

What is behind the Wulff affair in Germany?

Ulrich Rippert
27 December 2011

For several weeks, the media have been publishing new details about the close links between President Wulff and big business figures. When he was state premier of Lower Saxony, Christian Wulff (Christian Democratic Union, CDU) apparently cultivated close relationships with the millionaire jet-set crowd of Hanoverian society. Even after moving into the presidential residence of Bellevue Palace, the Wulffs have continued to enjoy the company of the rich and famous.

Last week, the front cover of *Der Spiegel* questioned, “The wrong president”? “Wulff’s taste for glamour could cost him his office,” the magazine predicted.

The conservative *Frankfurter Allgemeine Zeitung* warned of a growing lack of credibility and wrote: “This president will have to remain silent in the future.” The liberal *Süddeutsche Zeitung* criticized Wulff’s crisis management, accusing him of being “economical with the truth”.

The first to speak up as an expert on morality and the work ethic was arch-conservative Cardinal Joachim Meisner of Cologne. Speaking on WDR television, he said Wulff should declare: “I am a poor sinner; I have failed,” and draw the necessary conclusions.

New details are emerging daily about the corruption and sleaze involving politics and big business.

Two years ago, the Wulff family travelled to Florida in the US for Christmas, to spend the holidays with the Geerkens, a wealthy business couple. They travelled first class, but only paid economy. Air Berlin CEO Joachim Hunold, who Wulff knows personally, had sanctioned the free upgrade. When Wulff’s special rates with Air Berlin became known, he admitted the mistake, apologized and paid 3,000 euros.

At the same time, the rumour began to circulate that Wulff had purchased his home in Großburgwedel near Hanover on especially favourable terms from a businessman who was a friend. In response to the

rumour, *Der Spiegel* petitioned the district court in Burgwedel to see the land registry, but was refused.

Two months later, in the Lower Saxony state parliament, the Green Party asked whether the state premier maintained business relations with the Geerkens. Wulff answered no, concealing the fact he had received a loan from Mrs. Edith Geerken worth half a million euros. A little later, he took out a loan at BW Bank, and paid back the money to the Geerkens.

In August 2011, after months of legal wrangling, the Bundesgerichtshof (Federal High Court) instructed the Wedel Land Registry Office to allow *Der Spiegel* to inspect the land register. In the meantime, Wulff had become federal president. Research by *Der Spiegel* revealed the rumour that Wulff had bought the property from a friendly businessman was false. However, the legal battle to inspect the land register brought the case to the attention of the tabloid *Bild*; the paper wanted Wulff to say who had financed the purchase.

On December 13, 2011, *Bild* ran a sensational piece proclaiming Wulff had borrowed half a million euros from Edith Geerken to finance the purchase of his house. He had not told the complete truth in the state legislature. On the same day, the President’s Office confirmed that Wulff had borrowed 500,000 euros from the entrepreneur’s wife, but disagreed with the accusation that he had told an untruth.

Since then, the media has uncovered more and more details about “a strange network of favours and conceits” that includes the politician as well as business figures, artists and scientists. A key role in this nepotism is played by the billionaire founder of the financial advisors Allgemeine Wirtschaftsdienst (AWD), Carsten Maschmeyer, who is also friends with ex-Chancellor Gerhard Schröder (Social Democratic Party, SPD).

In 2007, Maschmeyer financed an expensive ad campaign to market a book by Christian Wulff entitled,

“Better the truth”. Other media reports describe the many vacations Wulff has enjoyed, paid for by friendly businessmen such as the chair of the Hanover insurance group Talanx, Wolf-Dieter Baumgartl.

The revelations show Wulff as a politician who enjoys the favours of his business friends. However, so far there has been no proof of bribery or corruption, or other open violations of the law. In most cases, it has been the sort of favours that are commonplace with many other politicians. In the final analysis, all the establishment parties maintain close ties to the corporations and banks, and represent their interests. Many details about Wulff’s relations were also known before he became president in June last year.

But the question remains, what is the political purpose of the media campaign. Some commentators justify it by pointing to the high moral ground, on which the country’s highest office supposedly rests. But that does not explain why, as is usual, the cloak of silence has not simply been hung over Wulff’s relationships.

Not all the details are known, and it is impossible to say with certainty what is motivating the media coverage. But the Wulff affair should be seen in the context of the current profound political changes and the rapid deepening of the economic crisis.

The current year has been marked by the international financial and economic crisis. The financial markets are driving Europe’s governments and the EU institutions before them. One euro-rescue summit has followed the next, with the outcome of each one overtaken by events only days after.

In the last weeks, the head of the International Monetary Fund (IMF), Christine Lagarde, has warned of a new world economic crisis. No national economy is immune to crisis, Lagarde said in Washington. The former French finance minister compared the current threats with the Great Depression before World War II. The biggest trouble spots were to be found in the countries of the euro zone.

Berlin is pushing for severe social and political attacks on the population in Germany and Europe. At the same time, the Merkel government is losing its internal stability. After the resignation of its general secretary, her coalition partners, the Free Democratic Party (FDP), are only polling two percent.

In this situation, the calls for a strong president are

becoming louder. Influential sections of the ruling class would like a president who can take on more power and authority, and are concerned that Wulff may not be the man for the job.

The government’s austerity measures are often compared with the cuts in social spending made by the Brüning government at the end of the Weimar Republic in the early 1930s. Brüning’s emergency decrees relied upon the Reich President, Paul von Hindenburg, who expanded his power into a presidential dictatorship.

In this context, the “eight-point plan to reduce debt” introduced by the former CDU general secretary and long-time Saxony state premier Kurt Biedenkopf outlined in business daily *Handelsblatt* is remarkable. He calls for a much stronger reduction in debt than has been agreed by the current government.

Amongst other things, his plan foresees that that the state should repay any new debts within three years, a kind of super debt brake. Biedenkopf and his colleagues also advocate creating a foundation called the “German Finance Agency”, reporting directly to the president. This financial agency would take over all debts of the state and pay the accruing interest and principal with resources allocated to the foundation. The repayment rate would initially be five billion euros, amounting to 70 billion after ten years.

Handelsblatt commented, “Of critical importance in the view of the authors is that the debt reduction takes place independently of the decisions of parliament, and that budgetary rights are limited ... From the perspective of democratic theory it may seem painful to limit the sovereign prerogative of parliament. From a financial point of view, however, such a move seems advised: So far, every Chancellor has promised frugality—and then broke that promise.”



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