

Report from Bonn by Rainer Apel

Wanted: a science driver

There is no dearth of projects to spur new industrial efforts, but certain elite biases must be forcefully countered.

In an interview with the London *Financial Times* of March 29, Hilmar Kopper, the chairman of Deutsche Bank, demanded that there be an end to "indulging in what I call *monument production*—support for smokestack industries." The banker spoke out against plans for rebuilding industries like steel, homebuilding, automaking, and shipbuilding in the five eastern states, which is in line with his repeated assertions that only a third of the industrial jobs in eastern Germany would survive the 1990s.

Kopper recommended that the government seize the "chance to use all the money—currently intended to protect industrial dinosaurs—to develop new industries for the future."

By contrast, Norbert Walter, chief economist at Deutsche Bank, in an April 4 interview, called on the state to play an active role, not by imposing new taxes or more bureaucratic regulations on investors, but in the promotion of public infrastructure. Walter said that the government should present a definite timetable for moving vital administrative functions to Berlin, so that it can assume its role as Germany's capital, and encourage industry to invest there.

Such a timetable would imply decisions for vital infrastructure projects such as construction of a new international airport and linking Berlin to the "major east-west transportation routes, for example from Hamburg to Berlin, to Prague and Vienna," Walter explained. He recommended that "most urgently, railway projects, especially high-speed trains, maybe also

magnetically levitated trains, should be constructed." With the giant volumes of steel, concrete, electronic components, and electronics that such projects require, Walter's remarks reflect quite different views from Kopper's. The construction of the 290 kilometers of maglev track from Hamburg to Berlin alone will require 650,000 tons of steel and 1.5 million cubic meters of concrete, from Kopper's industrial "dinosaurs."

However, most of the nation's productive branches are operating on the basis of technologies developed in the 1950s and 1960s. Under the cumulative impact of radical ecologism, which penetrated the country's elites in the 1970s and succeeded in banning not only any in-depth discussion of new projects, but also the notion of "technological progress," Germany has not been able to tap the industrial potential of its own advanced nuclear know-how in the high-temperature area, a pioneer technology developed in the 1960s.

The sentiment among elites against technological progress is a major obstacle that must be removed before any serious discussion of new projects, even relatively traditional ones such as those proposed by Norbert Walter, can take off. If the bias is not confronted, the self-amputation of German industry will continue.

For example, at the same time that Kopper was speaking about "dinosaurs," Siemens Corp., Germany's leading maker of power plants and power-generating equipment, announced its intention to "phase out"

another 1,100 nuclear engineers. Eastern Germany certainly needs modern power plants, but, under the influence of "greenie" views, Bonn has decided not to allow any nuclear power facilities in the east. This has already caused about 4,000 layoffs among engineers and nuclear technology specialists of the former East Germany. And there have been no new nuclear projects in western Germany since 1978, where a lot of money is being sunk into "clean" coal technologies. Development of thermonuclear fusion, once discussed in the 1960s and 1970s, is presently as distant as the Milky Way.

In addition, given self-imposed fiscal austerity, the government is taking steps to walk out on space technologies and invest into even more ecologism-tainted projects. In that sense, Kopper's remarks may be reflecting the views of the "mainstream" of Germany's elites, an attitude that will get Germany nowhere if it wants to defend its position among industrial nations in the next century.

However, the U.S.-Russian discussion of joint ballistic missile defense development, which became public just prior to the summit between Clinton and Yeltsin, is certain to send shock waves through Germany's elite, just as did Reagan's announcement of the Strategic Defense Initiative 10 years ago. As soon as these two powers begin to build a science-driver into their industrial policies, Germany will, by sheer opportunism, feel compelled to become part of it.

This is what happened when, after years of fruitless debate, the German government finally decided last autumn to build a maglev line between Hamburg and Berlin: Rumors that Japan was increasing research funds and planning to sell maglev trains on world markets by the late 1990s, had caused "productive panic" in Bonn.