

who is now an adviser to the CPRF. Why, then, the vicious campaign against Primakov in particular? In reality, nothing Putin has said or done so far, threatens in the least the interests of the Kremlin/oligarch groupings. Not mentioning with a single word the massive looting of Russia's economy, organized by Chubais et al. on behalf of the London-centered financial oligarchy and its Russian partners in crime, Putin blames the 1990s collapse of the Russian economy entirely on the "errors of the Soviet system." In another revealing position, he rejects out of hand the idea of a change in the Constitution, as has been called for by Primakov and others with the aim of establishing a true division of executive, legislative, and judiciary branches of government and limiting the (at present virtually dictatorial) powers of the Presidency, which have allowed the continuing, disastrous usurpation of state power by the "Family" and allied Russian oligarchs.

The Chechnya military campaign itself expresses the irony of the Putin government's "nationalistic turn." Does the offensive against Grozny make military sense, as an anti-terrorist measure, or is it a gruesome vehicle of Presidential ambitions? Is this really an effective way to counteract NATO's eastward expansion, or might it not have the opposite effect—namely, to push Georgia and other nations of the region into the arms of NATO? Is this campaign really in the national interest, or is Russia instead playing its assigned, profiled role in a typical British-authored geopolitical game?

Ominous tones

Signs of a dictatorial turn in Russia are becoming more evident by the day. Quite revealing is a Dec. 22 article by Vitali Tretyakov, founding editor of *Nezavisimaya Gazeta*, which is now owned by the oligarch Boris Berezovsky. The article, entitled "Russian Reform as Dictatorship," begins: "Yesterday, Dec. 21, was an important day . . . for the country, the whole world, the 20th century and perhaps the whole second millennium—that day was the 120th anniversary of the day when, according to official historiography . . . the man named Stalin was born." Tretyakov claims that practically everything in Russia, even today, from the architecture of Moscow to the mentality of politicians, embodies the personal influence of Josef Stalin, whom he describes as a great "reformer" in the tradition of Peter the Great. "The enlightened Chekist [secret police operative] Putin, the enlightened hard-line reformer Chubais, the enlightened oligarch Boris Berezovsky—these are the three faces of Stalin today—Stalin as the quintessence of Russian pragmatism and the quintessence of Russian reformism: *cruel, inhuman, violent.*"

Tretyakov's words exude pessimism, born of the brutalization of Russia under the banner of "liberal reforms" during the past decade. Isn't it time for the West finally to face the dangerous consequences of the looting and political chaos, fostered in Russia by policies promoted so insistently from the West as the road to "free trade and democracy"?

German corruption Put the whole truth

by Rainer Apel

Germany's political life is heading for a process of decomposition, which resembles the beginning phase of the scandals that destroyed the entire postwar political system of Italy, during the early and mid-1990s. As in the case of Italy, the stream of new scandals that make news headlines daily, has taken the direction of predominantly hitting the Christian Democracy (CDU). Longtime party chairman and former Chancellor Helmut Kohl has been made the focus of the scandal campaign, which is also increasing the pressure on the party to rid itself of the "Kohl System" and of a good part of the party's political program.

The scandals launched against Kohl have been proceeding along three main routes: 1) suspected irregularities in the sale of light tanks to Saudi Arabia in 1991; 2) suspected irregularities and fraud in the 1992 takeover of the eastern German petrochemical complex of Leuna by the French oil giant ELF-Aquitaine; and 3) suspected violation of party funding laws, in which "gray zone" funds were allegedly used to channel anonymous donations into the CDU party organization, during the early and mid-1990s.

An important aspect of the media campaign to portray Kohl as a corrupt politician, is aimed at undermining his reputation as the leader who unified the two separated German states after the fall of the Berlin Wall in November 1989. Because there was a lot of resistance to the October 1990 reunification, both inside and outside of Germany, Kohl's name and political career is identified with the fact that he managed to achieve German unity in spite of that. The "Kohl era," which spanned his 25 years as chairman of the CDU party (1973-98) and 16 years as Chancellor (1982-98), and which some people want to bring to an abrupt end now, certainly has not been an uncontested success story. The failure to get the German economy out of the depression and to contribute to a policy alternative to the International Monetary Fund on a global scale, worsened the economic and social situation in Germany to such an extent that Kohl lost the confidence of the electorate and was voted out of office in September 1998. But even most of those who can claim good and justified reasons for voting him out on

scandals: on the table

economic issues, still consider Kohl as the one established politician without whom Germany would not have been reunited, nine years ago.

Kohl: not retired, yet

Kohl has made use of his political networks inside and outside of Germany, even since his fall as Chancellor, to create conditions in which German politics and the new government of Chancellor Gerhard Schröder (Social Democrat) can defend aspects of national sovereignty against the confrontation scenarios built up by the Blair-Albright group in Western policies. Kohl and his network have not been able to stop the British-American-Commonwealth confrontationist cabal efficiently, but they did succeed in neutralizing essential aspects of the BAC plot against the nation-state.

In the case of NATO's Kosovo air war, Germany was able to reduce its military involvement to a very low level during the bombing campaign, but has taken over a leading role in the postwar peacekeeping operation; the strategic mistake of Chancellor Schröder, not to accept Russian Prime Minister Yevgeni Primakov's cease-fire proposal last April, was partially corrected, through intense work by professional German diplomats who had previously worked under Chancellor Kohl, so that the BAC group inside NATO was forced to accept Russia and China as partners for serious Balkans cease-fire consultations; the formula found for that in Bonn on May 6, 1999, was in acute danger of being ripped apart by the BAC plot to have the U.S. Air Force bomb the Chinese Embassy in Belgrade, on May 7, but Chancellor Schröder's emergency visit to Beijing on May 12 repaired the pro-cess-fire impulse of May 6, so that the formula was reinstated on June 10, and the Kosovo air war could be brought to an end. Kohl also played a personal role in restoring the original plan of Chancellor Schröder to visit China for three days in mid-May, which was ruined by the U.S. bombing of the Chinese Embassy in Belgrade. In a "private" visit to Beijing in early October, Kohl met all the Chinese leaders who would then receive Schröder in early November, for very constructive and economically beneficial talks.



Former German Chancellor Helmut Kohl. While Kohl's leadership of Germany was not exactly a brilliant success, he nevertheless earned a place in history by securing the reunification of his nation, in opposition to the British and the French. For this, and because he is a representative of the "old guard" of national politicians, he is now under ferocious assault.

For the China-bashers in the BAC, this high-profile China diplomacy by the Germans was a serious setback, and, although Germany did not prove powerful enough to neutralize the Blair-Albright combination, German policy toward Asia is nevertheless seen as distinct from the present British or American policy. This distinction is also seen among Russian politicians.

Anglo-Saxon string-pullers

From the viewpoint of the BAC oligarchs, it makes sense to think of ways to remove the German policy "obstacle," and to begin by neutralizing Kohl and his network, which has managed to prop up the Schröder government's resistance against Blair's designs, over the recent months. And, if one looks more closely at the recent "German scandals," one finds the Anglo-Saxon string-pullers behind some of the protagonists.

There is, first of all, the fact that some of the German politicians who want to deconstruct Kohl's reputation by a parliamentary investigation, are part of the same British-steered Transparency International (TI) network that has already been active in the case of Italy: For example, the name of **Volker Neumann** (Social Democrat), who chairs the parliamentary investigation committee which will begin its work in January, came up in connection with the black propaganda activities of TI against China and other countries, several years ago.

There is also German arms dealer **Karlheinz Schreiber**, who was freed on \$1.6 million bail and now lives as a fugitive in the British Commonwealth country of Canada, which has so far refused to extradite him to the German authorities. Schreiber, who is wanted for tax evasion in Germany, has

been associated with Anglo-Saxon arms-dealing networks for about 20 years, notably in the Mideast. He played a role in the non-public side of negotiations in 1990 that led to the 1991 sale of German light tanks to Saudi Arabia, and he paid bribes to at least one leading German government official, **Holger Pfahls**, who at that time was assistant defense minister, and received 3.8 million deutschemarks (\$2 million) from Schreiber. Pfahls is also a fugitive from German law, and is believed to be hiding somewhere in Asia, or, as some say, in the Americas—maybe in Canada. Unlike Pfahls, who has vanished, Schreiber has gone public, from his Canadian exile, with interviews containing hints about “numerous” politicians in Germany whom he claims to have bribed.

The net result of these allegations in the German media has been that Kohl, who was then Chancellor, has been blamed for the corruption that Schreiber has tried to depict. Blame, not in terms of hard evidence, but in terms of psychological warfare, whose purpose is to force Kohl into making remarks which the scandal-mongers could then interpret for their own purposes.

This scandal has not really worked, however, because Kohl decided to reveal something that can cause more damage to the string-pullers behind the scandals, than the damage they could cause to Kohl. In an interview published on Dec. 19 with *Welt am Sonntag*, Germany’s second-largest Sunday newspaper, Kohl said the following about the Saudi tank deal: “I also want to remind you that at that time, the 2-plus-4 talks, which were the precondition toward German unity, had just been concluded. And we were bound by special obligation toward our American friends. Our American friends even hoped that our country would take part in the [Persian] Gulf alliance, with German soldiers. This I did not want at all, and I rejected that. In order to show our loyalty in a different way, I was willing to grant every kind of material and financial support that one could think of. This is also what I told U.S. Secretary of State [James] Baker, when he visited me at my private home in Ludwigshafen, in mid-September 1990. For me it was clear and decided at this meeting that we would also send reconnaissance tanks to Saudi Arabia.”

Pressure on the CDU

Having revealed the blackmail that Germany was subjected to from Baker’s State Department, during the 1990 build-up for the January 1991 Gulf War against Iraq, Kohl saw to it that the “tank scandal” died down, all of a sudden, in the media. But a secondary scandal, triggered by Schreiber’s hints, gained prominence at the same time: Already two weeks before Kohl chose to give that interview, Walter Leisler Kiep, a former CDU treasurer, had come under very heavy pressure to tell more about the DM 1 million that he received from Schreiber, in August 1991, in a Hollywood-style secret transfer in a parking lot in Switzerland. Kiep

decided to relieve some of the pressure on himself, by revealing that in the early 1990s, “gray zone” funds had existed that then-CDU chairman Kohl could tell about, if he chose to do so. Kohl admitted that indeed, these funds, based on payments from donors whose names he would not reveal, had existed, and that he personally had used these funds, altogether DM 2.5 million, for special payments to subsections of the CDU organization for election campaigns and other purposes. Kohl conceded that this was against the party by-laws, but maintained that it was a political matter, rather than corruption, and that he would take personal responsibility for it. Kohl offered to testify before a parliamentary investigation committee, even before Christmas, in order to get the matter out of the headlines. But those around Volker Neumann and the investigation committee decided against such a rapid procedure, and determined not to have Kohl testify before January or even February.

This shows that the committee’s purpose is not to find the truth as soon as possible, but rather to go for protracted hearings, of the kind that proved so politically destructive and destabilizing in Italy’s “Clean Hands” operations. Accordingly, the psy-war has continued through daily news headlines, including threats that the CDU should be forced to compensate for Kohl’s “crimes”; this has already shown its first effects on the nerves of other CDU party leaders: for example, the spectacular open letter published on Dec. 22, by CDU Secretary General Angela Merkel. She cited Kohl’s role in the “illicit fund” affair, as a pretext to strip him of all political functions in the party. She paid lip-service to Kohl’s work for German unification, but she added that this was something that belonged to the past, while the CDU had to look forward, to a future without “its old war-horse,” Kohl. Merkel also wrote that Kohl had done “material damage” to the party. This phrase was immediately taken up in the media, which began to speculate about whether investigators would open a trial against Kohl on charges of having caused damage to the CDU party organization. But more important, is the fact that Merkel’s letter provided evidence of the ongoing attempt to eradicate everything from the CDU history that could be associated with the name of Kohl. This attempt to turn the party into a new one, or even to destroy it, under the pressure of mounting scandal, is exactly what happened with the Christian Democracy in Italy. The writing is on the wall for the CDU in Germany.

The Leuna-ELF deal

The third main track of scandals has not worked out well for its perpetrators, so far: the charges of corruption in the takeover of Leuna by ELF-Aquitaine. It has not worked out well, because Kohl chose to hint at the political blackmail that existed behind this affair. The context of the plan to sell the Leuna petrochemical complex—with several tens of thousands of workers, it was one of the largest companies in the

former East German state—was the interest of the German government in finding a prominent corporate investor in either Britain or France. Chancellor Kohl intended to find a pragmatic solution to the heavy political resistance in France and Britain to German reunification, by establishing economic cooperation with them to help neutralize at least some of that hostility.

The main condition for authorization of the sale of Leuna was to be the investor's firm promise not to carve the company up and re-sell the most profitable pieces to shareholders, but to carry out long-term investments to secure up to 10,000 jobs. This was also the policy of Detlev Rohwedder, the chairman of the Treuhand agency, which was in charge of transforming the former East German state-sector industries. Kohl had appointed Rohwedder, a Social Democrat, in October, because he was the best guarantee that the privatization of the East German state-sector industry would not lead to the destruction of industrial firms and jobs. This is what Kohl referred to, in his *Welt am Sonntag* interview, when he pointed out that in late 1990 and early 1991, no other foreign company except for ELF-Aquitaine, was interested in the Leuna complex, and that in this context, Kohl "also asked President François Mitterrand for his support, which he granted." Kohl added that he was not involved personally in any other details of the deal, which was run under the auspices of the Treuhand agency, but his interest was to save jobs at Leuna, and indeed, 8,000-9,000 jobs were secured in this way.

Rohwedder's strategy was boycotted by many banks and industrial firms outside Germany, because it posed an obstacle to the greed of globalized shareholder interests that wanted to loot East German industry, as they were doing with other parts of the former Soviet bloc. Rohwedder came under massive attack in media such as the London *Financial Times*, and on April 1, 1991, he was killed by a sniper at his home in Düsseldorf. The assassin or assassins escaped across the Rhine, ending up in either Belgium, France, the Netherlands, or England, as investigators who did not buy the standard explanation of the "leftist terrorist" hit, were able to ascertain.

The Treuhand's new boss, Birgit Breuel, changed strategy and pursued an aggressive free-market approach, plunging East German industry into the same privatization disaster that plagued every other nation that had adopted this approach. Over 90% of the workforce was laid off, and the companies were carved into pieces, then sold off at dumping prices. Instead of the DM 900 billion in sound industrial value that Rohwedder had hoped to preserve, Breuel ended her mandate at the Treuhand in late 1994 with a net deficit of DM 450 billion. The negotiations on the ELF-Aquitaine engagement at Leuna, which began several months after Rohwedder's assassination in September 1991, were concluded in December 1992 and involved a DM 1 billion sub-

sidy for ELF by the German state and the Treuhand. Kohl was glad that the deal had worked out, but it was a foul deal, because ELF had run a successful blackmail campaign against the Germans, with the assistance of Breuel.

The policy of Breuel and her Treuhand staff was put back into the public spotlight by an editorial in *Bildzeitung*, Germany's leading mass-circulation daily, on Dec. 23. The editorial asked why Breuel, having been in charge of the Treuhand when the contract with ELF-Aquitaine was signed, remained silent, in a situation characterized by massive media allegations against Kohl, who was not involved in any details of the talks, at that time.

The article stung Breuel, and she responded in *Welt am Sonntag* on Dec. 26, with a defense of her role in the affair, as allegedly having been merely a supervisory one in the most general terms, whereas the negotiations had been conducted by others at her agency. Nominally, this may be true. But the debate on Breuel's *policy* has now been reopened, and the unsolved murder of Rohwedder has also been brought back into public focus. If Kohl is put under pressure by the scandal-mongers, he may be willing to expose new things about that turbulent period of 1991 and 1992. This is what Kohl should do, not only in his own interest, but even more so in the interest of the German nation.

The Way Out of The Crisis



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