

'I PREDICT THAT SCHROEDER WILL ONLY RULE FOR A SHORT TIME' - STOIBER

Berlin, September 23, 2002

Germany's SPD/Green coalition on Sunday night won the narrowest of parliamentary majorities in the country's general elections.

The narrow SPD/Green majority left Germany with no clear mandate for change against a background of massive social and economic challenges, with chronically low growth and 4 million unemployed.

'I predict that the SCHROEDER government will only rule for a very short time', Mr. STOIBER said.

The chancellor will face a tougher opposition, chronic unemployment and a weak economy. He will also have to soothe bruised US - Germany ties after a campaign that angered Washington.

Edmund Stoiber, who built his reputation for hard work and sincerity as Bavaria's state governor, had hoped to redeem a flagging national economy and heal relations with the US strained by the Iraq crisis.

'What I criticize above all is that Schroeder opened the floodgates for anti-american tones', Mr. Stoiber said on German television, calling the crisis with the US 'the most devastating of the last 50 years'.

SPD anti-american rhetoric reached a damaging peak in the final days of his campaign when Justice Minister was reported to have compared US President BUSH to Hitler.

SPD failure to deliver on the promise to reduce unemployment eroded its support, which slid 2.4 percentage points from 1998's 40.9 percent result.

Mr. Stoiber's platform focused on economic reforms boosted CDU-CSU Union to 38.5 percent, up from 35 percent four years ago.

Some 80% of Germany's 61 million voters turned out Sunday. Parliament is being downsized to a minimum 598 seats, however the complex voting system allows for seats to be added if a party wins more direct seats in a state than it is entitled under the distribution of seats based on the second vote.

The ex-communists Party of Democratic fell short of the 5% necessary to form a parliamentary group, and dramatically reduced its seats from 36 to 2.

EPP President MARTENS congratulated Edmund Stoiber and Angela Merkel for yesterday's results.