

## THE BUNDESBANK AND THE MAKING OF AN ECONOMIC PRESS STORY

Michael White

*Universidad Complutense de Madrid*

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### 1. INTRODUCTION

#### 1.1 Contextual events

In September 1992, the European Monetary System (EMU) suffered the most serious crisis of its history. For our purposes, a telegraphic outline<sup>1</sup> of the main components of the crisis will suffice to provide the contextual framework within which we can see how the press handles such an issue and this could take the following shape:

- Over the summer of 1992 and particularly as September arrived the trading situation on the foreign exchange markets was such that the status quo of currency parities within the Exchange-rate Mechanism (ERM) was felt to be unsustainable.
- At this stage, currencies tended to be grouped together as strong, with, the D-Mark as hallmark, or weak, particularly the Lira and Sterling followed by the Peseta, Escudo and Punt and to a certain extent the Franc.
- The authorities of weaker currency countries desperately sought to ward off the threat of realignment.
- At this juncture the key to a satisfactory outcome was clearly seen to lay with the Bundesbank. However, sharply conflicting interests were involved here:
  - 1) On the one hand, the Bundesbank has a statutory obligation to protect the value of the German currency and at this time the central bank authorities, wrestling with the Herculean problems deriving from German re-unification and monetary union, were forced to run high interest rates to counteract inflation.
  - 2) On the other hand, Britain in particular, more closely in step with the US economic cycle, finding itself in the depth of recession urgently needed to reduce interest rates but could not do so without jeopardising its ERM parity unless a corresponding cut was made in German rates. Many other European countries found themselves in a similar dénouement.
- At a vital meeting of the Finance ministers of the EU held at Bath, U.K., a concerted effort on the part of the remaining members of the EU, set about persuading the German authorities to reduce interest rates and thereby aid recession hit countries and defuse the tension mounting on the markets.
- This demand put the Bundesbank President in a very awkward position:
  - 1) On the one hand he and the bank he represented were being called upon to act as a de facto European Central Bank and take steps demanded by the EU as a whole.

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<sup>1</sup> Obviously a fuller account would demand greater qualification of the ensuing statements, some of which may even be questionable, but they do, I feel provide a suitable starting point for the present analysis.

2) On the other hand, those steps ran counter to what he and the Bundesbank council deemed German monetary performance demanded. Moreover, the Bundesbank President is the president of a democratic Council made up of (at that time) 18 members<sup>2</sup> with different loyalties and where the President's vote counts as that of any other member.

- The Bath meeting ended with an agreement that the Bundesbank would reduce interest rates and that Italy would devalue the Lira.
- On the following Monday when the Bundesbank Council convened, they decided on an interest rate cut of a mere 0.5%. This was so slight as to threaten to produce an altogether contrary to desired effect on the market and next day when an interview by Mr Schlesinger gave the impression further devaluations, especially in the case of Sterling, were needed, a full scale crisis broke leading to the exit from the Exchange Rate Mechanism (ERM) and drastic loss in exchange value of the Lira and Sterling, followed by successive realignments of other currencies within the EMS.
- In the wake of this dénouement, British authorities and, to some extent, press laid the blame on and bitterly criticised Germany and the Bundesbank as primarily responsible for the crisis. The Bundesbank authorities flatly denied this extreme and while they were considered the outright victors of the crisis, they had also to contend with internal criticism for having failed to carry out their statutory mandate.

## 1.2 The handling of events by the press

Now, I have just narrated the events which made up the currency crisis in the most “congruent” (Halliday 1985:321 ) style possible<sup>3</sup>. Basically, this is the case because typical actors - the Bundesbank president, the British, German or European financial authorities - are the agents of typical processes - holding meetings, negotiating with and persuading counterparts to take certain measures, in short the doing of diverse things. Furthermore, this is in line with the claim that economics is the result of decisions taken by rational agents (see Henderson 1982:149 and Gerard 1993:61). However, if I turn to the press coverage of the crisis, this is precisely the kind of discourse that is rarely forthcoming. In fact my very narration itself is a result of a conscious effort to raise rational actors who in the press coverage of the issue are embedded, disguised or entailed in a morass of metonymy and metaphor. How this comes about and its effect on the discourse produced will now be the object of study.

One of the essential tenets of cognitive linguistics (which is the theoretic framework informing my analysis) is that thought is metaphoric and that consequently our conceptualisation makes natural and constant recourse to metonymy and metaphor in its processes. Two immediate consequences immediately follow: firstly, the fact that the use of metaphor and metonymy is to a very large degree highly conventional and secondly that it is so conventional as to go unnoticed in ordinary use or naturally occurring discourse (Gibbs 1993:22) Lakoff & Johnson 1980; Lakoff & Turner 1989). For instance if we came across a press heading such as the following:

- Parent warns child on traffic dangers -

the sentence would be found to meet all semantic criteria for good construction. The predicate “warn” will imply +human agent and recipient, here provided by “parent” and “child” respectively. If, however, the heading we come across reads as follows -

- 1) Bundesbank warns Bonn on federal debt (FT1:1-H)<sup>4</sup> -

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<sup>2</sup>In 1992 the Bundesbank Council consisted of 11 Landeszentralbanker representatives, each representing one of the Federal States of the former West Germany, plus 7 central council members.

<sup>3</sup> Halliday's congruent is roughly equivalent to “literal”. The perspective however, is reversed. When we talk about the “literal” meaning of an expression, our point of departure is the expression, our “point of arrival” the meaning. But in situations like the one discussed here, we start with a “meaning” (an extra-linguistic state of affairs) and arrive at a way of putting it into words (an “expression”) which, in Halliday's terminology, can be either “congruent” or “metaphorical”.

<sup>4</sup> See explanation for quote references of examples in the Bibliography section.

it is quite obvious that different linguistic processes are operating. The agent in this case is an institution - the BUNDESBANK -, the recipient, a city - Bonn. Yet the sentence is not only meaningful but is as automatically understood to be so as the former one. This is possible because of the conventionalised processes at work: the metonymic processes whereby a location may stand for an institution seated at that location and an institution may stand for the people who run that institution. The first effect here is a referential one producing a great economy of wording: I don't have to spell out something to the effect of "The German Executive Authorities" or "The current political party governing Germany" (see Boers 1994:684-5). But further metaphorical processes are at work: the institution, the Bundesbank, and the German Executive Power or Government are being personified and this personification is not just in any sense of a person but rather is highly directional; very significant personality traits emerge through the predicate or accompanying co-text. The Bundesbank, for instance, is not just "informing" Bonn or "asking" Bonn a question but "warning" Bonn. To grasp the full implications involved here, let us recall our "cognate" example:

- Parent warns child on traffic dangers

This sentence is not only satisfying semantically, it also conforms highly with expectations. If, however, I introduce the following switch:

- Child warns parent on traffic dangers

expectations, certainly prototypical expectations, are tampered with since the warning agent somehow or other is expected to wield some form of ascendancy over the warned. Thus

1) Bundesbank warns Bonn on federal debt (FT1:1-H) -

very decidedly carries certain implications and not others. In fact, it carries a wealth of these, for example:

- the Bundesbank is in a position which commands a certain authority: it can warn.
- if the Bundesbank warns, it probably has a stricter outlook on and a sharper awareness of the potential danger of the question at issue than the recipient of its warning.
- Bonn has a certain degree of responsibility for the existence of federal debt.
- Bonn is either unaware, or at least less aware than the Bundesbank of the potential danger of this debt.
- there is a certain degree of independence between the two institutions.

This initial example puts us on the track of how journalists cope with such issues as the activity taking place within an institution. The most conventional of devices such as elementary forms of metonymy can, by means of their accompanying predicates or cotext, convey highly sophisticated meanings simply and effectively. This is very evident in the case of the overriding device of personifying the Bundesbank which on the macro level provides a framework enabling them to construct discourse concerning the Bundesbank and on the micro level it provides a vast supply of choices from which the concrete attributes are mustered and it is these which give the specific interpretational direction journalists wish to bring to bear in their explanation of the nature of the Bundesbank and of its activities. Let us now see how this claim is borne out empirically, striving at each moment to see their use in connection with an as fair as possible interpretation of the meaning of the events and processes unfolding.

Chronologically, our period falls into a clear before and after divide. While the same rhetorical devices operate in both periods, differences of perception, expectations and attitude clearly justify this division and enable us to relate more effectively the use of these devices to the conveyance of meaning.

## 2 PRIOR TO THE CRISIS

During the lead up to the crisis, the sheer difficulty being encountered to get the Bundesbank authorities to accede to an interest rate cut forces press discussion of the whole issue of the crisis to come to terms with and explain the nature of this institution. This task is by no means as simple as it might appear. We shall now analyse the way the press handles it under four headings:

- i) the make-up of the Bundesbank
- ii) the Bundesbank as guardian of German currency values
- iii) the Bundesbank wielding power
- iv) the Bundesbank and other institutional authorities

## 2.1 The make up of the Bundesbank

In connection with example 1) above, we have already seen the conventional metonymy of an institution representing the people who run that institution. But a major issue<sup>5</sup> lies embedded in the whole process: are those individual who run an institution referentially co-terminous with that institution or are we to distinguish individuals – no matter how high-ranking – from the institution itself and hence also distinguish between individual and institutional acts and pronouncements. Looking at the actual case at hand the mainstream journalistic way of dealing with the Bundesbank is through personification, but when we pursue the referential range of that personification we find extreme flexibility. In effect, “the Bundesbank” for journalists refers indifferently to at least the following three cases:

- i) The agent of the formal decisions taken by the collective council
- ii) The president and individual council members in their diverse pronouncements
- iii) The agent of a conception of the macro-economic scenario deemed by journalistic analysis to constitute Bundesbank policy and which in turn is likely to entail significant market repercussions (e.g.: “The Bundesbank thinks/objected to/is sceptical of...” etc).

Thus when we look at the make-up of the Bundesbank, as appearing in the press, case I) presents no problems. Case ii) deserves considerable attention and what is highlighted is that the considerable differences between council members can give rise to widely diverging opinions. Again, personification of the institution is the vehicle by which such meanings are put across:

2) Many voices go into *a Bundesbank utterance*. (FT 11:3-H)<sup>6</sup>

3) ... the Bank *makes its views known* to the outside world in a bewildering multiplicity of ways. This is primarily because of *its pluralistic way of making decisions*. (FT11:3-L)

4) When in recent weeks, *a variety of Bundesbank’s views* ricochet onto the foreign exchange markets from several different angles, the Central bank can *stand accused* of inconsistency. (FT11:3).

These examples clearly highlight the pluralistic composition of the Bundesbank council and certain consequences ensuing from this fact. Secondly, however, at the very outset of our discussion, we can see that, even here, where our concern is to come to grips with the make-up of the Bank, the very language used underlines the power of the Bundesbank since the entailments of the expression “*a variety of Bundesbank’s views ricochet* onto the foreign exchange markets *from several different angles*” shows the potentially devastating effects which the mere views or opinions of the bank or rather its council members might have.<sup>7</sup>

<sup>5</sup> I wish to acknowledge my indebtedness to H-J. Diller for having raised this point and for his lengthy and stimulating correspondence on the issue. Nevertheless, all limitations in my final appraisal are my own responsibility.

<sup>6</sup> The part of examples considered to be operating metaphorically or more exactly the metaphorical expressions I wish to draw attention to in the different examples given are emphasised by the use of italics and in all cases indicate my own emphasis.

<sup>7</sup> I’m grateful to my questioner at Debrecen, Torben Vestergaard, for amongst other things, spelling out the implications of this example.

Case iii), on the other hand, means journalists are pushing the referential range of “the Bundesbank” to a flexibility bordering on looseness, which can give rise to considerable controversy with Bundesbank officials being forced on stage to deny journalistic inferences attributing to the Bank ideas, conceptions or potential steps which the Bank is adamant to disown. In this respect, journalists could well stand accused of shortcomings in rigour and of appropriation of a role which is not theirs but, nevertheless, this aspect of journalistic procedure is essential in endowing journalists that leeway which makes for penetrating analysis and insight, and this certainly is something demanded of the profession. In this sense, the practice seems justified and it is likewise mainstream for journalism to discover, detect or deduce institutional policy or thinking which the institution in question strives hard to conceal and indeed deny.

## 2.2 The Bundesbank as guardian of German currency value

While the Bundesbank’s statutory mandate to defend the value of German currency may just be a statement of fact, the personality attributes which are raised by the press when dealing with the issue - sheer determination, tenacity, and resolution to withstand contrary tendencies - highlight an aspect of the Bundesbank which shows that it is carrying out its mandate it is behaving in a way that is both characteristic of a certain personality and at the same time conferring that personality on the institution. As a result, the idea that the Bundesbank is the kind of person that acts with a singleness of purpose which makes it inexpugnable comes across.

- 5) Reimut Jochimsem, a council member, said ... the Bundesbank *had to pursue tight monetary policies* because of strong growth in money supply. (FT3:15)
- 6) The Bundesbank’s *do-or-die war on German inflation* is continuing to dominate management of the European exchange-rate mechanism. (T5:13-E-L)
- 7) The Bundesbank *would be watching closely* the further development of the economy. (FT7:2)
- 8) The Bundesbank *will not be deflected from its policy* of pursuing firm monetary targets by outside criticism or failure to meet these in the short term, Mr. Issing, a director of the German Central Bank, said yesterday. (FT11:3)
- 9) The Bundesbank *objected to profligate spending* by the governments, to above-inflation wage rises and, most recently, to interest rate subsidies for eastern Germany... (T11:21)

## 2.3 The power wielding nature of the Bundesbank

The foregoing characteristics set the scene for a logical corollary of this conception of the Bundesbank, namely, that it is the agent of authority and wields power. We have already analysed the implications of “warn”; to this are added predicates consonant with that analysis such as other countries being at the mercy of the Bundesbank, or this institution in the domineering role where it can be seen as sceptical of others or of conducting and leading processes.

- 5) Bundesbank *warns Bonn* on federal debt. (FT1:1-H)
- 10) If the French vote in favour of the Maastricht treaty, the EC’s leaders may not summon up the courage to examine their respective currency values with a view to realignment. They would thus abandon all hope of using exchange-rate adjustment as a tool of revival and leave their economic and political fates *at the mercy of the Bundesbank*. (T5:13-E)
- 11) The Bundesbank *has always been sceptical* about whether Britain would accept the anti-inflationary discipline inherent in the system (i.e. EMS). (FT11:3)
- 12) The Bundesbank *finds itself in the unenviable position of having to conduct* an independent monetary policy against the background of an economic policy that *it despises* and which *it tried hard but unsuccessfully to prevent*. (T11:21)
- 13) The Bundesbank *leads the system, it leads the intervention* ... (T11:21)

All these characteristics are setting up a scenario whereby the economic institution, the Bundesbank is being endowed with very clearly defined personality traits and it is important to point out that these are not co-terminus with the real personality traits of the Bundesbank executive council. Rather, these traits are supplying the vehicle by which journalists are conveying their abstraction of the fundamental philosophy underlying the



policy and proven practice of the Bundesbank institution over the years. Thus, at this stage in time dominated by the threat of an impending currency crisis, the picture of the nature of the Bundesbank comes across in the press as highly coherent discourse because the type of interaction it is seen to engage in is highly consonant with the type of personality with which it is endowed. Let us now go on to see empirical evidence of this interaction in the development of the negotiations under relevant headings.

#### 2.4 Interaction between the Bundesbank and other institutional authorities

Having established that the Bundesbank comes across in the press as occupying a towering economic position, it is not surprising then to find that the entities or people interacting with it are presented in such dependent roles as those of supplicant or of having to combine forces to try to influence Bundesbank decisions. Secondly, having also presented the Bundesbank as by nature a stolid upholder of its principles, neither is it surprising to find the other parties attempts being described in terms of such dynamically intense verbs as 'urge' or 'force' and all these factors are clear instances of making 'sense of phenomenon in the world in human terms' (Lakoff and Johnson 1980:34) and of providing 'structure for understanding' (Lakoff and Turner 1989:53). Witness the empirical evidence for this claim in the following sections.

##### 2.4.1 Bundesbank as object of pleas

14) Mr. Gordon Brown ... called on the UK *to urge* the Bundesbank to signal an interest rate cut when it met on Thursday. (FT 1:1)

15) Gordon Brown ... urged Mr. Lamont ... *to press* the German Bundesbank to signal its readiness for a cut in interest rates. (T1:14)

16) Speaking on Saturday after nine hours of hard bargaining, including *concerted pressure* on Germany to cut interest rates, Mr. Lamont said he hoped that the Bundesbank's promise would contribute to stability on exchange markets. (FT7:1)

##### 2.4.2 The Bundesbank as capable of ignoring external requests or pressure

17) Although the Bundesbank *is notoriously impervious to political pressure* even from the German government, the shadow Chancellor believes that pressures for an interest rate cut are increasing. (T 1:14)

18) He (Mr. Issing) *denied* the Bundesbank *was operating too rigid a policy* based on "*sticking blindly*" to monetary targets. (FT11:3)

19) The Bundesbank *will not be deflected* from its policy of pursuing firm monetary targets *by outside criticism* or failure to meet these in the short term, Mr. Issing, a director of the German Central Bank, said yesterday. (FT11:3)

20) The Bundesbank *is equally opposed*, however, to creating the impression that it is allowing pressure from foreign finance ministers to dictate its anti-inflationary monetary policies. (FT11:3)

##### 2.4.3 Reactions towards impasse

The intensity of the interaction implied by the opposition of 'urge' 'press' and the use of 'concerted pressure' on the one hand and 'notoriously impervious', 'will not be deflected', on the other, once more underlines the conflict dimension and creates a situation of impasse and conflict. The supposed lack of cooperation on the part of the Bundesbank is interpreted by the British Press as opposition to the European Monetary System as a whole and, as easily happens in impasse scenarios where negotiation and argumentation cannot move forward, recourse is often made by one side or the other to more highly charged attitudinal attacks on, or criticism of, their counterparts. Hence, the British endeavour to lay responsibility on Germany for the situation is linguistically aided and abetted by the very powerful negative charge associated with a crime schema:

21) But if the EMS does suffer a breakdown in the next few weeks, the Bundesbank *can hardly claim to have been nowhere near the scene*. (FT11:3)

The manner in which the Bundesbank is anticipated as probably rejecting such allegations likewise rests not on abstract argumentation but on the communicative strength of a metaphor. This is brought about by a similar personification of the EMS and the use of the very conventional metonymy for subjection - being brought to one's knees. At the same time there is an effective attempt to counteract the negative attitudinal import of the

accusations and to clear the personified Bundesbank's name of any sinister conniving – “not hatching a conspiracy”:

22) The Central bank *is not hatching a conspiracy to bring the EMS to its knees*. (FT11:3)

Finally, the ultimate in configuring the Bundesbank's supposed imperviousness is the metaphorical association of policy and action with the sheer inanimateness of the actual Bundesbank building. In other words, the personification dimension of the Bundesbank, so powerful in the whole issue in the press, is here eliminated and what is censurable is precisely that lack of personal attributes.

23) The Bundesbank slab-like headquarters on the outskirts of Frankfurt gives the German central bank *the look of a monolith*. (FT11:3)

#### 2.4.5 Interest rate cut as a Bundesbank concession

Given the picture of the Bundesbank we have been outlining above, it is not surprising that when the interest rate cut comes, it is presented as a concession by a powerful agent. Again personification is at the root of the getting across of meaning from the use of possessives to giving the Bundesbank a mind and heart together with their metonymical qualities:

28) Bundesbank *allows flicker of hope* (FT7:2-H)

30) The Bundesbank's *pledge* does not exclude the possibility of other nations having to raise interest rates in the event of external shocks... (FT7:2)

36) It was “the first time the Bundesbank *had committed itself* openly and publicly not to raise rates”. (FT7:2)

27) The Bundesbank *is no longer in a frame of mind* to raise rates. (FT7:2-Q)

28) His (i.e. that of Mr. Schlesinger) willingness to agree to the “no increase” statement marked something of *a change of heart at the top of the Bundesbank*. (FT7:2)

### 3 AFTERMATH OF THE CRISIS

#### 3.1 Causal inquiry

The cataclysmic collapse of sterling on Wednesday 16th September 1992 - Black Wednesday - despite massive Bank of England intervention and unprecedented interest rate rises<sup>8</sup> also ushered in a complete change of perspective. The previous atmosphere of negotiation and, albeit not bereft of tension, mutual cooperation disappear and the attempt to come to terms with the aetiology of events now gives rise to overt conflict as the British authorities openly blame their German counterparts for the dénouement. The resulting scenario is analogous to that described by Shapiro, van den Broek and Fletcher (1995) with respect to the role of motivational factors in causal assignation in another great financial crisis, Black Monday<sup>9</sup>. These authors claim:

... causal attributions are also known to be highly selective and directionally biased, especially when people attempt to justify their beliefs or try to persuade others to reach a particular conclusion. ... An explanation is selective if it reports only some of an events relevant antecedent conditions, and it is biased if an alternative explanation may also be supported by the available evidence. (Shapiro, van den Broek and Fletcher 1995:59)

<sup>8</sup>To grasp the full import of this rise, let us recall that interest rate increase patterns very typically are ½ or ¾ percentage point. At mid morning the British Authorities brought in a full 2% increase and as this was not effective introduced a further increase of 3%. As interest rates had been at 10% a rise of 5% meant a staggering overall hike of 50% in a matter of hours.

<sup>9</sup> Monday, 19<sup>th</sup> October 1987 when stock markets, especially Wall street, fell dramatically.

In fact selectivity and bias is perhaps inherent to conflict situations. Secondly, in such a situation, conflicting parties are forced to pull out all the stops in their effort to convince and to outdo contrary arguments. My interest here will be to show how, in this extreme situation, the different parties and, to a certain extent, the press resorted to metaphor to support their side of argument. The quest for causal factors leads the press and British Financial authorities to a reappraisal of the events preceding 'Black Wednesday', that is, the events dealt with above in section 2. I shall deal with this reappraisal under different headings as follows:

### 3.2 The Bath Meeting of Financial authorities as an anti-climax

We saw in section 2 how this meeting was hailed as a historic development in European cooperation with the Bundesbank acting in the wider interests of the whole Union. Such claims or expectations were, however, shattered by the events of Black Wednesday. Now in retrospect, the idea that is singled out is that the remaining European authorities carried their pressure on the German authorities too far and this idea comes across through the forceful use of the conflict metaphor:

29) He (i.e. Mr. Lamont) had *secured from the mighty* Bundesbank a promise not to raise interest rates. (FT19/20:2)

30) Perhaps the turning point came earlier this month during the informal meeting of finance ministers in Bath when Mr. Helmut Schlesinger, Bundesbank president, and Mr. Theo Waigel, Germany's finance minister, *were ambushed* by their 11 counterparts and urged to lower interest rates to help a general European economic recovery. (FT18:8)

31) "It was *a bloodbath*", says one participant. (FT18:8)

32) This private *arm-twisting* may explain, first the Bundesbank's grudging cut of a  $\frac{1}{2}$  percentage point in the Lombard rate... (FT18:8)

Clearly, here the communicative force derives from the conventional metaphors ARGUMENT IS WAR and PSYCHOLOGICAL FORCE IS PHYSICAL FORCE. Secondly, this is abetted by the reiterative personification of the Bundesbank which is not only the agent of the action of cutting interest rates but also the bearer of such specific human attributes as acting in a grudging manner. The independence of the Bundesbank is underlined by the same device of personification and where so conventional a term as "bow" nevertheless laden with semantic and semiotic import, puts forward that notion of independence in such an uncompromising way.

33) The Bundesbank *bowed to no man*, least of all a politician. (FT19/20:2)

34) But characteristically, the Bundesbank's *reply* was that *it cut interest rates to please itself*, and promptly trimmed a measly quarter of a percent off the Lombard rate. (T19:21)

At the level of events, the press shows a certain comprehension for the Bundesbank position. Nevertheless, the inadequacy of that minimum interest rate cut acceded to by the central bank to produce the desired effect on the market forum was held to be one of the essential factors triggering the dramatic events of September 16<sup>th</sup> and the selective attribution of causes in this respect easily leads British representatives to blame the German authorities.

### 3.2 British Blame on the Bundesbank

In the first place there is the realization that while the dominating influence of Germany conditions the policies of other countries, the primary concern of the Bundesbank is with those policies warranted within Germany and exclusively due to internal German variables and which, at this juncture, happen to have very detrimental effects in the rest of Europe. Once more the personification of the Bundesbank is poignant in getting these points across – particularly graphic is the presentation of the Bundesbank as a person holding 99% of the votes. Other personal behaviour attributes show the Bundesbank as wanting "the best of both worlds" and as taking decisions which automatically affect other countries to the latter's disadvantage. In the context, these attributes are easily read as connoting an abuse of power on the part of the Bundesbank.

35) "At the present time I see no benefit in going back into the EMS - *one man has 99 per cent of the votes and that man resides in Germany*" (David Rough, group director of investments, Legal & General). (FT18:4)



36) The Bundesbank *wants to have the best of both worlds* - it wants the system to be flexible enough *to allow it to run its own monetary policy*, but not so flexible as to lead to competitive devaluations which would be harmful for German exporters. (FT18:3)

37) Through its stern efforts to bring down German inflation during the past two years the Bundesbank *has effectively exported* deflation to other ERM members. (FT18:3)

38) As a result of the financial pressures in Germany caused by German unification, *members of the ERM will continue to pay a price for the privilege of allowing the Bundesbank to decide their monetary policies*. (FT18:3)

While other countries may not like those policies, they must nevertheless concede, albeit grudgingly at times, that such questions are strictly a matter of German sovereignty. What the British authorities cannot accept, however, are the declarations of Bundesbank officials and leakages of information which they considered to have been devastating on an unstable market and thus playing a crucial role in the collapse of sterling. If “critics follow a scent like hounds”<sup>10</sup>, journalists do so all the more. Thus it is ironic that in such a complex and technical issue as currency exchange values one of the most singly crucial causal events in triggering the 1992 currency crisis was deemed to be the mere implications of certain words pronounced by Mr. Schlesinger in a press interview. As British journalists home in on this factor as a causal element, metaphor is once more to the forefront carrying censure via such attitudinal terms as “loose talk”, “whispering campaigns” ‘collapse’ or ‘undermine’ and highlighting the dramatic effects in ‘blood-letting’.

39) *A thunderous silence* was the reaction of the Bundesbank itself, an ironic answer to the charge from Downing street that top German officials had precipitated the currency *collapse* with their *loose talk*. (FT18:2)

40) ... British officials, who had spelt out a series of occasions on which the Bundesbank’s alleged “*whispering campaign*” had undermined the pound ... (FT18:2)

41) Twice in a matter of days, *the mighty central bank has been forced to issue agonised denials* of statements attributed to it, on each occasion too late *to prevent a blood-letting* on the currency markets. (FT17:19)

More subtle and much more dramatic censure is carried via the war metaphor:

42) ... within the space of just over a week, the Bundesbank has helped orchestrate two important *coups*. (FT18:3)

43) ... the charges in London of Bundesbank *sabotage* forcing the devaluation of sterling. (FT18:18)

44) Britain cannot blame the Bundesbank for its economic problems. But under the rules of the European Monetary System, it is entitled to assistance, rather than *to sniping*. (FT17:18-E)

45) Treasury officials claim the Bundesbank *plotted to force sterling* to devalue so it would not have to bail Britain out. (S17:2)

‘Coups’, ‘sabotage’ or ‘sniping’ and “plotting” are not just any or another aspect of war, rather, they are perhaps standardly associated with the most disreputable manner of carrying out warfare and obviously this aspect of reprobation towards German behaviour is forcefully carried over. Once again, this seems to be bearing out the point made above, where in conflict situations the drive towards forceful argumentation (that is, argumentation which not only carries a point but also impedes or pre-empts counter-arguments) draws heavily on metaphor for its purposes. It is in this context too that the associative or connotative dimension of language is exploited to the full as in the case of the censurable type of warfare (see examples 42-45 above).

### 3.3 Conflict in Anglo-German relations

The immediate conflict with the Bundesbank obviously spilled over into Anglo-German relations in general and once more the conventional metaphors for anger and conflict deriving from the domains of heat and war provide a basic conceptual framework for the relevant meanings, with ‘basic level terms’ (see Lakoff 1987:31-40 and Ungerer & Schmid 1996:66-78) from the war schema proliferating: “guns”, “target”, “fire”, “attack”:

46) *British guns target Germany* (FT17:2-H)

<sup>10</sup> This phrase, quoted in Villacañas (1994:188) comes from the work of George Moore early in the century.

47) Major *turns his fire on Bonn* for ERM chaos (FT19/20:1-H)

48) Mr. Koll ... responded with a *furious attack* on Mr. Lamont. (FT19/20:1)

As well as the war schema, *The Sun* takes advantage of the homophonous similarity of the German chancellor's surname with that of coal to raise the prototypical metaphor for conveying anger, namely heat (See Kovecses 1986, Lakoff 1987:380-415), and this metaphor is then followed up in the ensuing lead.

49) Major *heaps Kohls of fire* (S19:2-H)<sup>11</sup>

50) Britain's *war of words* with Germany *hotted up* last night as premier, John Major publicly blamed the Bundesbank for Britain's monetary crisis. (S19:2)

The effect of such confrontation takes its toll on the relations between both countries and the resultant situation of animosity is put forward through the prototypical way of metaphorically capturing differences and disappointments in interpersonal relations, namely bitterness, here predicated of Britain.

51) *Britain's bitterness* over Germans mount. (ST20:1-H)

40) ... the *bitterness* of British officials who had spelt out a series of occasions on which the Bundesbank's alleged 'whispering campaign' had undermined the pound ... (FT18:2)

The interesting question from our vantage point will be to see how Germany rejects such allegations and, in keeping with the evidence hitherto presented, once again, here we find the use of metaphor to be sustained. For instance, recalling Shapiro, Van den Broek and Fletcher's point (quoted above in section 3.1) regarding selectivity and directional bias in causal attribution, it is obvious that in German circles British claims will be found wanting on precisely those premises of selectivity and directional bias, and hence German representation of events sets out to expose this failing. The point is that they manage to achieve this not by any abstract argument or by adducing financial figures but by the conventional metaphor of "scapegoat" and 'whipping boy', both of which are lexicalised in German as well as in English.<sup>12</sup> Moreover, the moral involved here is further spelled out through the use of the idiom of 'putting one's own house in order' prior to placing blame elsewhere.

52) Indeed the instant reaction to the bitterness of British officials ... was to talk of "the very natural desire of the British government to find a *scapegoat*." (FT18:20)

53) One bank official said anonymously later, however: "The hunt for a *scapegoat* is in fact something which always happens in times of crisis, although everyone would do better to put their own house in order first." (T18:4-Q)

54) "...of course we understand that one needs a *whipping boy* at such a moment, and it is easy to look abroad to find one". (T.Waigel, German Finance Minister) (FT18:2-Q)

*The Times*, which had been highly critical of Britain's handling of the crisis harbours a similar opinion and gets it forcefully across by the use of another biblical metaphor, namely the 'figleaves' which Adam and Eve "sewed together" to cover their nakedness, newly discovered after the eating of the apple (Gen. 3.7). Thus, showering blame on Germany is a decoy or cover up for embarrassing responsibility within the government.

55) There were strong suggestions yesterday that the latest position was no more than a *figleaf* to cover the government's embarrassment at having to abandon the central plank of its economic policy. (T18:2)

### 3.4 Re-appraisal of the Bundesbank in the wake of the crisis

<sup>11</sup> The origin of the phrase is, of course biblical: Proverbs 25.22.

<sup>12</sup> "Scapegoat" is derived from the Bible (Lev. xvi): "that one of two goats that was chose by lot to be sent alive into the wilderness, the sins of the people having been symbolically laid upon it...". A whipping-boy is a "boy educated together with a young prince or royal personage, and flogged in his stead when he committed a fault that was considered to deserve flogging". *The Shorter Oxford Dictionary on Historical Principles* (1933/1973).

The Bundesbank is considered the outright victor of the crisis and this fact triggers off the enquiry as to how this bank can be capable of such feats. Again here, at every stage, metaphor plays a crucial role which we may single out under the following headings.

### 3.4.1 Bundesbank's achievement in the field of monetary stability

Metaphors from the domains of sports, marriage and war are tapped in highlighting the formidable success of Bundesbank policy in promoting and safeguarding monetary stability (in this respect see Marsh, 1992):

56) To complain of "fault lines" in the ERM as if nobody had ever noticed that the Bundesbank is the *pivotal* central bank and Germany the *main player* is peculiar. (FT22:18-E)

57) *Wedded to* price stability, it has always kept money tight, when this objective has been threatened. (FT23:2)

58) The Bundesbank's anti-inflation *track record* makes it a model for many nations. (FT23:16)

59) ... the Bundesbank is *not about to abandon its targets lightly*. (FT23:2)

### 3.4.2 The Stature of the Bundesbank

The domain of sport and the pillars of the traditional state, namely military and ecclesiastical hierarchy highlight the extraordinary power of the Bundesbank

60 = 56) To complain of "fault lines" in the ERM as if nobody had ever noticed that the Bundesbank is the *pivotal* central bank and Germany the *main player* is peculiar. (FT22:18-E)

61) When he speaks, a German central banker combines *the moral authority of a high-priest with the fire-power of a general*. (FT23:16)

### 3.4.3 Dependence of other countries on the Bundesbank

All the foregoing features configure a scenario where the Bundesbank is seen as a strong, powerful and dominating entity and where this power and dominion derives from strict orthodox financial policies which have been doggedly maintained despite their demanding costs. As opposed to this the other European countries are weaker because their policies, over time, are not comparable with those of the Bundesbank. As a result their attempt to benefit from the Bundesbank-like stability without the sustained effort warranted by such a policy is shown up as a chimera. These ideas are masterfully captured by the metonymic expression for dependence - "in the hands of" - by the journey metaphor - "hitch a ride ... on the coat tails" as if the power of the Bundesbank were quasi magical- and by the stereotype (a news value in itself, see Bell 1991:157) of the proverbial strictness of the German governess.

62) In the *leaner and tougher* ERM, the members most likely to keep their places are those which, virtually without condition, place control over their monetary affairs in *the Bundesbank's hands*. (FT18:3)

63) Countries ... which hoped to *hitch a ride to price stability on the Bundesbank's coat tails* have suffered a *bumpy journey* than they imagined. (FT17:18-E).

64) John Major thinks the ERM is a model of deflationary virtue. Hiring a *strict German governess* has cured the continentals of wicked devaluation habits and will do the same for Britain.

## 4 CONCLUSION

We have seen in this study mechanisms by which an economic issue is turned into a press story. The first remarkable conclusion is that, curiously plain statements of detailed economic facts are quite sparse indeed. A question raised by colleagues at Debrecen is the following: could all this array of metaphors have been done without? The short answer is "It wasn't and it isn't"<sup>13</sup>. But of course the question deserves more than a facetious reply; in point of fact it is the most crucial of questions. In section 1.1 above, I set out to summarise the contextual events being dealt with by the press but, in conscious contrast to that media, my objective was to do so prescinding with metaphor as far as possible. Nevertheless, as pointed out to me at the Debrecen conference by Geert Jacobs, my account was still quite indebted to metaphor and value stances in my text were by no means absent. This of itself is indicative of how difficult it would be to do without metaphor – what we would in all probability achieve

<sup>13</sup> By this I mean that the standard journalistic practice is to take advantage of such metaphor use.

would be either a difference of degree in metaphor use or a substitution of one metaphor or set of metaphorical expressions for others.

Secondly, what are we to say of the actual metaphors used by the press and set out above? My claim is that on a basis of the evidence adduced, it can be maintained that these processes are both structural and communicative devices – not that there is a clear boundary between both, as a matter of fact they clearly overlap and interrelate. By structural, I mean that they provide a framework by which the currency crisis is conceptualised and within which discourse is constructed. By communicative, I mean the greater or lesser felicity of the individual choices in so far as communicative force within the general structural framework. The competitive nature of journalism as well as it being a mass media ensure that communicativeness is a primary target. As the use of rhetorical devices are basically geared towards communicative ends ((see van Dijk (1988) & de Beaugrande (1991)), we must conclude that the very proliferation of metaphor as we have seen in this analysis is in itself proof of the communicative potential of this device.

Thirdly, the metaphoric framework by which meaning was got across clearly plays a role in the overall configuration of the resulting discourse. The network of lexical and semantic interrelatedness set up by the reiteration of metaphoric expressions cannot but contribute to the cohesion and cohesiveness of the text as a whole, a point I have dealt with elsewhere (White 1997).

Fourthly, my questioner at Debrecen, Torben Vestergaard, raised the issue as to the innocence or otherwise of the metaphors appearing in my analysis. If all discourse can carry and indeed conceal ideological positionings<sup>14</sup>, metaphor, which typically highlights one/some aspects of phenomena and downplays or altogether hides others, could potentially provide a very powerful weapon for ideological manipulation. In light of metaphor's rootedness in conventional reasoning, this view has much to comment it: metaphor seems "naturally convincing" and is extremely difficult to argue against (see Lakoff 1992, Lakoff and Turner 1989). Thus, it is not surprising to find a proliferation of metaphor use in contexts where persuasion is at a premium – political partisan discourse, for instance or publicity (see Forceville 1995). In the array of metaphoric expressions presented in this article, there is little doubt, but there are cases where their force alone is particularly persuasive and it would be extremely difficult to counteract the message entailed. For instance, if the currency crisis is conceptualised as war and in that war the Bundesbank is held up to be orchestrating coups or practising plotting, sniping and sabotage, the position of the bank is certainly infinitely less defensible than it would be if it were referred to as being caught up in self-defence which would be considered highly legitimate. I have already mentioned that stereotype (which we have seen tapped for metaphorical purposes) is considered by Bell (1994:157) to be in itself a news value – that is, the closer a news item conforms to stereotype, the higher its chances are of getting into print. While stereotype is not to be written off completely as a valid component in argumentation (see Lee et al., 1995), nevertheless it should demand a critical perspective on the part of informed participants.<sup>15</sup> In short, then, with respect to this question as to the innocence or otherwise of metaphor, it would seem that the critical approach warranted by all discourse could be called upon to incorporate an extra effort in the presence of metaphor use.

Finally, by mode of post script, I would like to make the following comment. It is not uncommon to come across the idea that institutions are impersonal entities, impervious to and indeed crushing the individual. The fact is, as we have seen above in the case of the Bundesbank, that our mode *par excellence* of deciphering the activity carried on by that institution is through personification and this could be a manner of putting the person

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<sup>14</sup> In this respect, although I wouldn't subscribe to all their tenets. Critical Linguistics has a great deal to tell us (see Fowler et al. 1979, Fowler 1991, Kress & Trew 1979, Hall et al. 1980, Fairclough 1995).

<sup>15</sup> For instance, even from the evidence put forward above, there seems to be a stereotype building up by which the Bundesbank is characterised as being utterly inflexible, impervious to other considerations and taking decisions merely according to its own interests and regardless of the costs to all other parties. Now while we are not to disdain the information implied by this stereotype, it, nevertheless, calls for considerable critical nuances for as Marsh (1992:168-193) has pointed out, the Bundesbank in actual fact is a master at managing to reconcile its own position with the diverse variables of economic reality and the positions of the different authorities involved in economic policy and decisions.

back into the institution and a reminder that the activity carried on within such entities is the result of choices and decisions by rational agents who are ultimately responsible and to be held responsible for all acts.

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#### Abbreviations:

BB = Bundesbank

EMU = European Monetary Union

EMS = European Monetary System

ERM = Exchange-rate Mechanism

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