

Report from Bonn by Rainer Apel

Germans exposed to Soviet troubles

Germany should have intervened with a better policy for Soviet economic and political stability.

Fewer Germans protested the Moscow coup attempt than hailed Mikhail Gorbachov during his trip to Germany in July 1989. There are many factors involved, but the main factor is the deep disillusionment in the population, the media, and among industrialists about Gorbachov.

The slow progress of reforms in the Soviet Union has also translated into a lack of broad support for Boris Yeltsin. The dominant sentiment can be summed up: "Let us hope things don't turn for the worse there; they are already bad enough."

At best, most Germans are afraid of the great unpredictability of Soviet developments; many Germans are afraid civil war will break out, with millions of refugees fleeing to Germany, and an international military conflict accompanying the collapse of the Soviet empire. There are still 273,000 Soviet soldiers and 180,000 dependents in Germany.

The relief undoubtedly felt by most with the news about the failure of the coup attempt won't last for long. Germans think they've no real influence on Soviet developments, but are rather overtaken by them.

A Hamburg-based expert on the Soviet and former East bloc economy who talked to *EIR* on Aug. 21, said that western hopes that Yeltsin would succeed where Gorbachov failed in the reform process, were ill founded.

"This may sound strange, but I think one can forget about democracy and market economy in the U.S.S.R. for some time. Chances to introduce them were missed some time back, and

Gorbachov personally is to blame for that. . . . He lost a lot of backing in the population already long before this coup, after all, and the reformers never really occupied the power positions. The power struggle is still unresolved and will remain so for a long time."

The source said that neither the coup committee ("these were all people that Gorbachov himself appointed") nor Boris Yeltsin, least of all the military or KGB, knew what to do about the economy. "They all agree on one thing, however: There is a situation of grave emergency in the country, and appropriate and rigid action has to be taken."

Not much would improve, he commented, even if Yeltsin won out. "He is most likely yet another figure of transition—with more popularity than Gorbachov ever had, though. Others are yet to appear on the scene." This coup attempt, he said, won't be the last. "The country won't come to a rest soon. There are many more such groups that would stage a coup trying to solve the problems in their way."

The source is not a supporter of the views of U.S. statesman Lyndon LaRouche, but a proponent of the "German Way" of market economy theory. This is an ostensibly more "social" brand of International Monetary Fund policy, as seen in Chancellor Helmut Kohl's remarks after meeting Gorbachov in Kiev in early July, where he said an associate IMF status was more appropriate, as full membership included foreign rights to co-determine internal Soviet affairs and would be unacceptable to Moscow.

But why propose the small dose of poison instead of the big one?

The German government, banks, and industry spent DM 90 billion (\$50 billion) altogether to support the reforms in eastern Europe and the Soviet Union, but never pursued a sound policy of economic reconstruction. Instead, an unorganized mix of state and private initiatives was promoted which never interfered with market economic rules. The 1989 proposal by LaRouche for a "Productive Triangle"—a grand design for the industrial rebuilding of Europe—was studied, but never endorsed. Germany only reacted to changed parameters of politics in the East, rather than influencing events.

Another mistake was that at no point in the past two years was a clear position of endorsement of independence and reform movements in the Soviet Union taken. The three Baltic governments were never given economic or political, but only weak verbal support against Moscow. And Boris Yeltsin, now portrayed by the German foreign minister as the "one politician with the most influence in the Soviet Union," was, before Aug. 21, never contacted by the German government for fear of "annoying Gorbachov." Yeltsin was, by the way, already making deals behind the scene with Gorbachov when Germany was still boycotting him.

Germany is not a superpower. But it has great economic and industrial leverage. It is, as the former chairman of Deutsche Bank F.W. Christians put it in newspaper interviews Aug. 20, "the most important economic and also political partner of the Soviet Union."

If the economic muscle of Germany linked up with the political potential of the people who took to the streets of Moscow to resist the coup, there would be less reason to be scared by "Soviet uncertainties."