

Report from Bonn by George Gregory

Stories around town

The power-sniffers bet that a "Grand Coalition" is already decided. Their "proof" is the bankers' takeover of Neue Heimat.

With federal elections here on Jan. 25, 1987, bets are naturally being placed in the little town of Bonn on the likely winner. Aged Social Democratic ex-chancellor Willy Brandt tirelessly, but usually metaphorically, campaigns for a "Grand Coalition"—a combination of the largest parties on the landscape, the Social Dems themselves, and the Christian Democrats.

The meeting of the minds between the Socis and the Christian Dems comes on two points. Economic storm clouds are gathering, and the Christian Dems know that only the Socis can get the trade unions to agree to the sort of belt-tightening austerity economies they have in mind. Second, the Socis are quite pleased that large sections of the Christian Dems are adopting their own anti-NATO decoupling policies.

No one but a total fool bets on a total gamble, so the power-sniffers are out in force. In the corridors of the various power combinations, the power-sniffers have come on a scent, and their bet is that a "Grand Coalition" is already decided. Their "proof" is the recent bankers' takeover of Neue Heimat. The story we hear makes some sense.

On Oct. 1, a bread baker from West Berlin by the name of Horst Schiesser "bought" the housing-construction conglomerate, Neue Heimat, owned by the German Trade Union Federation (DGB), for the symbolic 1 German mark. Schiesser was supposed to manage the defunct construction firm and take it into the West German equivalent of Chapter 11 bankruptcy, or whatever he wanted. His job was

especially to take the Neue Heimat albatross, indebted to the tune of 17 billion marks, off the back of the DGB and its house bank, Bank für Gemeinwirtschaft.

Six weeks later, a few scandals having washed under the bridges, Social Democratic politicians are shaking in their boots about possible revelations of kickbacks that ended in their pockets, and Schiesser sold Neue Heimat back again, for the symbolic 1 mark. Creditor banks, mostly German, have formed a new holding company to manage Neue Heimat.

The story the power-sniffers tell is this: The banks, on behalf of the Christian Dems, did not want Schiesser, an "outsider," to be able to say, "I want you to give me new money on X, Y, Z rotten mortgages, because I know you (bankers) knew the mortgages were rotten when they were signed in the first place; if you don't give me the money, I'll show your complicity in Neue Heimat's dirty deals before."

After six weeks, the story goes, Deutsche Bank induced the Royal Bank of Canada to slap a 50 million mark arrest on Schiesser, a favor Royal Bank of Canada owed Deutsche Bank, a favor, we are told, which has something to do with raw materials scams in Canada. Schiesser was out-powered, and no longer moving on the "insider" track.

Schiesser was a friend of older trade union federation people—on the inside, he also would have ammunition against Christian Democratic politicians—we hear—who pocketed Neue Heimat kickbacks. And, they did

not want a "wild card" in the game. They will cover their own bad paper among themselves—that's business. With the Royal Bank of Canada playing the trump card against Schiesser, the domestic "establishment" has its hands clean.

Now with the largely Christian Democratic allied banks in a position to be "gentlemanly" on the issue of party-related kickbacks, Willy Brandt is no longer interested in the Social Democrats running a campaign for the "absolute majority," which was Social Democratic chancellor candidate Johannes Rau's platform. So, the word is out: Rau has no chance, Brandt has undercut him. The Neue Heimat deal was icing on the cake.

Word is that the main power among the German banks, Deutsche Bank, also has a basic agreement with Brandt on issues like the creation of a "great European economic zone," i.e., a far stronger orientation of the West German economy to Eastern Europe and the Soviet Union.

The Free Democrats' political power derives from their "pendulum" antics of switching coalition partners whenever it suits their interests: If neither the Christian Dems nor the Social Dems are in an absolute majority position, the Free Democrats are given (or loaned) power by the party willing to pay (politically or however) the most for its own governing power position.

No account of the power-politics equation would be complete without looking at how the power-sniffers see the position of the proto-terrorist, environmentalist Green Party.

At the moment, the Green Party is making huge political profits off of the Neue Heimat collapse and surrounding scandals, and if such wheeling and dealing continues to dominate, will probably make it to 10% or above in the national vote.