
Interview: Karl-Heinz Rudolf

'A great chance is squandered'

Karl-Heinz Rudolf discusses how the opportunity for the reconstruction of eastern Germany after unification was destroyed by the dynamic of the free-market economy. The author, who will lose his position as an industrial management expert in a Leipzig machine-tool company because the company is being shut down, twice spent several years in prison for political reasons under the Socialist Unity Party (SED) regime in East Germany. Part I of his review of the East German revolution appeared in EIR on Oct. 25, and Part II appeared on Nov. 8.

The western economy still preferred to remain aloof during this transition period between the currency union and reunification. Nonetheless, a great deal had already been achieved: A new market with high sales dividends, without investments of one's own and with correspondingly high profits, was worth a lot. On July 1, 1990, every citizen of the German Democratic Republic received DM 4,000 (\$2,350) or more, which could be spent immediately in whatever way the new master of the market wanted. Although prices were far too high, the western commodities were purchased because east Germans had a long period of privation behind them.

Otherwise, people in the West waited peacefully. The eastern export economy would break down at the end of 1990 since the Comecon states no longer had the necessary resources. As a result, up to 80% of the economy of east Germany would be paralyzed.

After the election to the Bundestag on December 1990, the time of disillusionment in eastern Germany began. Everything, without exception, that had ever been valid in the East was, according to western opinion, wrong, and had to give way. Many western economic specialists came over here and identified devastating defects that no one wanted to or could dispute. They determined that eastern companies did not work according to economic criteria, that management was not in the position to work according to western ideas without further training, and that the technical equipment was obsolete. They stated that the plants were completely fagged out.

Setup for takeover

In the process, however, the "Westlers" found something else that didn't really fit their ideas. They talked with workers and discovered that the workers were willing to mobilize all



The sign on the overpass reads, "Have a good trip with Trabant," the much-derided East German cars produced before unification. Instead of using east German workers' versatility, developed by years of dealing with inferior equipment, to adapt old plants to new market conditions, western managers shut them down.

their knowledge and abilities to adapt to the new competitive conditions. And they knew that these men were significantly more versatile and flexible because of the inferior technical equipment than workers in the fully specialized West could be. In the course of a few years, these people would be able to adapt many plants to market-economic conditions. There were enough people who were single-mindedly working on that, and detailed drafts were submitted to that effect. This didn't agree at all with western ideas, since the western economy wanted to take over as many parts of the eastern market as possible after the reunification.

Therefore, the people were told, your plants are fagged out and are no longer good for anything. The leaders of firms are unable to create rational production conditions. Your workers are rotten and lazy, and first of all have to learn how to work. To work in a cost-effective way, plants will have to be completely rebuilt. Most of the personnel are no longer needed, and will have to disappear. The single valuable thing is the land, but, of course, the "Eastlers" had so poisoned their land that first of all the old difficulties will have to be eliminated, at the East's expense.

The western economy was interested in the land in order to be able to invest in the East and rebuild. But for that it was necessary to systematically ruin the existing farms and put the people out of work. The otherwise ostracized eastern managers could be of service in this connection since they were accustomed to carrying out orders unquestioningly. Once this ruination was completed, then the western managers could assert with every justification that they were not responsible but rather those others, who had been incompetent all along. Who had ordered the ruinous procedures was not mentioned.

The East was flooded on all levels by western advisers who, with few exceptions, did not want to help, but had come with firm orders to eliminate competition in the East. Even trust became an instrument in this process of destruction.

The psychological wall

Germany is once again whole, and that is wonderful, but the price is high, very high. People in the East overcame the barbed wire and the Wall, but politicians of all shades in both parts of Germany have constructed an even higher wall in their minds. Those walls will stand for a long time, since the chasm between the people has become greater than it ever was. The clumsy, rotten, incompetent and ignorant people of the East are confronted by the perfect, omniscient, superior ones of the West.

No one wanted that in the East. The 16 million people there knew that the government leadership lived at their expense, was corrupt, and that the people counted for nothing with it; that the environment suffered heavy damage through ruthless exploitation; and that mandatory state plans had caused the decline of the economy.

In the Socialist Unity Party (SED) state, everyone had to tolerate what was dictated to him, where he was allowed to travel, what he was allowed to say and do. Only some members of the party had greater room in which to move. For the SED, a human being was merely a means to an end, a commodity to be politically exploited and made docile by pressure, extortion, and threats. During the whole time, the people were occupied with an image of the enemy, and the enemy threatened from the West.

No one failed to appreciate all that, but what do the people in eastern Germany have today? They now live in a Germany finally reunited, a Germany that again became sovereign as a result of the eastern uprising. They want to work, but whether they will be allowed to work depends on the new masters of the German economy, who can only invest if these investments turn an immediate profit. Future investments that would be of great benefit to the existence of the country and the world only after years, are considered worthless.

They are allowed to travel where and when they want to, but only if they don't lack the means to do so. They can express their opinions freely and openly, but none of those concerned listen. And they can, as consumers, pay inflated prices, even though income in the East is only 45-50% of the average income in the West.

They wanted democracy, but they did not get it since, in the understanding of members of Parliament from eastern Germany, democracy is what *they* consider right. The people have a modest voice only in elections.

The year 1989 ended with great hope. It offered the opportunity to dismantle socialism and, beyond Karl Marx and Adam Smith, to create a new social state that rested on a free economy. This chance was squandered, and everyone now has to face the consequences.

U.N. moves to wipe out the nation-state

by Michael Billington

Since the conclusion of the bombing phase of the war against Iraq, the Bush administration and the various spokesmen for the "new world order" have issued a myriad of policy proposals and dictates intended to eliminate the fundamental principle of the sovereignty of nation-states. Every conceivable excuse for overriding sovereignty in favor of "superseding international interests" has been proposed or, in some cases, implemented—by U.N. decree, by conditions of the International Monetary Fund (IMF) and World Bank, or by the imperial demands of George Bush.

The common element of all these efforts is the demand that Third World nations accept the cutoff of development funds and modern technology, while meeting debt service payments to the bankrupt international banking establishment, despite the death toll that such payments extract from the subject population. Behind this is the constantly recurring racist theme that non-white populations are incompetent to manage their own economies, their physical territory, or their political practice.

What follows is a partial documentation of these measures for a new fascist world police state.

Economic conditionalities

The "conditionalities" imposed by the IMF and the World Bank on loans to Third World nations are the longest-standing mode of attack on the sovereignty of nations, dictating economic policy as a requirement for access to international credit. Nor has the policy been reconsidered as a result of the fact that such "conditionalities" have proven to be a complete failure, resulting in the collapse in Third World living standards over the past decade, while the debt crisis grew worse.

IMF Managing Director Michel Camdessus has extended this concept by announcing, at the recent Bangkok meeting of the IMF, that any funds for development in the Third World must come from the elimination of subsidies for farms and industries and from the gutting the target nation's defense capabilities.

Scientific inspection

The U.N.'s International Atomic Energy Agency (IAEA) is being transformed into an anti-science police force to im-