

Speculation uncovered in Germany's scandals

by Rainer Apel

After several weeks of escalating scandal-mongering in Germany over illegal funding of political parties, the first prominent political casualties have occurred among the Christian Democrats (CDU): On Jan. 17, Manfred Kanther, a former Hesse state CDU party chairman and former Interior Minister in the cabinet of previous Chancellor Helmut Kohl, resigned his seat in Parliament. The next day, former Chancellor Kohl resigned as CDU honorary chair. More resignations are being called for, and more are certain to occur.

The week of Jan. 9-16 saw the scandals broaden dramatically: It began with ominous threats by Karlheinz Schreiber — a fugitive from German law, now in Canada — that he would soon spill secrets that could topple Germany's entire political class; it ended with the bombshell news that the Hesse state CDU had hidden up to 8 million deutschemarks from the German tax authorities, in secret bank accounts in Liechtenstein and Switzerland, and had transferred money from there back to Germany to fund CDU operations in Hesse. The Hesse scandal implicated several prominent Christian Democrats who knew of the secret accounts, among them Kanther. With the implication of Kanther, who exemplified the CDU policy of "restoring law and order," the Christian Democrats suffered a big blow to their reputation.

The Sayn-Wittgenstein scandal

An even bigger scandal is unravelling, and it has to do with the role of Hesse CDU party treasurer Prince Casimir zu Sayn-Wittgenstein, who held this post for 22 years, from 1976 to late 1998. Questions about the Hesse CDU financial situation, which did not appear sound on closer inspection, had been raised beginning in mid-November 1999. Sayn-Wittgenstein answered all questions with the "simple" explanation that three anonymous payments into the Hesse CDU bank account, in the range of several hundred thousand marks each, had come from donors who did not want their names made public. Then, coming under more pressure, Sayn-Wittgenstein claimed that the donations were "from German Jewish emigrés living abroad," for whom he had chosen a secret money transfer to Germany through Liechtenstein.

There were no such Jewish emigrés, but Sayn-Wittgenstein apparently calculated that in Germany, where the Jewish issue is so sensitive, nobody would dare ask for details. Concocting this story was, to put it mildly, very unwise, because when it was revealed on Jan. 14 that there was nothing

to it, the affair caused considerable outrage among Jews (and others) about the degree of cynicism with which Sayn-Wittgenstein had tried to implicate them in a cover-up of a major scandal. This is the last thing that Germany needed, where great efforts are being made to rebuild a sizable Jewish community and establish ecumenical cooperation among Jews and Christians.

Sayn-Wittgenstein's cynicism on the Jewish issue is the more shocking, because he has prominent connections, including family ties, to German Jews. After he married the daughter of Richard Merton, whose Jewish father (with the same name) had founded the Frankfurt-based specialty metals firm Metallgesellschaft, Sayn-Wittgenstein joined the firm in 1954 and later became a member of its board for more than 20 years.

The 'black nobility' and Anglophilia

Sayn-Wittgenstein's cynicism may originate in his being a member of one of the important families of the "black nobility" in Germany, and in the specific oligarchical Anglophilia that goes along with it. This led him to join the World Wildlife Fund (WWF) of British Royal Consort Prince Philip, and to establish a German branch of the WWF in the 1970s. The WWF has played a significant role, along with the Club of Rome's operations in Germany, to inject the Christian Democrats with the same ecologist disease that has infected the Social Democrats. The main reason why the state of Hesse was the first in Germany, in 1982, to be governed by a coalition of the Social Democratic Party (SPD) and the anti-indus-



Former Chancellor Helmut Kohl, who was recently forced to resign his post as honorary chairman of the Christian Democratic Union. A British-American-Commonwealth oligarchical campaign is gearing up to destroy Germany's political system.

trial Greens, was the fact that the CDU was unwilling to attack ecologism head-on, but only criticized its most extreme forms, such as anti-project protests and acts of sabotage.

Instead of fighting the ecologists and exposing the weak flanks of the SPD-Green government in Hesse, the CDU decided to be “pragmatic,” and that pragmatism set the stage for the CDU leadership to allow its treasurer, Sayn-Wittgenstein, to secretly bring funds into the party from abroad, in the range of up to DM 8 million. This flew in the face of the stricter party-funding laws that were introduced in 1984.

Seamy financial transactions

But, such activity was also outside the bounds of strict financial-market regulations on speculative transactions. In an interview with the Sunday edition of the *Frankfurter Allgemeine Zeitung* on Jan. 16, Sayn-Wittgenstein himself revealed that the money which he placed in accounts with the Union Bank of Switzerland, had, among other things, also been used for speculative transactions on the Frankfurt Metallgesellschaft. By the end of 1999, during the 16 years in which the money had been deposited in UBS, it had quadrupled, to DM 32 million; DM 14 million had been transferred back to Germany, but, as of Jan. 14, when the scandal broke, DM 18 million was still with UBS.

Frankfurt stock market sources are wondering how Sayn-Wittgenstein was able to turn DM 8 million into DM 32 million; it could not have been done with normal investments, at normal profit margins. It could have been done only via high-risk operations—for example, deals involving junk bonds, derivatives, or, specifically, Russian GKO bonds (until the Moscow default crisis of August 1998).

The case of Sayn-Wittgenstein’s special financial deals, from which the Hesse CDU has benefitted for so many years, takes one into the murky financial world of the tiny duchy of Liechtenstein, an enclave couched between Switzerland and Austria. It has 33,000 citizens, but twice as many bank accounts, many of them held by firms for which there is no material evidence of their existence, except for a post office box or a file administered by a trustee. Liechtenstein is to Europe, what certain Caribbean islands are to the Americas—an offshore haven for shady operations, with its extremely lax investment and banking laws. There certainly was a good reason why Bruno Gehrig, the governor of the Swiss National Bank, who has ardently warned over the last two years about uncontrollable “cluster risks” related to highly speculative transactions, recently hinted at risks in the deregulated Liechtenstein market. Gehrig, naturally, has to consider broader risks, affecting banks and markets internationally.

Thus, the unravelling party-funding scandals in Germany, which have already provided leads into a number of other long-kept political secrets, may now also lead into some of the big secrets of the methods by which the global financial markets have managed to muddle through the explosive crisis over the last few years.

Pope leads ecumenical effort as his enemies plot succession fight

by Claudio Celani

As Pope John Paul II initiates the Jubilee Year of the millennium, factions antipathetic to his policy have signalled the beginning of hostilities inside the Roman Catholic Church to determine a shift of policy for his successor. Karol Wojtyla, despite being 79 and sick, has made it clear that he intends to carry out his mission until the end—that is, leading the Roman Catholic Church into the new millennium. To this purpose, he has organized for this year the crowning of his Pontificate’s ecumenical efforts, in a number of travels and highly significant meetings with leaders of the Christian, Jewish, and Muslim faiths—meetings which can represent important steps toward ecumenical unity among the religions, and thus strengthen the role of reason in world affairs.

Nevertheless, a notorious representative of the liberal opposition to the Pope, Bishop Karl Lehmann of Mainz, Germany, raised the issue of the Pope’s resignation in an interview which was clearly designed to spark debate inside the Church. Lehmann is the chairman of the German Bishops Conference. A follower of Martin Heidegger, the existentialist philosopher who wrote scandalous apologies for the Nazis, Lehmann has well-known differences with the Pope’s views on matters of theology and doctrine, which have kept him from being made a Cardinal. This means that Lehmann will not participate in the Conclave that will elect the next Pope.

Notwithstanding this, Lehmann opened hostilities on the issue by releasing statements in a Jan. 9 radio interview that were reported by the Italian press agency ANSA as follows: “I personally believe that the Pope must have the courage to state: I can no longer carry out my task in an adequate way.” Subsequently, Lehmann corrected the ANSA report, saying that he had really said, “I personally believe the Holy Father able to confess courageously, ‘I can no longer etc. . . .’” Despite the correction, Lehmann’s statement was generally interpreted as undue, and shameful, pressure on the Pope.

Immediately, Lehmann’s interview provoked a chorus of reactions from the ranks of the Church. Especially Italians, who feel very close to the Pope, objected to Lehmann’s ill-considered remarks. Bruno Vespa, a well-known commentator—and the only anchorman in history to have enjoyed a live phone call with the Pope on a TV show—wrote a commentary in which he suggested that perhaps Bishop Lehmann does not believe in the Holy Spirit. How else, Vespa asked, other than