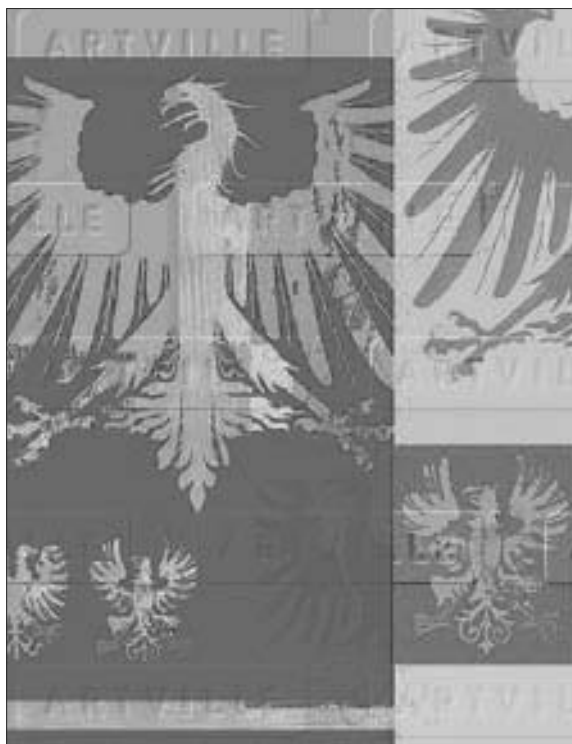


GERMANY ADrift

Germans went to the polls in September at a strange time in their nation's history. The sudden reunification that caused so much joy only a few years ago now seems a costly burden. The prosperity that once made Germany the envy of its neighbors has given way to talk that the country is "the sick man of Europe." Our authors reflect on Germany's prospects, and on the past it seems unable to escape.



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The New Germany

by *Martin Walker*

On September 22, in Germany's closest election in more than 50 years, a divided and uncertain electorate gave a narrow victory to the governing coalition of Chancellor Gerhard Schröder's Social Democrats and their Green Party allies. But the voters declined to give the new government a clear mandate, and the prospect of four years of weak government and political deadlock now looms. Schröder's coalition held just enough seats in parliament to avoid dismissal and must now try to govern with a majority of only nine seats in the Bundestag. The conservatives won a three percent greater share of the national vote than they did in the previous election four years ago, but they and the Free Democrats, their likely partners in a coalition, fell short of a governing majority. The ex-Communists of the former East Germany, running as the Party of Democratic Socialism, won only four percent of the vote and two seats. Various extreme right-wing parties fared even worse, winning barely three percent of the vote in all—and no seats.

It's some consolation that Germany chose between moderates of the center-Left and center-Right, and that extremist parties of the Right and Left did poorly. But the closeness of the election result has left the new German government looking fragile. The conservative leader, Bavarian premier Edmund Stoiber, has predicted that the majority is too small to work and too unstable to last: "Should the result not allow us to form a government, I predict that this Schröder government will rule for only a very short time." And he returned to a campaign theme: "This coalition will not heal our country's economy, and there will be no release from the isolation from Europe and the United States."

The new government faces two immediate challenges: a damaging rift with its American allies over Iraq, and an economic and political crisis with its European partners. Despite the efforts of the conservatives to focus on the stagnant economy and Germany's four million unemployed, the main drama of the election campaign stemmed from foreign policy. Schröder's blunt refusal to support an American-led assault on Iraq, even if it were to have a United Nations mandate, helped him claw back from an eight-point deficit in the opinion polls. The task of repairing relations with Washington has been made no easier by the heatedly anti-American campaign rhetoric, including an episode that outraged the White House: a bizarre comparison of George W. Bush to Adolf Hitler by Schröder's justice minister, Herta Däubler-Gmelin.

The international focus of the campaign was all the more surprising in view of the grave domestic conditions in Germany. For the past seven years, German has recorded the worst economic performance in Europe. Further, the main political parties all agree that the constitution needs amending: The powers of the second chamber in parliament, the Bundesrat, must be weak-



AP Photo/Christof Stache

In the recent election campaign, Chancellor Gerhard Schröder played the anti-American card and used opposition to U.S. plans for a war against Saddam Hussein to appeal for votes.

ened so that the elected government can govern without being blocked. But that change requires the agreement of the Bundesrat, and of a majority of the powerful *Länder*, the 16 individual states that make up the Federal Republic of Germany. No wonder Josef Joffe, editor of *Die Zeit*, calls Germany “a blocked society, incapable of reform.” And yet the election hinged on foreign policy. Germans found to their surprise that the celebrated mantra of Bill Clinton’s 1992 campaign — “It’s the economy, stupid!” — did not work. The headlines and the public imagination were caught by the country’s aversion to war with Iraq, by its suspicion of the United States, and by controversy over Germany’s attitudes toward Israel, still strongly colored by guilt and bitter memories of World War II and the Holocaust.

The composition of the new German government was decided not by the two main political parties, which finished almost neck and neck, but by the smaller parties, which were able to furnish the votes needed for a majority coalition. The Greens, scoring their best-ever result, campaigned as pacifists, deeply opposed to war and wary of military operations, even peacekeeping missions with a UN mandate. The Free Democrats, liberal centrists who now advocate far-reaching economic reform, have traditionally held the balance of power. But this time they faltered and, after highly critical remarks about Israel by their deputy leader, Jürgen Möllemann, won only 7.4 percent of the vote. The prominent coverage given Möllemann’s outbursts and Däubler-Gmelin’s clumsy references to Bush and Hitler was a reflection of how the campaign skirted the serious issues of economic and social stagnation. Neither the voters nor the politicians seemed to know what to do about those issues, so they chose to talk about other things, and held an election that decided little — except that Germany is a country in denial.

In what she described as the one “unambiguous failure” of her foreign policy, British prime minister Margaret Thatcher tried without success to block the unification of Germany after the fall of the Berlin Wall. “A reunited Germany is simply too big and too powerful to be just another player within Europe,” she concluded in her memoirs. Germany, she said, is “by its very nature a destabilizing rather than a stabilizing force in Europe.” The perception that a united Germany would be uncomfortably powerful for its European neighbors was widespread at the time. Lady Thatcher even claimed subsequently that French president François Mitterrand and Dutch premier Ruud Lubbers agreed with her in private but believed that German unification could not be stopped and should there-

fore be tamed within an ever closer European Union (EU), with the mighty deutsche mark absorbed into a single European currency.

The defining fact about post-Cold War Germany is that successive governments, political parties, and the broad public were all happy to make the accommodation to Europe.

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Indeed, since the 1950s a national consensus had developed behind a phrase coined by the novelist Thomas Mann: “a Europeanized Germany, rather than a Germanized Europe.” One of the central issues now, for Germany and Europe both, is how far the process of accommodation will go. And like so much else that will affect Germany’s future, from the global economy to prospects for the Atlantic Alliance, the matter is not entirely in German hands. The British and French—and other partners in the European Union—stand firmly against German proposals for a federal Europe, in part because they still fear that Germany could dominate it.

Before unification, West Germany had the strongest economy in Europe. Its population of just over 60 million was roughly equal to that of France, Britain, or Italy, but its gross domestic product (GDP) was half again as large as Britain’s. Unification brought an additional 18 million new citizens from the former East Germany, which was perceived to be the most advanced and efficient of the Warsaw Pact economies. With both the largest population in Europe (and thus the largest voting block in the European Parliament) and the largest economy, Germany in the 1990s seemed destined to achieve by peaceful means what two world wars had failed to secure for it by force of arms.

It is one of the major surprises of the post-Cold War era that the united Germany has lived up neither to its own hopes nor to the fears and expectations of its neighbors. In 1999, Otmär Issing, chief economist of the European Central Bank, warned that Germany could become “the sick man of Europe unless it drastically reformed its costly welfare state.” In July 2002, the research group of

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Deutsche Bank issued a thoughtful report, “Is Germany Heading the Same Way as Japan?” that was intended to set the tone for the German general election in September. The report stressed that Germany’s growth had lagged behind that of its EU partners for almost a decade: “Gloomy prospects and chronically weak growth in the 1990s . . . have raised the question, now being asked publicly, whether Germany is following Japan to become a second potential trouble spot among the large industrial nations—an area with weak economic momentum, reliant on other countries for most of its growth impetus.”

The nation’s plight is worrying its partners in the EU, who are accustomed to Germany’s paying \$10-12 billion more annually into the EU budget (which falls just short of \$100 billion) than it receives. An EU without this German contribution would be a far more cantankerous body. Daniel Gros, director of the Center for European Policy Studies in Brussels, calls the situation “the new German problem.” “Until recently,” he has said, “the ‘German problem’ in European affairs was how to deal with a country that was stronger than its neighbors and thus a menace to equilibrium on the continent. It now seems that the problem is the opposite—how to deal with a country that constantly underperforms.”

In addition to economic disappointments, other factors have contributed to the German mood of malaise. The German education system, once a source of pride, is faltering badly. The media sounded a note of panic this spring when German high school students performed poorly in an international comparative test of 15-year-olds. Of the 32 participating countries, Germany ranked 25th in overall reading, mathematics, and science literacy. The outcome compounded an already present concern about recurrent spasms of skinhead violence and isolated neo-Nazism among the young, particularly in the former East Germany, where youth unemployment in some regions is as high as 30 percent. The sense of crisis in Germany’s crowded and underfunded universities is best caught by the titles of two recent best-selling books, *Im Kern verrottet?* (Rotten to the core?) and *Ist die Uni noch zu retten?* (Can the university still be saved?).

So Germans are feeling a deep concern about the future. Sobering demographic trends suggest that a low birth rate and ever-longer life expectancy are making the current German social system unsustainable; there are too few Germans of working age to finance the pensions of the increasing numbers of old people. In 1990 German women had an average of 1.45 children each, a figure already well below the replacement rate of 2.1. (American women in 2001 had, on average, 2.1 children.) By 2000, according to Eurostat, the European Union’s official statistics body, the average number of children had dropped to 1.34 for each woman.

But there’s a paradox here. Despite the economic statistics, modern Germany is not just a rich and prosperous democracy but one of the most agreeable societies on earth, with a high quality of life. It has less crime than France, Britain, or the United States, recycles more of its waste, and enjoys cleaner and safer streets. There are salmon again in the cleansed Rhone and Elbe rivers, once two of the most polluted waterways in Europe. The cities of Berlin and Hamburg alone spend more on culture than the whole of Britain does. Germans spend more on books than the British, French, and Dutch combined, and more on tourism than the

British, French, and Swedish combined. Wages are high. It takes a German autoworker 35 hours to earn enough to buy a color TV, as against 51 hours for a French autoworker and 78 hours for a Belgian.

There's a further paradox. Germany has become, as Chancellor Gerhard Schröder promised in the 1998 election campaign, "a normal nation." By this he meant a country that could, at last, play a full role on the world stage. The traditional self-constraints on German foreign policy have almost disappeared. German warplanes took part in the 1999 Kosovo campaign, which also saw German troops sent to combat outside their own borders for the first time since 1945. Since Kosovo, German special forces have fought alongside their British and American counterparts in the Afghanistan campaigns against Al Qaeda. And yet there is not the slightest sign of militarism in the country. Indeed, Germany's allies in the North Atlantic Treaty Organization, in particular the United States, complain that the country spends only 1.5 percent of its GDP on defense, roughly half the proportion of America, Britain, or France. But veteran officials such as Horst Teltschik, national security adviser to former chancellor Helmut Kohl, warn that Germany's small defense budget, along with Chancellor Schröder's outspoken attacks on the Bush administration's pledge of "regime change" in Iraq, "seriously undermine our alliance with America, the bedrock of our foreign policy for 50 years."

Which leads to the cruelest paradox of all. So long as it was divided, and in a fundamental way subordinate to the grand strategies of the Cold War, Germany boomed. As noted above, West Germany became the most powerful economy in Europe, and East Germany was, by a considerable margin, the most prosperous of the Warsaw Pact states. Once the division ended, Germany languished under high unemployment, economic sluggishness, and social unease. Having lost the excuse of the Cold War to explain its problems, it appeared to lose its way and to become less than the sum of its reunited parts.

Any analysis of modern Germany must begin with the unfinished business of unification. Thirteen years after the fall of the Berlin Wall, the absorption of the former East Germany has been immensely expensive and far from successful. With 20 percent of the country's population, the former German Democratic Republic produces just 10 percent of the new Germany's GDP. Unemployment is twice as high as in the West, and productivity barely 70 percent of Western levels, despite almost a trillion dollars in state subsidies since 1990. (That's 10 times more money, allowing for inflation, than the Marshall Plan pumped into West Germany after 1949.) The government has resignedly announced that federal aid to the East will have to be extended for another 20 years, along with the income tax surcharges to pay for it.

The problem, it seems widely accepted, stems from the decision of then-chancellor Kohl to speed up unification by exchanging West German and East German marks at near parity. In real purchasing power, a more appropriate exchange rate would have been three or four East marks to one West mark. This strain on the federal budget forced up interest rates in Germany and across Europe. Though the measure brought most East Germans appreciably closer to West German living standards, it also left East German

industry massively overpriced and unable to use its one structural asset, cheap skilled labor, at the very time the East Germans were losing their traditional markets in Eastern Europe and the Soviet Union. Thus, the East Germans had the worst of both worlds: Their goods were too crude and ill packaged for Western markets and too costly for Eastern ones.

There are, of course, a few bright spots. Volkswagen built a \$187 million plant in Dresden to assemble its new Phaeton car, creating more than 500 new jobs earlier this year. BMW announced this year that it would build a new plant in Leipzig instead of shifting production abroad; it was persuaded to remain in Germany by tax breaks and subsidies that will pay more than a third of the plant's construction costs. There have even been some local successes—erstwhile East German industrial concerns that have restructured and prospered. The most commonly

cited example is Jena-Optik, an optical engineering group that employed more than 20,000 people when it made the cameras, binoculars, and gun sights for many of the Warsaw Pact armies. It was turned into a thriving company by Lothar Späth, a popular, hard-driving former chief minister of his native Baden-Württemberg state. As a result, Späth is something of a hero in the East and was recruited for this year's election campaign to be the economics czar of a future conservative government. But Späth's success at JenaOptik came at high cost: \$2 billion in state subsidies and the elimination of some 16,000 jobs. The firm, which suffered a small loss this year after a period of impressive growth, now employs some 7,000 people worldwide, but only 1,100 of them are in the former East Germany.

Politicians, desperate to proclaim light at the end of the unification tunnel, hail these occasional successes. The Social Democratic Party's position paper insists that the overall picture is "not as dire as is portrayed in public." Actually, it may be even worse. The tax base of the old East is declining, as young people continue to leave. Between the fall of the Berlin Wall in 1989 and the formal declaration of unification the following year, some 800,000 East Germans—mainly the young—moved to the West. Since then, more than a million others have followed,



In Alas (1999), Neo Rauch's 1950s-style image of a man futilely beckoning a woman toward an ultramodern future offers a dispiriting comment on the fate of East Germany.

while fewer than 100,000 Westerners have made the journey the other way. The region has lost a quarter-million jobs in the past four years, mainly because the construction industry has shrunk now that the state's main infrastructure investments in roads, rail, and telecommunications have been completed. And the \$2.6 billion a year that the East receives from EU Structural Funds, which are meant to help lower-income regions, is about to be shifted to the even more deserving cases of Poland, Hungary, the Baltic states, and other new EU members. (Some EU aid to the East will continue because its more rural regions are so poor.) To the anger of Germans living in the East, German corporations have beaten the EU to investment in those other countries. Volkswagen, for example, has pumped more money into the old Czech Skoda car works than it has put into East

Germany. Indeed, Germans are by far the leading foreign investors in Eastern Europe.

Eastern Germans also complain of being patronized by their compatriots in the West, and they've indulged in a nostalgia boom for the old communist-era brands of East German beer, biscuits, confectionery, and washing powder. A similar kind of nostalgia helps explain the

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importance in the East of the Party of Democratic Socialism, the reformed Communists of the past, who have shared power in Berlin with the Social Democrats. But the success of the reformed Communists undermines the power of the Eastern bloc voting to help the main political parties win or lose national elections. In 1990, in response to Chancellor Kohl's unification drive, Easterners gave most of their votes to the Christian Democrats, securing Kohl's landslide. In 1998, feeling disillusioned with Kohl, they switched to give the bulk of their votes to the Social Democrats, and thereby delivered the chancellorship to Gerhard Schröder. Their recent disappointment with Schröder, because of his unfulfilled promise to cut unemployment, and their enthusiasm for Lothar Späth as the Christian Democrats' new economics chief, were a real concern for the Social Democrats during the 2002 campaign.

The difficulties of absorbing the East would have been less worrisome had the traditional vigor of German industry been maintained, but the German economic miracle of the 1950s and 1960s has faltered. In the seven years since 1995, Germany has shared with Italy the bottom rung on the European growth ladder. To an American observer, the wonder is that the German economy works as well as it does, given the extraordinary constraints upon it. First, labor costs are high, and labor unions are so strong that it's difficult to fire workers. Second, the generous welfare system imposes a huge cost on employer and employee alike. Norbert Walter, chief economist of Deutsche Bank, argues that the focus of Germany's leaders on unification derailed prospects of social reform: "I thought unification would have provided a turning point. For those who had looked into the German welfare system and its instability before the Wall came

down, it was obvious it could no longer be sustained. The need for a complete overhaul of the German socioeconomic system is even more urgent now.”

The German skilled worker is the third highest paid in the world, after the Swiss and the Danish. But of a gross income of \$34,400 a year, the average German takes home just \$20,100. Moreover, that worker costs an employer almost exactly \$50,000, when social security and insurance provisions are factored in. It's cheaper, complain officials from the state of Hesse, for a German bank to post executives to London and fly them back twice a week for meetings than to keep them in their native Frankfurt. “We are risk-averse as a society. Germans do not want to give up the social safety nets,” says Walter. “The problem is not the politicians, but the electorate itself, which fears change. And there's another problem, the dominant mindset of the generation of 1968, who are just not gifted with the entrepreneurial and fighting spirit.”

The software giant SAP remains a relatively rare “new economy” success. Germany's best-known companies are still rooted in the traditional technologies of engineering, automobiles, and chemicals, industries where labor unions are particularly strong. The three sectors account for two-thirds of German exports. A breakthrough seemed to have occurred in 1996, when the massive Deutsche Telekom monopoly began selling its shares to the public as the first step in the country's most ambitious privatization drive. Although fewer than one German in 10 owned stocks at the time, millions flocked to buy the Deutsche Telekom shares at an initial-offer price of \$25. The price swiftly soared to \$100—and then fell to \$18. The hesitant German conversion to the Anglo-Saxon entrepreneurial model has been further battered by the collapse of the Neuer Markt, the German equivalent of the NASDAQ, which has lost 90 percent of its value in the past two years—a period in which the main Frankfurt stock exchange has lost 52 percent of its value.

The fall in stock prices undermined Schröder's attempt to tackle the looming demographic threat to pensions by putting a modest two percent of the work force's national insurance payments into individual savings accounts. The idea was attractive while stock prices were rising, but it became far more controversial when prices plunged. Schröder's promised tax cuts ran into two additional problems: the estimated \$20 billion cost of this year's catastrophic floods in central Europe, and what is known as the Stability Pact of the new euro currency. Inspired by a former German government that feared fiscal profligacy in Italy and other EU members, the Stability Pact requires EU states to keep their budget deficits below three percent of their GDP—and imposes fines of one-half percent of GDP if the target is breached. Because recession drove Germany dangerously close to the three percent limit, the pact threatened an annual fine of \$10 billion just as the country faced the flood emergency.

In 2002 the German commitment to Europe began to appear, for the first time, a problem rather than a solution. The fiscal straitjacket of the Stability Pact limited the government's options in dealing with the floods. At the same time, EU rules against state aid to industry, in the name of fair competition, constrained Germany's strategic determination to lift the East to the West's economic standards. The EU's competition watchdogs also challenged the privileges long granted to Germany's powerful regional banks, which have benefited from state-backed finan-

cial guarantees. The Stability Pact posed a subtle threat to Germany's admirably decentralized constitutional system, which grants unusually wide powers to the *Länder*, or state governments. The *Länder* account for roughly half of government spending, and they've helped swell the deficit.

These difficulties with the EU are throwing into sharper relief the costs, as well as the advantages, of the international structure into which Germany has chosen to fit. The issue first emerged publicly in the 1998 campaign, when candidate Schröder warned that the EU should “not rely forever on the German wallet.” They emerged again in the 2002 campaign, with Christian Democratic candidate Edmund Stoiber warning, in a blunt speech this past May, that EU enlargement must have its limits—and should not include Turkey. “I believe there must be geographical borders for the EU,” he said. “Europe cannot end on the Iraqi-Turkish border. Whoever wants that endangers the cohesion of Europe.”

Stoiber also raised the delicate issue of German nationalism during the 2002 campaign, in a way that jolted the EU enlargement process. He demanded that the Czech Republic retract the Benes Decrees of 1945, under which some three million Czechs of German descent were deported from their homes in the border region of the Sudetenland on the grounds that they were Hitler's fifth column in the 1930s. Stoiber, married to a former Sudeten German, outraged the Czech government and alarmed other Eastern Europeans, particularly the Poles, who wondered whether the issue would put at risk the whole 1945 settlement of Europe's borders.

Because of Germany's history, such issues are intensely sensitive. Margaret Thatcher is not the only European who continued to see modern Germany through the perspective of World War II and the Holocaust. Her prejudices were reinforced by an unusual seminar she conducted at her country residence, Chequers, in March 1990, when she was fighting her doomed delaying action against unification. Six academic experts on Germany and Europe were summoned to join her. A memorandum on the session, subsequently leaked to the British press, listed what were seen as the negative aspects of the German character: “angst, aggressiveness, assertiveness, bullying, egotism, inferiority complex, and sentimentality.”

The list is a caricature. Nearly 60 years after the end of World War II, it should be possible to consider modern Germany apart from Hitler's shadow. But Germans themselves make it difficult to do so, because an official anti-Nazism practically defines the identity of modern Germany. In this election year, which saw the banning of a small but unpleasant neo-Nazi group, the issue of Germany's Nazi past arose repeatedly. The first such occasion was when Stoiber demanded the retraction of the Benes Decrees. The second was when outspoken criticism of Israel greeted its response to the Palestinian suicide bombings. The deputy leader of the Free Democratic Party was driven to stand down for suggesting that, in the Palestinians' place, he too would be provoked into fighting back. It was left to Foreign Minister Joschka Fischer, of the Green Party, to say in an op-ed piece that Germany would have to consider whether it would ever be legitimate to criticize Israeli policies without plunging into the troubled waters of anti-Semitism.



Skinhead political activists get media attention, but the popularity of skinhead attitudes among eastern Germany's young may be a greater concern.

And then there was the cultural drama over a novel that topped the German bestseller lists throughout the summer, *Death of a Critic*, by the acclaimed writer Martin Walser. The novel, which seems to blur the line between fictional and real characters, deals with the murder by an outraged writer of a well-known Jewish literary critic. The book was condemned by the country's leading newspaper—in whose pages Germany's leading critic, who is Jewish, had made his reputation—as a kind of intellectual Nazism. Walser is perhaps best known outside Germany for a forthright speech, in the context of Schröder's ambition that Germany become “a normal nation,” in which he said that it was time to stop battering Germany with “the bludgeon of Auschwitz.”

And yet, the recurrent echoes of the past and the reminders of the old Germany no longer seem to fit. The face of modern Germany is to be found less in the dwindling numbers of its beer halls than in its stylish new restaurants, a thriving art scene, the splendid new modern art museum

in Munich, and events such as this July's 14th annual Love Parade in Berlin, which saw half a million young people dance to a deafening techno beat from monumental loudspeakers as 45 floats snaked toward the Tiergarten's Victory Column. The new Germany is a country of immigrants and refugees and not, as in the past, of nationality based purely on German blood. More than 480,000 immigrants have become naturalized citizens since the reform in 1999 of the law restricting citizenship to those of German blood.

The new Germany can be seen as well in a host of experiments that, like Schröder's economic reforms, may seem tentative to non-Germans but are actually changing the habits of the country. Private universities are springing up to cope with the overcrowded mess of the free public institutions. Rather than start early and close at lunchtime, some experimental schools are staying open all day (a change that might increase the relatively modest numbers of women in the work force). Shops are open a little longer, increasing numbers of Germans are working part-time, and the country is catching up with Scandinavia and America in Internet connections. Thanks to mortgages, a nation of apartment dwellers is becoming a nation of homeowners, and the traditionally thrifty Germans now have a higher level of debt than free-spending Americans. With political and media consultants serving all parties, and the novelty of TV debates between the candidates, this year's election felt less German (about sober party platforms) than British or American (about personalities).

In education, the media, and the service sector, and in Germany's image abroad, a cultural revolution is struggling to be born, even as the political system appears deeply resistant to change or reform. The leading contenders in this year's election made clear that neither of the main parties wanted drastic change. In a long interview, Stoiber stressed that "discontinuity is best avoided in a society that faces far-reaching changes like globalization, September 11, enlargement of the EU, and the population trend. If we fail to safeguard prosperity and the welfare network, there will be serious protests." His was a strikingly modest agenda for a candidate campaigning on the dire plight of the German economy and taking as his central issue "that Germany must move up from last place in Europe."

The aftermath of this year's devastating floods in the Eastern city of Dresden suggests that unification is indeed working. Rudi Völler, coach of Germany's national soccer team, was stunned when he asked the players for donations to flood relief and the World Cup finalists raised \$500,000 in three minutes. Public appeals have raised more than \$100 million. "The wave of donations has been overpowering—there's never been anything on this scale before," said Lübke Roewer of the Red Cross. Tens of thousands of volunteers trekked to Dresden. At the city's famed opera house, reported Volker Butzmann, the opera's technical director, "everyone from cloakroom ladies to singers came to help with the clean-up."

The heartwarming response to the floods of Dresden may say more about the new united Germany than do the giant building projects of Berlin, the presence of German troops on international missions, and complaints about the Benes Decrees. Germany may think it's the sick man of Europe, in dire need of reforms it shrinks from making. But Germany feels like one nation again. And that, friends and critics alike might agree, is a genuine transformation. □

The Puzzle of Leni Riefenstahl

by Steven Bach

Leni Riefenstahl — “Hitler’s filmmaker” — must have hoped that her 100th birthday this past August would bring that final rehabilitation of reputation for which she has worked with awe-inspiring tenacity since the Thousand-Year Reich collapsed and took her career with it. But the birthday changed nothing: Riefenstahl remains the most important female film director in history, and the most controversial. In Germany, she’s a reminder of the unrepentant bad old days — not those of the Reich, for which a simple mea culpa might earn her some measure of the rehabilitation she craves, but of the postwar period, in which confronting issues of guilt and complicity, however imperfectly or painfully, became for Germans a process that was genuinely searching rather than merely defensive.

Riefenstahl’s admirers and detractors alike offer as evidence for their views the two works on which her reputation largely rests: *Triumph of the Will* (1935), her film of the 1934 Nazi Party Congress, and *Olympia* (1938), her two-part film of the 1936 Berlin Olympic Games. Even American writer Susan Sontag, one of Riefenstahl’s harshest critics, allows that the films “may be the two greatest documentaries ever made.” But they are branded with the stigma of Riefenstahl’s sponsor, Adolf Hitler. To her admirers, *Olympia* and *Triumph of the Will* are works of auteurist power, innovation, and beauty; to her critics, they are propaganda for a murderous regime. That they might be both seems self-evident, but no such summary evaluation of them has ever taken hold because Riefenstahl has so successfully shifted the focus of the debate to herself — as a seeker of beauty and a political naïf.

Anxious that Riefenstahl might not make it alive to August, opinion makers in the German press began scorning or saluting her in January. They need not have worried. Her energy and lucidity remain phenomenal, and she has now added “oldest active film director ever” to her credits. A week before her birthday, the French-German television channel Arte broadcast the world premiere of her latest film, *Underwater Impressions*, a 45-minute documentary about deep-sea creatures. German critics dismissed it as “a home movie” or “an exquisite slide-show,” but at least it was apolitical.

Riefenstahl is frail but loquacious, and as ready as any starlet to pose for the local TV news team or German *Vogue*, which ran a 23-page spread on her in August. She changes focus as nimbly as any cameraman and defines herself as a woman with five lives. (*Five Lives* just happens to be the title of a recent (2000) coffee-table book in which Riefenstahl celebrates herself as dancer, film star, film director, photographer, and deep-sea diver.) The newsweekly *Die Zeit*

lamented the “broken record” of Riefenstahl’s claims to political naiveté and post-war victimization, even as it contributed to the inches of space her claims receive in print. Broken record it may be, but it helps her sell books, calendars, postcards, and videos, including *Triumph of the Will* (though not in Germany, where the film is legally forbidden). To celebrate her centennial, she’s selling deluxe editions of photographs from her work, personally autographed, for \$20,000 each. Some of the images are, in fact, not hers; the Olympic photographs, long available in book form and exhibited and sold in galleries under her name, are actually the work of her camera crew on *Olympia*. Some are stills from the film, and some are photos they took separately.

Riefenstahl vehemently maintains that *Triumph of the Will* and *Olympia* are not propaganda, as any good propagandist would. She assiduously cultivates her image as an artist on the high road to beauty, and she fields even hostile questions with ease, her manner ranging from faux-naïve to diva-imperious. On her side she has age — no one wants to be rude to an old lady — and the law. She has brought, and mostly won, some 50 libel suits since postwar courts officially labeled her a mere “*Mitläuferin*” (sympathizer). She was so labeled despite her Nazi films (*Triumph of the Will* is one of three she made for the party) and her proximity to the center of Third Reich power, most notably to the Führer himself.

Riefenstahl deals shrewdly with this aspect of her résumé. She denies that she was Hitler’s mistress or, as one old canard has it, that she ever danced nude for him at Berchtesgaden. In fact, no one but Riefenstahl raises those concerns anymore, as if she’s aware that, without her ties to the Führer, she might be just another forgotten filmmaker. To younger Germans, who have never seen the mostly silent films about mountain climbing in which she appeared as an actress, and for whom *Triumph of the Will* is still officially prohibited, she’s a relic from an era that still leaves them feeling bewildered or defensive. For them, her connection to Hitler is the only thing that gives her currency and — the young are not alone in this — a measure of glamour.

Die Welt, one of Germany’s soberest papers, initiated her centenary year in January by offering a sympathetic forum for the all-too-familiar claims and complaints that inspired *Die Zeit*’s “broken record” headline months later. As August approached, the tabloid press lured readers with racy headlines such as “In Love I Had Bad Luck” and “Her Time with Hitler,” while the militantly feminist magazine *Emma* renewed its charges that she was the victim of “a witch-hunt.” German-speaking television checked in almost nightly from mid-July on. The questions were soft, the challenges perfunctory. Riefenstahl predictably observed that her early enthusiasm for Hitler was shared by millions of her compatriots, and then dismissed the topic so as “not to spoil my birthday.”

The closest any television pundit got to a hard-hitting question was during an hour chat following the broadcast of the new underwater film. Sandra Maischberger, whose usual subjects are politicians and

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*Leni Riefenstahl, shown here on the set of *Triumph of the Will*, resists charges that she was “Hitler’s filmmaker.” She released a new film to mark her 100th birthday in August.*

policymakers, wondered aloud about the claims of political unawareness. If Riefenstahl were really that unaware, she asked, might it not be that she was so egocentric that she didn’t know or care about *anything* outside herself? Riefenstahl eagerly agreed: The trait validated her as the obsessed artist searching for beauty. She then announced her intention to make a film about Vincent van Gogh, whose self-mutilation, she suggested, was part of the same search.

Print journalists, safe from her alert and contentious presence, had an easier time focusing on the Third Reich and themes of ambition, opportunism, and narcissism. Berlin’s liberal *Tageszeitung* declared her “obsessed with herself.” The *Frankfurter Allgemeine Zeitung* referred to “the autism in which [she] lives.” *Die Zeit* suggested that questions about Hitler annoy her “not because they hint at associations with Nazi fanaticism, but because they interrupt the flow of her limitless narcissism.”

The most serious damper on the celebration came in mid-August, a week before Riefenstahl's birthday, when an organization representing European Gypsies charged at a press conference in Cologne that she was guilty of Holocaust denial. The charge is a grave one in Germany and mandates court proceedings. The suit accused Riefenstahl of having lied about the fate of Gypsies she had used as slave-labor extras on *Tiefland* (Lowlands), one of two features she made during the war. (She was writer, producer, and director of *Tiefland*, and she played a Spanish dancer in the film. Production was halted in 1944, and the film, completed in 1953, had its German premiere in 1954.) Riefenstahl had publicly claimed to have seen "all the Gypsies who worked on *Tiefland* after the war. Nothing happened to a single one of them." But the truth is that, of 48 Gypsies who can be documented, 20 died in Nazi extermination camps, most of them in Auschwitz—to which they were transported almost directly from the film set. A spokesman announced that Riefenstahl "regretted that Gypsies had to suffer under National Socialism."

It wasn't much of an apology, and it was accompanied by claims of faulty memory from a woman with seemingly total recall about every lens and film stock she used in every film she ever made. The tepid expression of regret, which distanced Riefenstahl from events, was no surprise, but it got attention and it raised the issue that most of the news media were skirting without ever confronting: Why do Germans still care about Riefenstahl? What is it about her that unsettles them at this late date and arouses such intense partisanship?

The newsweekly *Der Spiegel* sought an answer in art: "The German resistance and anger toward Riefenstahl are explicable, perhaps, in that she discovered and conquered a new and popular art form, perfecting and perverting it at the same time. . . . Through Riefenstahl we have seen how a monument can be made from a body . . . how from a madman with a moustache you can make a charismatic hero. . . . Thanks to her [work] we mistrust ourselves."

A simpler answer, I think, is that Riefenstahl disturbs because she remains the adamant, fierce, glib voice of the "how could we have known?" defense, an argument fewer and fewer Germans, and almost none of the current generation, still feel comfortable making. Perhaps the most intriguing, if bitter, note in the centenary press was *Die Zeit*'s suggestion that Riefenstahl might be, in and of herself, the "best conceivable Holocaust memorial. Not some smooth stone you turn to when you feel like it, but this decaying, ungainly monument, forever spewing out the same old reminiscences in unending variations—the monument we really deserve."

At 100, Riefenstahl is indeed her own monument, the diva who won't go away, eternally ready for her close-up. She preceded her underwater film with a "dear viewer" speech on camera, in which she announced that she was a member of Greenpeace and made a plea in behalf of all those fish that, as captives for distant aquariums, die in transport. Her eyes were moist with sincerity, and it was impossible not to wonder, the Gypsies' lawsuit having been announced the same day, whether she ever thought about other transports and other captives.

She didn't say. The most serious damper on the celebration came in mid-August,



The German Reichstag and other glamorous buildings reflect only one side of the new Berlin.

Still Divided

by John Hooper

This past summer, a gallery around the corner from my office in Berlin held an exhibition organized on an unusual theme: how to shrink the city to match the size of its diminished population. One scheme proposed the demolition of all the interior buildings in Berlin's unique wafflelike city blocks, composed of buildings and inter-communicating courtyards, or *Höfe*. Each block would literally be hollowed out, the interior planted with huge gardens. Tongue-in-cheek though it was, the exhibition marked the first time I'd seen a response from Berliners to a question that almost every visitor to the city sooner or later asks: "Where are the people?"

Ever since the Germans made Berlin their capital again, and particularly since the parliament and much of the government moved here three years ago, there has been talk of its being the new "capital of Europe." But Berlin lacks something we Europeans regard as essential to our great capitals: bustle. London and Paris have it. Rome can have too much of it. But Berlin? There is an area of boutiques, cafés, and restaurants round the Hackescher Markt where the sidewalks can get a little congested. And, at night, there is some movement on nearby Oranienburgerstrasse. But on many a weekday you can walk down the famed Unter den Linden, which has the Brandenburg Gate and the Reichstag at one end and Humboldt

University and the Staatsoper at the other, without once having to step out of anyone's way.

Since the Berlin Wall tumbled in 1989, resurgent Berlin has equipped itself with some wonderful new buildings that express its grand aspirations. Sir Norman Foster put a cap on its somber martial history with the transparent dome he placed over the Reichstag. Daniel Liebeskind's lightning bolt of a Jewish Museum is there to remind everyone where that martial tradition eventually led. In what is intended as the new center of Berlin, the Cold War wasteland of Potsdamer Platz, the Chicago architect Helmut Jahn has created the Mount Fuji-like Sony Center, which rears up as a symbol of emergence and a promise of exciting—maybe explosive—things to come.

What Berlin lacks is not buildings, but people. The population is smaller now than it was in 1920. The city's division during the Cold War stripped it of its industries. Siemens, its biggest employer, fled south to Bavaria after World War II. West Berlin in particular was kept going largely on subsidies, and those dwindled after the collapse of communism. A half-million jobs that depended in one way or another on government handouts have since been lost. At the same time, tens of thousands of West Berliners, deprived of access to the countryside when their part of the city was encircled by a hostile East Germany, moved out to the surrounding region of Brandenburg. Every time my wife and I go away, we leave our dog with a couple who were part of that exodus. For the price of their apartment in the city, they bought a house with some land on the outskirts of a village with a medieval church, cobbled streets, and half-timbered houses.

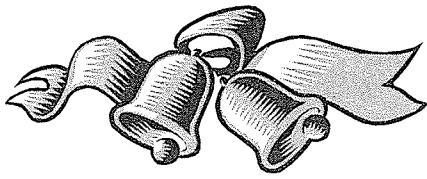
Looked at through a cultural prism, Berlin is the coolest venue in Europe. Looked at another way, it's a depressed postindustrial town. That's why it has racked up an enormous public debt that would shame a Third World dictatorship—some \$40 billion at last count. Its municipal tax revenues have not been sufficient to pay for the cost of building new infrastructure.

It's tempting to see in Berlin's post-reunification predicament a paradigm for the country as a whole. In both cases, the ambition is out of balance with the available resources. Germany, too, aspires to a more prominent role on the international stage, but its economic growth rate since the mid-1990s has been dismal.

Despite—or maybe because of—its warped recent history, Berlin is an unusual and stimulating place to live. One way in which the old West German government tried to keep the city populated was by granting its residents exemption from military service. The result was to make the place catnip for counterculturalists. Left to itself, alternative Berlin might well have dissolved into irrelevance, but then down came the Wall, creating a wholly extraordinary situation, a unique chapter in the history of real estate whose effects can still be read on the face of the city today.

To stop its citizens from fleeing to the West, the communist German Democratic Republic had emptied buildings and cleared land in a vast

>JOHN HOOPER is the Berlin bureau chief of Britain's *Guardian* and *Observer* newspapers. Copyright © 2002 by John Hooper.



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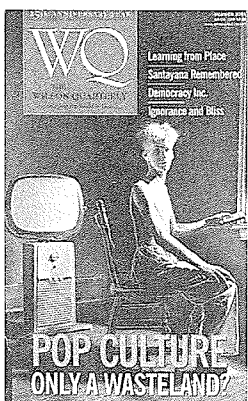
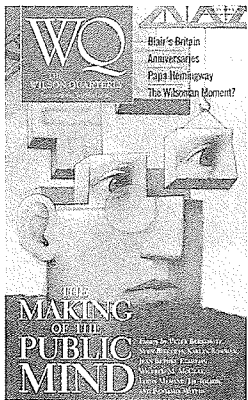
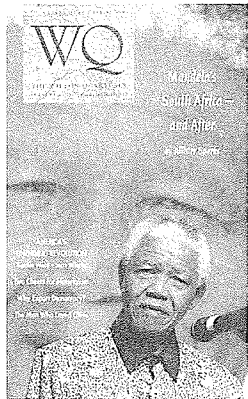
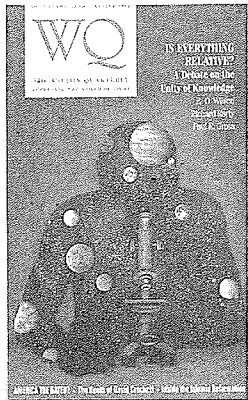
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swath on the eastern side of the Wall. Suddenly, the regime imploded, and while the planners were still busy working out their vision of Berlin as the new capital of Europe, a lot of inventive and enterprising, if unconventional, people occupied the buildings and land the planners were earmarking for more orthodox purposes.

Probably the best-known venture by these latter-day counterculturalists is the Tacheles arts cooperative, which was set up in a huge building on Oranienburgerstrasse that was once a department store. One of the artists told me how for months—if not years—after they occupied the building they were getting free electricity. Such was the chaos that followed the fall of communism that no one could work out where the electricity was coming from or who should be paid.

Access to so much space allowed people to experiment in ways that would never otherwise have been possible. At Tacheles, the basement was used for rehearsals by a performer who works with military flamethrowers. The yard at the back once held a “liberated” MiG jet.

It has taken more than a decade for a measure of normality to return to Berlin. Increasingly, unlicensed clubs, galleries, and arts centers are being asked to come up with health certificates and put in fire doors. Warehouse by disused warehouse, courtyard by derelict courtyard, the alternative community is being driven out of the city center. Even the spectacularly trashed Tacheles has been given some much-needed supporting beams, and the ground floor is now home to a bar that verges on being chic.

Yet Berlin is still a very long way from being a typical, staid, prosperous German city. As long as more people leave than move into the city, rents will remain low and young people in particular will be able to launch experiments that would be impossible in London or Paris. Just one example: Berlin, alone in Germany and, so far as I am aware, alone in Europe, has a thriving subculture of unlicensed restaurants. They operate from crumbling premises with short—sometimes, one suspects, nonexistent—leases, and every few months the proprietors have to pack up their pots and pans and move on. There is—or was—one such eatery in Kreuzberg that kept itself so secret you could only get in by climbing through a window. Payment is usually voluntary and discretionary, probably so that the management can claim they were just entertaining friends if the cops ever drop in.

There's a battle going on for the soul of the city—between shiny new “official” Berlin and shabby old “alternative” Berlin. A lot of people in high places would prefer to wish away the conflict. An informal capital with a cutting-edge feel to it would do more than any number of statesmanlike speeches to allay the fears that inevitably surround reunified Germany. When Bill Clinton came to Berlin during his presidency, the chancellor, Gerhard Schröder, took him out to eat at a noisy restaurant in Prenzlauer Berg, which at that time was the center of countercultural Berlin. It was a remarkable event: the world's most powerful man dining in a building daubed with graffiti while Secret Service agents stood outside among the gleaming black limos watching kids with nose rings munch “space cake” at sidewalk cafes.

It may just be coincidence, but shortly after that singular meal, Prenzlauer Berg began rapidly to be displaced as the focus of alternative Berlin. As a friend once said, the counterculture is like a soap bubble: "Touch it and it's gone."

Nothing could illustrate that better than Berlin's annual Love Parade, the world's biggest celebration of dance culture and techno music. It began in 1989, the year the Wall fell. A Berlin DJ, Mathias Roingh, aka "Dr. Motte" (Dr. Moth), drove up the Kurfürstendamm with a couple of ill-synchronized cassette players blasting out house music. About 150 of his friends and fans followed, turning the event into an impromptu rave. Ten years later, the turnout for the Love Parade had risen to a million and a half. It had outgrown its original venue and was

THERE'S A BATTLE GOING ON
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being staged along the wide boulevard that slices through the Tiergarten park in the center of Berlin. The two cars in the original parade had been replaced by giant floats loaded with solid walls of sound equipment. And Dr. Motte had been joined by some of the world's best DJs. But the thrust of the original project had already been lost. Big corporations were starting to offer big money to get their names on the floats. Turnout for the parade peaked in 2000 and has declined steeply in the last two years. This summer, some of the dancers on the floats were wearing commercial logos.

In the long run, I suspect, something similar will happen to Berlin: The official city will gradually submerge the alternative one. People did not start talking about Berlin as a future capital of Europe because it had become the capital of Europe's biggest state, or because it was particularly big or busy or beautiful, but because the continent's center of gravity was expected to shift eastward. This, it was argued, would have two effects: It would give Germany even greater clout by providing it with a huge new sphere of influence in the formerly communist East and it would mean Berlin was the biggest city in the new geographical middle of Europe. Those processes have not even begun. But they will soon, when the first batch of ex-communist states joins the European Union. And already you can begin to glimpse what that could mean for Berlin.

In the new Kanzleramt (Chancellor's Office), a startlingly grandiose building shaped rather like a gigantic washing machine, the air still carries a whiff of newly laid carpet. Among the first people to tread upon the carpet this summer were the leaders of Austria, Slovakia, Hungary, and the Czech Republic. There had been appalling floods in central Europe, and Chancellor Schröder called an emergency "summit" to which he also summoned the president of the European Union, Romano Prodi. Nobody questioned Schröder's right to call the meeting, let alone his right to chair it—and nobody stayed away. □