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Switzerland

*Political report<sup>1</sup> of the Swiss Ambassador in East Berlin, Franz Birrer<sup>2</sup>*

GOODBYE, GDR!

Confidential

East Berlin, 2 October 1990

Today, the history of the GDR ends. The GDR will “join” the German Federal Republic and thus disappear from the political landscape.

When I came to Berlin three years ago, nothing suggested that this “first workers and farmers’ nation on German soil” would perish so soon and so completely. Honecker<sup>3</sup> had just returned from an official visit in Bonn. In the late 80s, he also visited nearly all other Western capitals and continuously welcomed guests of state from there. The citizens of the GDR suffered neither economic nor social hardship. Even the exceedingly critical FAZ noted, as late as June 1989, that measured by the economic malaise of its socialist sister countries, including the Soviet Union, the GDR was “an out-and-out economic plateau”. Its problem was not unemployment but rather labour shortage, due to which tens of thousands from socialist sister countries were used in the production process. And, *nota bene*, our exports to the GDR recorded annual rates of growth of roughly 40%.

In terms of interior policy, the regime showed itself to be more *relaxed* than a new arrival from the West might have expected. GDR citizens you ran into in restaurants or elsewhere typically talked very openly and did not refrain from critical remarks about the country’s conditions. Churches had much more leeway than in other socialist countries (with the exception of Poland). A certain glasnost was notable especially in literature, in the theatre and revue, and in film; some films that had been banned twenty or more years ago – such as “The Russians Are Coming” by Carow<sup>4</sup> – could now be shown. Travel permits for the West soared in number and in 1988 reached more than 3 million visits to the FRG, 1.3 million of these people below retirement age. Legal emigration to the FRG, too, reached annual numbers of about 100,000 people by 1988/89. And so as to mention Switzer-

1 *Political report No. 16 (translated from German):* Swiss Federal Archives CH-BAR#E2010-02A#1996/400#16\* (A.21.31). Copies to be given to Klaus Jacobi, [dodis.ch/P19511](https://dodis.ch/P19511), Franz Blankart, [dodis.ch/P22246](https://dodis.ch/P22246), and Silvio Arioli, [dodis.ch/P24523](https://dodis.ch/P24523). Copies directly to the Swiss Embassy in Bonn and the Swiss Consulate general in West Berlin; also published in: *Die DDR aus Sicht schweizerischer Diplomaten. Politische Berichte aus Ost-Berlin 1982–1990*, ed. by Bernd Haunfelder, Münster 2017, doc. 93.

2 Franz Birrer (\*1932), [dodis.ch/P16179](https://dodis.ch/P16179), *Swiss Ambassador in East Berlin 1.10.1987–18.12.1990*.

3 Erich Honecker (1912–1994), [dodis.ch/P46563](https://dodis.ch/P46563), *General Secretary of the SED and chairman of the GDR State Council 29.10.1976–18.10.1989*.

4 Heiner Carow (1929–1997), [dodis.ch/P54831](https://dodis.ch/P54831), *GDR film maker*.

237 land here as well: the number of visa issued for travelling to our country increased by 20% annually (1988: 11,900).

Still, *Stalinist* structures and behaviours constituted the GDR's basic pattern. The centrepiece of Stalinism was and would remain the primacy of the SED or rather of the party leadership, personified in the Secretary General<sup>5</sup> and individual members of the Politburo in charge of state security, economy, and mass media. The other parties, congregated into the National Front and brought into line, and the mass organisations chiefly served alibi purposes. The economy was based on the principle of central planning, despite the GDR leadership's claim to have come up with something special when it came to cooperatives in agriculture, autonomous combines in the industry, and private enterprises in crafts and trades. The private enterprises, for instance, were very strongly restricted by a limitation to 10 employees and by business-hostile tax laws. There were many indicators that the economy was hardly growing any more but was at best stagnating. Under these conditions, environment protection fell by the wayside in a catastrophic manner.

The SED communists had originally aspired to provide everyone with *apartments, food*, and convenience goods, as well as public transport, in sufficient amounts and at low prices. They had largely succeeded, too, by means of a massive system of subsidies and by accelerating the industrial building of houses. But they proved unable and unwilling to adjust this policy to changing needs, and to remedy grave disadvantages. Freezing rents at the post-war level meant that not just the private building of flats, but also the maintenance of extant houses and flats was rendered impossible. The desolate state of many urban and village centres is a strong indication of this policy's shortcomings.

Likewise, Stalinist were the system of across-the-board informers used by the so-called "*State Security*" as well as the bullying and bringing in line of *mass media*. At best, a kind of glasnost existed in the specialised press and in Church print-media. Daily press, radio, and television, by contrast, remained under strict control. In November 1988, even the Soviet journal "*Sputnik*" was prohibited, as the SED regime disliked a number of contributions. All this appeared profusely absurd, given that the population could easily learn about domestic events and events abroad from West German radio and TV.

However, one cannot evaluate the GDR solely with a view to the SED. From the very beginning, the *Soviet Union* played a decisive role here. In a manner of speaking, the GDR was an accidental product of WWII and the Cold War. When, in 1948/49, the Western Bloc states undertook a currency reform in the three Western zones as well as in the Western sectors of Berlin, and founded the German Federal Republic, the Soviet Union, for its part, founded the GDR and for a long time kept it on a short leash. This was initially still the case under *Gorbachev*<sup>6</sup>. When Honecker first met with the new Kremlin chief on 5 Mai 1985, he had to sign a joint communiqué that made a direct connection between the Soviet Union's military victory over the German Reich and the formation of the GDR, by declaring:

<sup>5</sup> Erich Honecker.

<sup>6</sup> Mikhail Gorbachev (\*1931), [dodis.ch/P31707](https://dodis.ch/P31707), General Secretary of the Communist Party of the Soviet Union 11.3.1985–24.8.1991, Chairman of the Supreme Soviet of the Soviet Union 25.5.1989–15.3.1990 and President of the Soviet Union 15.3.1990–25.12.1991.

238 “the first nation of workers and farmers on German soil has its roots in this great victory...”. It was (for the SED leadership) a most humiliating acknowledgement of the GDR’s heteronomy. Gorbachev also stuck to this position in his book “Perestroika”, published in autumn 1987. He dedicated an entire chapter to Germany, titled “Two German states”, and explained that what had here been historically formed would have to be entrusted to history. He wrote that there were now two German states with different social and political structures; Western declarations claiming that the German question remained open and that “German Unity” had to be restored he deemed anything but “realpolitik”. Gorbachev thus cannot be considered the father of the two German states’ unification. Rather, it was wrested from him. He was no longer able to resist it, as the Soviet Union had become too weak.

For most GDR citizens, the “big brother”, the Soviet Union, was never an example, yardstick, or a reference point for action and aspiration. There never was a fraternisation. The *Soviet troops* in the GDR and the population were kept strictly separate. The troops, which exceeded 400,000 in number, remained an occupational force and at the same time a visible guarantor that the GDR remained closely integrated in the tight “socialist community”.

The *older generations* of GDR citizens by and by resigned to what seemed inevitable and tried to adapt. Occasionally, there was also pride in having achieved more than the Soviet Union economically. This was even expressed in remarks by the GDR leadership regarding Soviet efforts towards economic reform, by way of wishing Moscow the best of luck in this and intimating that the GDR had long ago carried out such reforms. This in turn startled the *younger and increasingly more impatient generation*, who concluded from this that no further development was to be expected under the old SED leadership.

This resulted in the great flight or emigration movement via West German diplomatic missions in East Berlin, Prague, and Warsaw, as well as via the Austrian-Hungarian border once it had been opened by the Hungarian government in September 1989. The *FRG’s migrant policy* played a decisive role in this. Every migrant from the GDR has always been automatically recognised as a federal citizen. He not only enjoyed preferential treatment in the housing and job markets, but received, in addition to the “welcome money”, a number of different financial allowances or interest-free loans, and possibly qualified for unemployment benefits, sickness benefits, and a pension, just like someone who paid his dues in the FRG for all his life.

It was most likely this mass movement that prompted Gorbachev to remark, in the course of the 40<sup>th</sup> anniversary celebrations in East Berlin, that he was in favour of further reforms in the GDR and that the Soviet troops would remain alert. Mass demonstrations under the slogans “We are the people” und “We are staying here” subsequently brought down the SED leadership in a matter of weeks.

How the *Berlin Wall* and the inner German border came to be *opened* on 9 November has today not yet been explained. The Stoph<sup>7</sup> government, which has already resigned, had put forward for discussion a draft of a liberal travel law,

7 Willi Stoph (1914–1999), [dodis.ch/P15220](https://dodis.ch/P15220), Chairman of the GDR Council of Ministers 21.9.1964–3.10.1973 and 29.10.1976–13.11.1989.

which was criticised, however, as being still too restrictive (particularly by lawyers, such as Gregor Gysi<sup>8</sup>); but instead of revising the draft, the government, without further ado, opened the floodgates. Whatever was behind that decision, the opening was the beginning of the end of the GDR.

Since then, the development has accelerated several times over, where the acceleration was usually attributed to public pressure. What was decisive in this process, however, were more likely the actions of *Federal Chancellor Kohl*<sup>9</sup>, who single-handedly defined the central milestones and, as his critics acidly put it, regarded German Unity as a private matter of his. Recall here Kohl's

- refusal to abolish *migrants'* privileges after the opening of the border (the official "emergency process of admittance" and the financial incentives were only abolished on 1 July);

- *reunification address* of 28 November, with a 10-point programme that had not been coordinated with anyone else;

- suggestion (against the advice of all experts and economic politicians) of a *monetary union*, i.e. the introduction of the DM in the GDR with a "social cushioning" of the negative consequences to be expected (in the campaign for the GDR People's Chamber election of 18 March, the Western CDU chiefly operated on the promise that GDR citizens would have the DM before the summer holidays; the "first free and secret elections in the GDR", conducted from the FRG, are perhaps to be considered not so much as democratic but rather as *DM-cratic*);

- demand to regard Article 23 of the Bonn Basic Law as the "royal road" to German Unity, i.e. "*accession*" of the GDR to the German Federal Republic, not unification or fusion of the two German states according to Article 146;

- suggestion on the evening of 13 May, when CDU and CSU had suffered electoral defeats in in North Rhine-Westphalia, Lower Saxony, and Bavaria, to hold nationwide elections the same year (Kohl evidently intended to seize the moment and to get the elections over and done with before the full extent of the fallout of the monetary union would become seen and felt).

Chancellor Kohl was thus not the promoter, but the actual engine of German Unity. He believed his suggestions won him the support of the GDR's population, which primarily pursued the DM and Western prosperity. President von Weizsäcker<sup>10</sup>, for example, pointed out that Germany's two parts must not be allowed to rampantly grow together, but should grow together. Prime Minister de Maizière<sup>11</sup>, too, spoke out this June in favour of reasonable timeframes and declared that the future course of Germany's unification must not be defined by an express pace set by Bonn. Kohl, however, ignored these and similar objections, and categorically refused any dispute with the opposition. From a purely managerial point of view, one can certainly admire Kohl's approach and his successes, although from a political point of view they appear quite problematic.

Superficial observers have praised Kohl's idea of a rapid *monetary union* as a stroke of genius and pointed out that the monetary reform of 1948 soon produced

<sup>8</sup> Gregor Gysi (\*1948), [dodis.ch/P54811](https://dodis.ch/P54811), GDR lawyer and Leader of the PDS, 1989–1993.

<sup>9</sup> Helmut Kohl (1930–2017), [dodis.ch/P31852](https://dodis.ch/P31852), Chancellor of the FRG 1.10.1982–27.10.1998.

<sup>10</sup> Richard von Weizsäcker (1920–2015), [dodis.ch/P5944](https://dodis.ch/P5944), President of the FRG, 1.7.1984–30.6.1994.

<sup>11</sup> Lothar de Maizière (\*1940), [dodis.ch/P54809](https://dodis.ch/P54809), GDR Prime Minister 12.4–2.10.1990.

an unforeseen boom. They overlook, however, that a monetary union and a monetary reform have only little in common and took place or take place in completely different contexts. The chancellor's personal appointee in charge of the monetary union termed the latter an "experiment unique in history", namely, "a uno-actu transformation of a centralised economy, which previously was socialist for over 45 years and before that national socialist for 12 years, into a market economy". Specifically, this means:

- central planning was abolished overnight, which created chaos particularly in the industrial sector and doomed many enterprises that under different circumstances could have been restored to profitability (this apparently caused West German and other investors to hold off until they could obtain the GDR enterprises at no charge);

- prices were decontrolled at a single stroke (exceptions until the end of this year: rents, some public transport fees, and energy prices);

- the inner German border wasn't just opened, but abolished, thus exposing the GDR economy, via the FRG and the European Community, to the full force of international competition;

- agricultural subsidies or rather the subsidies, which were extremely large in the GDR, reducing prices on local foodstuffs (1988: 31.9 billion M or DM) were cancelled overnight, as a result of which the agricultural sector experienced further, enormous hardship, i.e. in addition to losing the protection of the border;

- by throwing central planning overboard, the public sector lost most of its major revenue sources, namely contributions by the economy; a fiscal system based on the FRG's example is only now under construction, and since the monetary union has also transferred the financial and monetary sovereignty to Bonn, and the federal government is urging spending cuts, the public funds are lacking that just now would be so direly needed in housing and road construction, in restoring health care, in cultural work, etc. (this is exacerbated by the fact that the GDR's 15 districts will be eliminated, but the five states replacing them will only gradually be built from 14 October onwards).

The former GDR's economy is thus running the risk of losing both the domestic market as well as that of the Eastern European countries, which until now has been very important for it (70% of the foreign trade volume). There can be little doubt that its current chances of success in Western markets are very small. In other words, the territories of the former GDR are facing the loss of production and of creation of value.

Whereas the treaty creating an economic, monetary, and social union had been drafted and dictated exclusively in Bonn – its signing by the then GDR minister of finance seemed to outside observers like the signing of a capitulation – in the second contract, also called the *Unification Treaty*, the GDR was apparently able to preserve and defend certain specific interests of the five new federal states. This is true, for instance, of property issues (the land reform predating the founding of the GDR is not reversed), of interim rulings on abortion, etc., as well as of *economic development*. Based on Article 28, much as the former border territory was, the entire GDR territory has now become a development zone of the joint task "improvement of regional economic structures". It thus becomes a recipient of

241 many investment subsidies and low-interest loans. This can be seen as a kind of Marshall Plan for the former GDR.

Yet on reading Article 7 of the treaty more closely, one gains a different impression. It basically provides for the FRG financial constitution to be extended to the acceded states. The extant states, however, have strictly *refused* to include the new states in the *equalization payments between states* and in the even distribution of states' shares in *value added tax*. They will not enter negotiations on equalization payments before 1994, and the GDR states' share in value added tax is for now set at only 55% of the other states' average share per capita. As a result, the "German Unity" fund, originally intended for the promotion of investment, now serves to close the new federal states' fiscal holes and is indirectly co-financed by the latter. The Hanover-based constitutionalist Schneider<sup>12</sup> comments: "The GDR states will remain bound in the unity fund for years, depending on and patronised by the federation not only financially, but also politically".

From a general and European point of view, *German Unity* is doubtlessly to be welcomed.

The division of Europe, Germany, and Berlin has always been an artificial, even absurd division and a germ of present and future conflicts.

We now have on our border a country that will shortly rise to the status of a major power, perhaps even a superpower. Unlike in the past, however, this country has a federal structure, is firmly democratic, inimical to militaristic matters and moreover integrated into the European Community and NATO.

Yet the rushed nature of German Unity must give us pause. It is not a unification, but an appropriation of the GDR by the FRG, which can for instance be seen in the fact that, starting tomorrow, West German officials, judges, economic leaders, etc. will "invade" this country and replace GDR people. "The Price of Unity is a New Foreign Rule", as historian Jörg Fisch<sup>13</sup> appropriately titled his article, which is well worth reading, in the *Weltwoche* of 20 September 1990.

Will the new state be able to become a native country, even a home, to all Germans? Will the East Germans be able to identify with it, or will they once again merely come to terms with it, as many of them did for so long with the "socialist home country GDR"? Can a mezzogiornalisation of East Germany, and a radicalisation that would almost necessarily follow from it, be avoided? All of these are questions that can only be answered in the years to come.

<sup>12</sup> Hans-Peter Schneider (\*1937), [dodis.ch/P54833](https://dodis.ch/P54833), FRG constitutional lawyer.

<sup>13</sup> Jörg Fisch (\*1947), [dodis.ch/P22386](https://dodis.ch/P22386), Swiss historian.