European spheres of influence. In the West, the United States constructed a democratic empire by invitation which tolerated dissent and spontaneity from allies that successfully contained the Soviet Union and turned the most authoritarian and militaristic nation of Western Europe into a model democracy. In the East, the Soviet Union, in contrast, constructed an autocratic empire, demanding uniformity of opinion and the subservience of satellites. When nations such as East Germany in 1953, Hungary in 1956, and Czechoslovakia in 1968 sought greater independence from Soviet control, Moscow responded with tanks and violence.

The two paths led to very different outcomes. Moscow’s form of imperialism proved terribly ineffective. The Kremlin discouraged Warsaw Pact leaders from originality and autonomy, sowing seeds of popular resentment, leading eventually to widespread resistance within the Soviet sphere in Eastern Europe in 1989. In contrast, within the American sphere, Washington accepted creativity and autonomy, albeit often only reluctantly. John Lewis Gaddis, who made such a comparison of Soviet and American alliances, pointed to France’s continual close association with the West in the wake of President Charles de Gaulle’s successful withdrawal from NATO as an example of the Western alliance’s success. An even more striking example of the success of the Western alliance is the case of Schmidt. As leader of a nation suspected because of its

4 See Gaddis, We Now Know, Lundestad, “Empire by Invitation,” and Schwartz, America’s Germany.  
5 As long as communists were excluded from governments.
past militancy and crimes, vulnerable because of strategic dependency on the United States and its closeness to the East, and envied because of its prosperity, the Chancellor crafted a European Monetary System with West Germany as its de facto head, challenged and redirected American nuclear strategy in Europe, and defied the American president by continuing normal relations with the Soviets after they had invaded Afghanistan. In the coming years, rather than becoming captive to the East, the Federal Republic, effectively annexing Warsaw Pact territory, with the assent of most East Germans, and moving its capital to the East without provoking a military response from other powers, would gain more than any other state from the end of the Cold War.

Although the Schmidt-Carter split shaped key instances during the Cold War, as this dissertation has discussed, the transformation of American relations with Western Europe might have had even deeper consequences. Many comparisons have been made of the post-World War II United States with the Roman Empire. Yet, in this American Empire, Western Europe was far more than simply a dependency of the United States. It might rather be more appropriately thought of as half of the empire, as Western Europe possessed in the 1970s a GDP roughly equal to the United States, which greatly exceeded the economic power of the Soviet Union. Further, if one compares the West during the 1970s to the late Roman Empire, Washington could be compared to the city of Rome and Bonn, to the emerging new Constantinople. The comparison is of course imperfect as Bonn did govern over the states of Europe as Washington governed the United States and its global bases. Yet as European integration continued, West Germany’s relative power
allowed Bonn (and Frankfurt) to wield far greater influence than any of the other European capitals.
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