

Report from Bonn by Rainer Apel

Reconstruction of a ruined country

A labor strike wave is wringing concessions from the faltering East German SED regime.

The end of the regime is near, but the real trouble will only begin then," is what many East Germans feel and say, pointing at the huge problems that have to be solved after the demise of the SED party that has ruled for the past 44 years.

The "trouble" is the heritage the SED regime has left behind for the new leaders to deal with. Opposition spokesmen have even voiced their suspicion that the communists have consciously played for time, blocking substantial reforms in the economy, in order to give the first post-SED government that is expected to take power after the elections of May 6, the worst possible start.

Whoever takes power after May 6, whether an all-party coalition by the opposition, or only some of the non-SED parties, will be faced with the giant task of rebuilding this country, making it a home for the 16 million people still living there. According to experts, it is a project in the range of 500 billion deutschemarks or more, to put the cities, the roads, the railway system, the plants, and the energy grid back into shape.

Even those economic specialists in both Germanys who still believe in a pragmatic approach rather than a crash program of the type proposed by Lyndon H. LaRouche, but are more optimistic as to the chances of rapid recovery, are thinking in terms of five to ten years that it will take to reconstruct the East German economy. Many other experts—pragmatists as well—are more pessimistic, and think that real recovery will not take off before another 10-20 rough years pass.

Many East Germans, especially the younger ones, don't want to wait that long. The programmatic views they have come across so far, haven't convinced them; they prefer to live and work in the West. This is a big problem, reflected in the fact that still, about 2,000 East Germans are moving into West Germany every day. It will be a big problem also for the new, non-SED government expected to take power after the first-ever free elections on May 6. Lest something dramatically positive occur after May 6, close to 1 million East Germans will leave their homes to begin a new life in West Germany, in the course of this year.

Based on the 340,000 refugees of 1989, this means that in 1990, most of the industrial plants in East Germany would face a drain of 5% and more of their workforce, the state railways and the public highway sector the same percentage, and the hospitals would lose another 25% of their personnel.

Fortunately, the great majority of East Germans show optimism (though a cautious one) and want to stay home and fight for the chance of economic recovery. This is the potential from which the growing mass labor strike movement, extending to all sectors of the economy and all strata of society, including the armed forces, is recruiting its members.

Immense social pressure has steadily been building up over the past three weeks against the interim SED-led government of Hans Modrow, which has been besieged by an endless wave of warning strikes in all sectors of the economy, all strata of society.

Even the police joined the warning strike movement publicly on Jan. 24, when 800 policemen took to the streets of Leipzig, displaying banners against the SED and the Stasi secret police, declaring their firm solidarity with the political opposition groups.

There were other clear signs at the end of January that the SED regime is close to its end. On Sunday, Jan. 21, a group of leading party members around vice-chairman Wolfgang Berghofer quit their membership and held a public press conference stating their support for the program of the re-established Social Democratic party.

Numerous party officials at the municipal and district administration level in many cities walked out of the SED as well. Faced with the collapse of his party organization, Prime Minister Hans Modrow decided to make far-reaching concessions. He opened his Jan. 22 address to the government-opposition "roundtable" in East Berlin with a statement offering the opposition groups seats in his cabinet for the period until the May 6 polls.

On Jan. 25, the East German cabinet meeting resolved to remove regulations discriminating against the founding of private enterprises in sectors competitive to the state-sector industries. The cabinet also announced it was lifting the upper limit of 10 workers that could be employed in non-state enterprises, and removing the discriminatory tax clauses that take away up to 96% of the annual net revenue of a private company.

The Modrow regime also declared its commitment to grant private middle-sized enterprises free access to the deutschemark-denominated credit line that the West German government made available starting Jan. 1. The credits will be at low interest rates of between 4-7% over a period of 15-20 years, and include a grace period of five years.