
Conference Report

No aerospace future in 'virtual reality'

by Frank Hahn and Rainer Apel

Are Germany's elites fit enough for the 21st century? Hearings held in Lower Saxony's state parliament in Hanover on March 6-7, organized by Daimler Benz Aerospace (DASA) on the theme "Air and Space Industry as a Motor for Future Technological Development," raise serious doubts on that score. It is even doubtful whether German high-technology industry will manage to survive to the end of this century, given the kinds of scenarios presented at these hearings.

The first presentation was given by a DASA technology consultant and former German Defense Ministry official named Ambros, who spouted profound cultural pessimism, of the type typical for Conservative Revolution supporters, setting the tone for the conference. He began by saying the future was not only totally unknown, but that the world was heading toward increasing chaos. This tendency, he said, started in 1973, with the combined oil-price explosion and the destruction of the dollar gold standard. We now have an explosion of public-sector debt, and debt service already is the second-largest category in the German federal budget for FY 1996: Therefore, currency reform is inevitable, and all the debts will be written off.

If the father of a family were to find himself in such a dilemma, he would shoot himself, Ambros said, and proffered his own "solution": Germany must orient itself toward the "information society." The United States, Ambros claimed, has already successfully accomplished this; 70% of all working people there are employed in the information sector, whereas in Germany, that figure is only 40% (German industry does still produce something, at least).

Disorientation

Corporations must develop their "capability potentials," despite the "obstacle" of the social welfare system, Ambros recommended, blaming the German population for not understanding what the situation was: They are still building large office complexes, which is nonsensical, according to Ambros, since very soon all these offices are going to be empty, and everyone will be working at home, with their own personal computer; the most dynamic young business-

men use the new technologies to do everything themselves, such as bookkeeping, so they no longer need to hire anyone else.

This, Ambros said, also has implications for the German aerospace industry, for were it not to adapt to the American information-age structures, in five years, there would no longer be a German aerospace industry. Since we are in a transition period toward the information society, all those who are unwilling to understand or to go along with this new era, will simply be "phased out," because in such transition periods as this, it is quite "normal" to have high unemployment.

Those who don't want to adapt to the new era, should stop complaining, Ambros declared, adding a duplicitous reference to the fact that in Japan and France, the elites are not waiting for the free market forces to open the door to the new information era, but are launching State-sector interventions favorable to "strategic industries." This refers not to dirigistic, actually strategic projects, such as a Moon-Mars project, which could provide the technology for leaps in production-oriented productivity, but rather to preparation for the information society.

Ambros was not the only "Third Wave" fanatic at the hearings. Rolf Arnim, of DASA's Business Development division, began his speech with a scathing attack on "hostility against technology," and especially space technologies, in Germany—which, he correctly pointed out, is completely different than in France. But what kind of new technologies does Arnim propose instead? The two "revolutions" (as he puts it) over the next four years will be 1) "Globalstar," in which everybody can be reached by telephone by everyone else from anywhere on the globe; and 2) "Mediastar," a system of digital television, which will be implemented in the year 2000. Both "revolutions" require orbital space satellites, and this is to be the new, main orientation for the space industry, he predicted.

Such information-age propaganda continued throughout the hearings. When, on the second day, a correspondent from this magazine asked a question about the necessity of a Moon-Mars project, as a science-driver for the economy, Dr. Albert von Mueller of the EUCIS think-tank replied: "We do not need science fiction; we have structural problems" here on Earth.

Political degeneration

So much for the "scientific" side of the hearings. The "political" side was no less shocking. For example, Dr. Tacke, assistant minister of economics in the state government of Lower Saxony and a former trade unionist, put out the basic message: Cut living standards, cut social welfare costs, be ruthless enough to "tell the truth" to people.

What "truth"? According to Tacke, deep cuts in the social welfare system are necessary, or even more mass unemployment will result. He demanded that Germany reorient to the

“downsized” wage levels of the United States today, and then to the levels of Southeast Asia 4-5 years from now! Labor unions, he said, have to adapt to this reality, instead of trying to “preach healthfulness.” The Germans are naive, if they think that what counts today, is still innovation and high quality of products made in Germany; today, everybody in the world can provide quality and innovation; the essential question, is how to reduce the costs of production.

Tacke praised South Korea and Japan for their “strategic orientation” toward getting larger shares of the world market and toward becoming “global players.” If the Germans want to continue to be global players, they will have to eliminate the bureaucratization of industry, lower the costs of labor and production, and so forth. Only under those conditions, would the northern German region have a chance, Tacke claimed, because, as of now, the three northern states of Lower Saxony, Hamburg, and Bremen are totally dependent on the automobile assembly and aerospace industries, which are concentrated there.

Apart from the “information age” designs, the aerospace sector also has a military aspect, and for that reason, one might have expected something more grounded in reality to appear during the debate in Hanover. Ernst Mannherz, of the German Economics Ministry, reported on the uncertainties over the “Euro-fighter” project—the design for a new jet fighter to be jointly produced by several European Union countries. So far, Germany has been willing to shoulder 30% of the jet fighter’s development costs, on condition that the rest be taken on by the other project partners. But recently, the French government decided that, because of its own staggering fiscal problems, it could no longer contribute any funding. Since the German side has ruled out any increase of its share, the French decision means that the project is already as good as dead.

The “solution” proposed by Mannherz, was a significant lowering of development outlays, and a general streamlining of the armaments industry in Europe.

A warning ignored

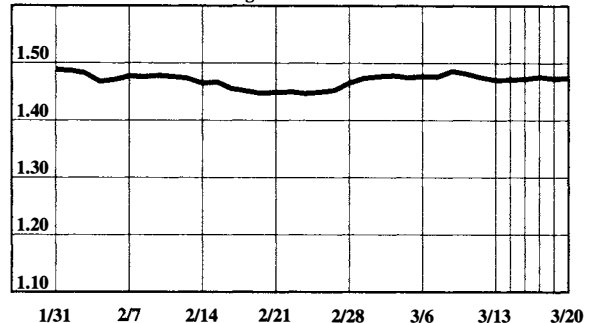
Dr. Stuessel, of DASA Airbus, then gave a very gloomy picture of the future of the commercial aircraft industry in Europe. With the Americans holding a 75% share of the world market, Europe has to develop a larger capacity, or it will be wiped out within five years, he warned. He vigorously attacked the deregulation of the American airline industry, which, he said, “helped them to improve their competitive position.”

Stuessel voiced concern that, once the Europeans (as many at the hearings were advocating) were to adopt U.S.-style deregulation methods, what remains of traditional industrial capacities in Europe would be ruined; any hope of this being compensated for by information technologies, he called an illusion. But Stuessel was a lone voice in the wilderness, whose warnings went largely unheeded.

Currency Rates

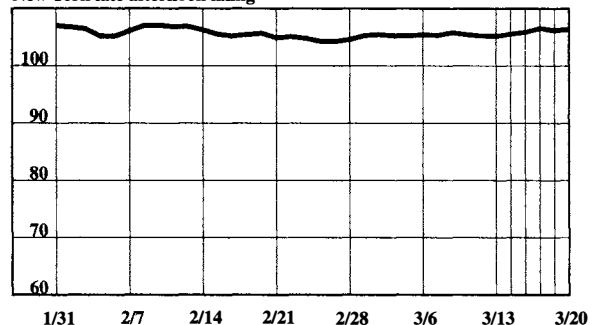
The dollar in deutschemarks

New York late afternoon fixing



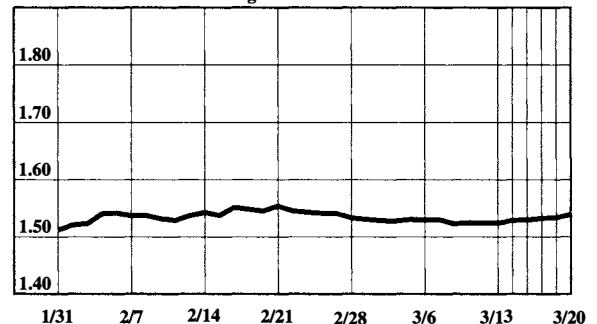
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

