

Report from Bonn by Rainer Apel

Germany: another 'sick man of Europe'?

Political elites in Germany prefer not to take notice of the profound economic and political crisis.

For Chancellor Helmut Kohl, the world seemed to look in order, when he told the 17th national roundtable meeting on economics in Bonn on June 14 that he was more than confident that the economy would "look much better next year" and that his policy was the right one. Industrialists like Tyll Necker of the industry association BDI, were not at all convinced by his statements, which were reported as being "too long, and with too little real content, as usually is the case at these meetings."

Kohl is on record declaring that by the time he celebrates his 64th birthday in April 1994, eastern Germany will be a blossoming industrial landscape and most of the nation's present economic problems will be overcome. All of this is propaganda for the next elections for national parliament in 1994.

But what does Kohl really know about the economic crisis? Let us refer to some senior spokesmen from the German world of banking and industry.

On June 7, Norbert Walter, the chief economist of Deutsche Bank, Germany's largest, said at a seminar of the Konrad Adenauer Foundation (linked to Kohl's Christian Democratic party) that he was worried about the political atmosphere: "We're living on the Titanic, but we haven't even spotted the iceberg yet." Walter charged that the government lacked a strategy to deal with the crisis: "Today, this republic leaves the impression that it is a boat without rudder and oars."

Ulrich Cartellieri, a board member of Deutsche Bank, was quoted in the *Der Spiegel* weekly on June 14

mocking the incompetence and inaction of the government and other political institutions: "The politicians finally have to make decisions. For years, we've been discussing problems of the industrial base, and nothing has happened. One gets the impression that our country is degenerating into a talk-show republic." The atmosphere between industry and the government is "catastrophic," he said.

On June 14, Necker declared that he was deeply disappointed and that Kohl and the cabinet were to blame for the "big loss of confidence among the managers" in the country, because they would not take any advice from industry.

Less polemical but to the point, on June 10, Michael Fuchs, president of the foreign trade association BGA, called the government's talk about the U.S. economy being the "world conjunctural locomotive" that would pull everybody out of the recession, "bold and wrong at the same time." Fuchs said he saw no such stimulus, rather the contrary.

Kohl's response has been a flight-forward attack on the "spiral of complaints," blaming the dramatic situation in eastern Germany on the lack of banking and industrial commitment to invest there.

Bankers and industrialists have fired back at Kohl: Edzard Reuter, the chairman of Mercedes Benz Corp. (Germany's largest car maker), said on June 12 that what the country was missing most was "that type of political leadership that had been promised to us 10 years ago." This referred to Kohl's proclamation in late 1982

when he took over the chancery after a no-confidence vote against Chancellor Helmut Schmidt, that that changing of the guard in Bonn was justified by the "need to give this country leadership again."

The world of industry and banking, which welcomed Kohl in 1982 at the peak of the post-1979 recession, is visibly at odds with him now, and the prospect of having him at the top of the nation for another four years, with the economic depression deepening by the day, is considered a "scourge" by many. Kohl is confident, however, as there is no one in his own party who could challenge him in the near future.

Kohl's aides are also pointing to the sad example of Britain, where in late 1991, the elites came to the conclusion that Prime Minister Margaret Thatcher, then celebrating her 12th year in office, had been "in office long enough," and replaced her with the gray-looking John Major.

Similar to the British situation then, the opposition Social Democrats now offer no alternative, but are trying to sell their mediocre leaders as the choice for the nation.

After weeks of fruitless dispute over who, after the sudden resignation of party chairman Björn Engholm, should lead the Social Democrats, the party held a poll among its members on June 13. Of the three candidates, Rudolf Scharping, 45, the governor of Rhineland-Palatinate, won with a meager 40% of the vote, i.e., 60% of the party is still not behind him. What he actually stands for is not known, but he is presented by the media as "the brave son of Mainz," the capital of Rhineland-Palatinate.

His "victory" was appropriately commented on by a knowledgeable Bonn insider as "the victory of the post-modernist, petit-bourgeois idol, in a situation that requires real statesmen to lead the country."