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Focus on German Unification (January 30, 1991)

Against the backdrop of the Iraq war of 1990-91, Chancellor Helmut Kohl assures the Western alliance partners of German solidarity before moving on to his real subject, German unification. Kohl explains that he aims to provide all Germans with equal opportunities.

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Madam President, esteemed ladies and gentlemen,

This policy statement comes at a time when many people around the world are very concerned: because of the Gulf War, but also because of the events in the Baltics. Who could possibly understand these concerns better than we Germans, we who – on account of the Nazi dictatorship – had to experience the horror and suffering of war first hand?

Given this historical backdrop, we are all the more grateful that we were able to win common freedom for all Germans last year. This imparts special responsibilities on us. The past years were a time of hope and great optimism. Long-cherished dreams came true for us, and our attention is directed above all to the opportunities that these changes promise to bring to our continent and to other parts of the world.

In shaping the future, we want to make responsible use our common freedom. This means thinking of the well-being of not only just our own people. For freedom and responsibility are inextricably linked: this holds true in the life of every individual and in all state actions as well.

In view of current political developments worldwide, it would be a fateful error to close our eyes to new threats to peace and freedom. Resignation and an evasion of responsibility would be just as dangerous, however. The military confrontation in the Persian Gulf is now entering its third week. At virtually no other point in time has the international community undertaken such diplomatic efforts to avoid an armed conflict. They all failed due to Iraq's categorical refusal to comply with the resolutions of the U.N. – that is, with the will of the international community – and reverse the violent annexation of Kuwait. Iraqi president Saddam Hussein alone is responsible for this war, which he started on August 2, 1990, with his brutal invasion of Kuwait. It is within his power to end it immediately. He must withdraw from Kuwait immediately and completely. So far, there have been no signs that Saddam Hussein is prepared to relent. Quite the contrary: the barbaric parading before the media of allied prisoners of war who had

obviously been abused, the call for global acts of terror, the intentional contamination of the Gulf with an oil slick, and the most recent threat to deploy nuclear, biological, and chemical weapons are all clear indicators of an intention to escalate this war. At the same time, he is trying to extend the war to bystanders. The Iraqi missile attacks on Israel have only one goal: to use any means possible to draw Israel into the military conflict in the Gulf. This is an attack on Israel's integrity and its right to exist.

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With the reclamation of full sovereignty, we Germans gained not only greater freedom of action but also greater responsibility. This is also how our partners throughout the world see it. They expect that a united Germany will do justice to its new role. We are not talking about taking national unilateral action or, worse, exhibiting power ambitions; for there is only one place in the world for us: the community of free nations. Now more than ever before, we need reason and insight, and above all we need to hold fast to the goals we have set for ourselves. We all know that we are at the beginning of a long and also arduous path: we want to bring Germany together – in every respect, intellectually and culturally, economically, and socially. We want to participate in building a just and lasting peaceful order in Europe, one that will bring all the peoples of our long-divided continent together in common freedom. We want to cooperate in establishing an order of world peace based on the rule of law: on respect for human rights and the right of all people to self-determination, as well as on the common will to preserve the creation entrusted to humanity.

We are grateful that since October 3, 1990, we Germans have been able to proceed on this path into the future together. As everyone can see, it proved very advantageous that the political unification of Germany was able to be completed before the present conflicts came to a head. The tasks ahead of us are difficult, and we can all understand the concerns of the people in the new federal states: concerns about their jobs, the future, but also about the dire state of the environment. Economic, social, and ecological issues are now urgent, but they are certainly not the only ones we need to tackle. It will take a long time to rectify the immaterial damage caused by the era of the SED dictatorship. I am thinking especially of the profound effects that more than four decades of Communist dictatorship had on the minds and also on the souls of the people. To achieve the unity and freedom of Germany in free self-determination: this mandate from our Basic Law of 1949 has now been attained as defined under constitutional law. Now it is a matter of shaping this unity. Our goal is clear: we want to create the same life opportunities for all of the people of Germany.

At the same time, ladies and gentlemen, we must use all our might to tackle the second major task to which the Basic Law commits us: the achievement of a united Europe, that is, the achievement of the political unification of Europe. Our constitution instructs us “to serve world peace as an equal partner in a united Europe.” And indeed we best serve world peace by advancing the political integration of Europe with determination and resolve. Neither a united

Germany nor a Europe that is constantly growing closer together can afford to remain indifferent to the mounting problems in other regions of the world.

All of these problems affect us directly. By contributing to a joint solution we are not only satisfying a moral obligation but also acting in our own enlightened self-interest. Europe is now growing together on a foundation of values shaped by Christianity and the Enlightenment. But self-righteous Eurocentrism by those of us in the West is less justifiable than ever before. In recent days and weeks, it has become clearer than ever before that our fate is closely tied to developments in our neighborhood – in the Eastern part of our continent as well as in the Near and Middle East. Ladies and gentlemen, Germany and Europe will thrive only if they do not isolate themselves culturally and economically, only if they remain willing to learn from others and, above all, only if they do not shy away from peaceful competition. If nothing else, national selfishness at a time like this would be a sign of gross ingratitude toward those partners and friends who protected our freedom for decades and who, above all, actively aided us in the unification of our country. Here, I would like to make special mention of the United States of America, France, and Great Britain.

At this time, I would also like to expressly acknowledge President Mikhail Gorbachev's contribution to German unification. Many people showed us a great deal of trust in the time leading up to German unification. Our policies are and will remain guided by our wish to maintain and strengthen that trust and – I would also like to say – to prove worthy of it.

Madam President, ladies and gentlemen, high expectations have been placed on us Germans. After unification, this is truer than ever before. Whether we can meet these expectations and fulfill our responsibility in the world depends in particular on the economic success of our businesses – our employers and employees – and all the other groups in our society. Economic success – I want to say this explicitly – is not a goal in and of itself, and we do not see economic strength as an independent objective. But strong economic performance is a necessary prerequisite for affluence and social welfare in all of Germany, for effective environmental protection, and for the aid that we can provide beyond our borders and which is expected of us. Only a solid economic foundation creates the capacity for political, economic, and social action, at home and abroad.

Ladies and gentlemen, in the coming months and years, one goal must be given high priority – for me it has the highest priority – and that is to create equal living conditions for all Germans throughout the country. We can only achieve this goal by working together. This requires that all citizens – economic decision-makers, collective bargaining partners, the federal government, the federal states and communities – show solidarity and a sense of responsibility for the whole nation. It is a task for all Germans. Everyone can appreciate the difficulty of this task. In-depth studies and analyses have confirmed our fears: the legacy of forty years of Socialism and Communism in the former GDR is a profound burden. Many companies and products are not competitive; there is high unemployment, massive destruction of the environment, deteriorated

buildings, and a decrepit infrastructure – after taking stock of the situation, this is one side of the coin.

On the other side, we find the will of the people to start anew and rebuild, as well as the economic strength of a unified Germany. I am certain that this is a foundation upon which we can carry out these massive efforts and persevere. The Social Market Economy offers an excellent set of starting conditions for that – conditions that we wish to continue preserving and developing in the years to come. Our awareness of the roots of freedom and prosperity has been strengthened in large part by the historic upheavals in Germany and Europe. Wherever people truly have a choice, they vote resolutely for the Social Market Economy as a liberal economic and social order. This will was impressively confirmed in the concluding document of the CSCE economic conference in Bonn in the spring of 1990. In it, all of the signatory states from both East and West underscored the indissoluble connection between economic and political freedom. It was on this basis that our policies in Western Germany – combined with the great motivation of all – led to an unprecedented level of economic dynamism and social security.

The economic situation today is excellent, very much in contrast to 1982, when the present coalition took over the government. Prospects for the 1990s are encouraging. The old federal states are experiencing an economic boom. The forces of growth have been strengthened, the willingness of businesses to invest is very high, and expectations for the future are favorable. Our currency is stable and recognized around the world; wages and pensions have increased considerably in the past few years. The reduction of unemployment in the territory of the former Federal Republic is particularly pleasing – coupled with employment growth whose likes we have not seen since the time of reconstruction in the 1950s.

Ladies and gentlemen, the unusually strong economic development in the territory of the former Federal Republic is also largely the result of the process of transitioning to a market economy in the new federal states. The demands of consumers and companies in the territory of the former GDR are still largely oriented toward Western consumer goods, machinery, and facilities. This translates into full order books for companies in the old federal states and unexpectedly high tax revenues for finance ministers and city treasurers. Therefore, solidarity dictates that these funds be channeled back into the new federal states, through private investments, and especially that the new federal states and municipalities be better funded. This is an important contribution to the fulfillment of our great common mission to achieve the inner unity of our fatherland in the economic, social, and environmental sectors as well.

Ladies and gentlemen, we have no historical models to follow in carrying out this task. Never before has an attempt been made to transform a socialist command economy into a Social Market Economy. It is fiscal policy that is particularly challenged in this situation. On the one hand, the reliability and predictability of our fiscal policy must be guaranteed. That is the best way to promote investment and thus build the best foundation for additional new and secure jobs.

On the other hand, our scarce public funds must be increasingly channeled to those places where the need is most urgent and where they will have the greatest impact. The federal government's benchmark resolution of mid-November 1990 is consistent with this course. The resolution is completed by the coalition agreement. The temporarily high demand for credit by public budgets must be scaled down quickly and noticeably. And under no circumstances can we endanger the trust of capital markets in a stable Deutschmark.

Ladies and gentlemen, as in 1982, we will succeed in reducing the rate of debt increases as quickly as possible. As we announced in November, we will already reduce the burden on the federal budget by 35 billion DM this year. The federal government's new net credit will be limited to a maximum of 70 billion DM. However, the federal states and municipalities must also make an appreciable contribution to limiting debt levels. Additionally, new burdens are arising as a result of recent changes in world affairs. These changes impart greater responsibilities on us Germans, too. Our partners and allies cannot bear the burden of defending justice and freedom in the Persian Gulf alone. They can continue to count on our support. Even after the end of military confrontation, the states of the Gulf region that are most affected by the conflict will depend on comprehensive foreign aid. The Federal Republic of Germany is also called upon in this regard.

But we are not only helping in the Gulf region. We are already making a substantial contribution to stability in Central, Eastern, and Southeastern Europe. This involvement – I cannot emphasize this enough – lies in the common interest of the West. All of this is an essential contribution to peace, an investment in a peaceful future, and at the same time an expression of our willingness to assume more responsibility in the world. The costs associated with all of this, costs that we are facing for the first time, go far beyond our previous financial means. Thus, an increase in revenues is inevitable. The federal government will present corresponding proposals, including one for the necessary tax increases.

Madam President, ladies and gentlemen, one of the most difficult problems in our own country is the unavoidable rise in unemployment in the former GDR. Solidarity demands that we stand by each other in this difficult period of upheaval, also when the issue is unemployment insurance. The federal government has therefore scheduled a 2.5 percent increase in contributions for 1991, starting on April 1. Prorated for the whole year, this increase represents approximately a two percent increase over contributions paid in 1990 and is the same for the coming years. At the same time, pension fund contributions will be lowered by one percent. This will endanger neither the size nor the security of any pensions.

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Source: Policy Statement by Helmut Kohl (January 30, 1991), *Deutscher Bundestag, Stenographische Berichte* [German Bundestag, Stenographic Reports], 12/5, pp. 67B-90C.

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