

Current Concerns

The international journal for independent thought, ethical standards, moral responsibility,
and for the promotion and respect of public international law, human rights and humanitarian law

English Edition of *Zeit-Fragen*

German taxpayers: Why don't you demand tax sovereignty for your municipalities and federal states?

cc. A Swiss financial expert with a lot of work experience and worldly wisdom recently reflected the situation in Europe after the Second World War. At that time, Churchill had closed his speech of 19 September 1946 in the auditorium of the University of Zurich, with the exclamation: "Let Europe arise!" Meanwhile, many European nations have surrendered their own currency for the Euro and now have to march like lemmings into the EFSM/ESM misery. Ms Merkel commands – with women's label – the troops, making sure there's no way to escape. Recently she was welcomed in Washington like a queen, so now it is clear that she has taken over the role of a European representative for the United States. She had appeared in that role before, but now it is serious. *Gertrud Höhler* calls her "godmother". Certainly Germany did not get this honor for free, and the political orders are bound to be given. In this situation, one could quote Churchill's words only in a modified form, says the financial expert: "Let a better Europe arise!"

In *Foreign Affairs* (September/October 2012), one of the major foreign policy journals of the US empire, a debate on

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Illicit tax-cheat CDs: Hot air and little substance

tb. The usually well-informed government circles both in Berlin and in Berne know nothing of the alleged "purchase" (or rather, receiving stolen property) of a new data CD containing the alleged information on German clients of Swiss bank UBS and its assistance in shifting any untaxed funds for example to remote Asia. Actual purchases of data CDs have in any case always been reported immediately to the Ministry of Finance, which did however not receive such a message lately. Therefore it currently only speaks of an "alleged purchase".

The purchase, loudly broadcast by the North Rhine-Westphalian Minister of Finance *Norbert Walter-Borjans* (SPD) is therefore highly questionable. "We have never commented on individual CDs, and neither will we in future", the NRW Ministry of Finance quibblingly commented. That sounded quite different a few days ago, when quite accurate information on the contents of the allegedly newly acquired CD was intimated and the compliant – and apparently at this point largely conformist – German mass media reported with a warning tone.

So please avoid any misunderstanding: At this place, there has not been and there will not be any call for tax evasion. But on

the other hand a trade in stolen data has always meant a trade in stolen property. Those who credulously buy a stolen car at the flea market always risk not only losing the "purchased" stolen good without any compensation, but they will possibly also be prosecuted for complicity to trading stolen property. But that is apparently not true for some tax inspectors and Ministers of Finance.

Now we even have to suspect that many ministers and tax authorities, "only" pretend to purchase stolen goods to boost the flood of voluntary tax declarations that has come to a standstill. The morally inflated "fight against black money" (which the relevant criminal circles are certainly just amused about ...), initiated predominantly by red-green politicians, has reached a new low, which could probably be beaten only by red-green itself!

And something else should be mentioned at this point: Swiss circles admit that those data CDs have been waiting for "purchasers" for some months. However, they contain information which is usually so bad (read: out-dated), that after appropriate tests even the strict German tax investigators are not advised to "purchase" them!

Source: *Vertrauliche Mitteilungen*, No. 3993, of 21.08.2012

Swiss Bar Association: The basics of law must never be violated

cc. The statements of the Swiss Bar Association, as well as that of the Federal Data Protection and Information Commissioner *Hanspeter Thür* earlier this week were a signal of relieve: The rule of law has priority – even and es-

pecially before private economic interests. This is true even if the pressure by private economic interests has talked one or more members of our executive branch into making promises or granting support.

This clarification should make the American pipedream "conquest of Switzerland" collapse. And with that the fantasies of the German SPD as well. •

A questionable approval

by *Pierre-Dominique Schupp*, Vice President of Swiss Bar Association

According to its statutes the *Swiss Bar Association* aims in particular "at contributing to the perfection of law and the administration of justice, in the common interest of the parties involved and with respect for human rights". As a basically neutral organization, the *Swiss Bar Association* refrains from engag-

ing in a general way in the political debate, but has a mission to remind people on special occasions that the respect for the rule of law is a fundamental pillar of a state based on the rule of law. The lawyers are therefore often on the front line to defend those whose rights are in jeopardy.

Recent events, in which the names of employees of certain Swiss banks were handed over to the American authorities – ranging from people in higher management to employees in the back office – seemingly with approval of the Federal Government in accordance with Article

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271 of the Penal Code, are disturbing in view of the above-mentioned principles.

It is debatable whether the federally issued approval has a legal basis and whether it therefore represents a civil, factual evidence (*fait justificatif de nature civile*) for these institutions which would then face legal prosecution because of denouncing employees (which seems to be the case).

Be that as it may, we can seriously question whether the disclosure of names of employees does not constitute a breach of banking secrecy, or even a serious violation of the prohibition of economic intelligence for the benefit of a foreign state within the meaning of Article 273 of the Penal Code, both of which may not be subject to a permit of any kind.

It cannot be fully understood how the disclosure of names of employees to a foreign state could be justified knowing that our country has established, quite rightly, an extensive and rigorous data protection policy and that nobody in Switzerland hesitates to punish those who made protected data public. Finally and particularly the privacy rights of the individual are an immutable and fundamental principle that our right has known since the introduction of the Civil Code, and which every employer should respect, even more so when it comes to the relationship with his employees.

In reality, it is clear that employees' names were released by some Swiss banks in an effort to facilitate a more advantageous agreement in the well known tax dispute, and that the violation of some rules, even if they happen to be fundamental, would finally be only a modest price that one was willing to pay.

But it is nevertheless the basics of law, in particular the compliance with the principle of good faith, the right to presumption of innocence and the right to safety at the workplace which are at risk by doing so. For the *Swiss Bar Association*, nothing and certainly no private economic interest may be used to justify such violations of basic rights and personal rights by third parties, furthermore with the more or less active agreement of our executive, even if they deny it.

It concerns the respect for and above all the confidence in our institutions. We believe this cannot be compensated by anything else. •

Source: Law Review / Revue de l'avocat, 8/2012
(Translation Current Concerns)

me. The Swiss Government has agreed to hand over the names of bank clerks to the US authorities. Unbelievable. It does so on government decision. This is simi-

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the weight distribution between Germany and Europe can be found. The aim is no longer a "European Germany", but a "German Europe", *Timothy Garton Ash* claims. Greece must remember that and recall the situation under *Hitler's* occupation. Fortunately Greek historiography has not been sacked yet by a *Bergier* commission as has the Swiss one. In addition, the crisis may allow some spare time for the historical training of the social classes. Ms Merkel's visit there happened in a quite unpleasant German tradition, friends of Greece told us, whose heart once beat on the left when they were students. Slovakia on the other hand is – although it is a country poorer than Greece – forced by Merkel-Europe to pay to the Greek government deficit. The Poles themselves still do not know whether those huge, unnecessary north-south highways in Poland were actually financed with EU squandering money.

But Queen Merkel makes it clear that she will carry the matter through to the end. She spends 100 million euros on the military training area Altmark being changed into a "training ground for counter-insurgency" containing: a piece of downtown area, a piece of suburbia, a piece of highway access, a piece of airport. There, not only the new German Merkel army will be trained, which will no longer be a conscript army, and therefore will no longer know the "citizens in uniform"; private "security services" of different genres are likely to come together there. Since it is "in the middle of nowhere", there should not be too many curious people. It goes without saying that the parallel to the showground in the Qatari capital of Doha imposes itself, where the Americans announced the creation of fake "news footage" for the war in Middle East (see *Current Concerns* No. 32 of 6 August 2012). Once Mrs Merkel will have her next Black-Red coalition she might surprise us with some more things.

It's mainly those with a higher income who support the Socialist gentlemen, as opinion polls in Germany state, many of them family fathers and mothers. In the biography of *Kretschmann*, who dared the pilot ride for Red-Green or Green-Red in Baden-Württemberg, we can read that the middle income segment of the population was their deliberate target and they would work with this potential, because these were more intelligent and capable than the ordinary people. That was Lesson 1 of their understanding of democracy; the bourgeois voters deliberately ignored it. In their targeted population we can find of course all those who were ideologically colored with today's Red-Green "party ideologists" in their former high school

and college days or they at least attended the same schools. They ought to realize that Merkel-Red-Green established the big power for the big money in Europe. And that they are working towards war. This segment of the population knows how to get informed: They can break down the ESM calculations and know exactly that they can only be solved with inflation and dictatorship.

For Queen Merkel to push it through, Red-Green has to be integrated into government just like prior to the Kosovo war. Back then the NATO bombers would never have been able to fly without sneaker-wearing *Fischer* having taught the left camp that this was "their" affair. Was it their affair? The affair of the Left that Europe had? Building a Camp Bonds-steel? This murky relationship will provide ample food for talks.

Meanwhile Lesson 2 of Merkel's puppet coalition is under way: she is no longer interested in international law. Just like the Americans. "Why don't we dare doing with Switzerland, what the Americans did with Bank Wegelin?" *Sigmar Gabriel* asked. He allies himself with the current American attack on Switzerland – not the first one. *Bergier* preceded it. Whose job is the SPD doing there? The parallels to the Kosovo war should indeed be noticed by the left itself. Professor *Albert Stahel* does not emphasize without reason the parallels between the war preparations in Kosovo and Syria. The Left with *Schröder/Fischer* had to come to power first; otherwise the bombing war would not have been possible on European soil.

And now there is the "classified information" from Germany of 21 August 2012 with the news "Illicit tax-cheat CDs: Hot air and little content". *Walter-Borjans* had – publicly documented – claimed he had new CDs that would cause his German taxpayers to voluntarily submit tax declarations "en masse". *Kretschmann* also naturally wants to jump on the bandwagon, as even in the darkest Black Forest gold reserves are still to emerge. The news in the "classified information" means, however, if not even the Holy Spirit has seen these CDs, then *Walter-Borjans* "works" with a huge bluff, with a monstrous lie; he compels adult men and women to voluntary declaration, which they will never forgive themselves later on as an inner humiliation? Is this to be the "new Germany", the new "German Europe"? One that is based on propaganda tricks like formerly the one of "the Gröfaz" (acronym for "greatest field marshal of all times", as *Hitler* was called in the underground)?

Dear members of the SPD and the Green Party: Don't you consider yourselves too good for this? Performing such thing for the "military-industrial complex"

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lar to the events a few months ago, when data of UBS bank clients were delivered to the US. The salient point: There is no legal basis. The employer must not deliver this information about his employees; this is regulated by the labor laws and the employer's duty of care. These employees are threatened with hardships in the US. They can be stopped and arrested just because they are employees of a bank. In the "United States after 9/11" you can be held for unlimited time without charge. The staff has thus a de-facto ban on travel to the US, but also a de-facto employment ban in one part of the world or at least a competitive disadvantage. All these are things that Mr Schneider-Ammann, our coward in the Federal Council, would fight against bravely in other cases.

Now the Swiss Bar Association appeals to our Government's conscience. The association only very rarely speaks up, so be sure to pay attention and keep your nose in the wind. It warned the Government not to sacrifice the right to the arbitrariness even in rough times of realpolitik (the founding fathers of Confederation had spoken of the "malice of the time"), but to protect it. Indeed, it is arbitrary to deliver data without legal basis. Arbitrariness can usually only be found in rogue states or "failed" ones.

With a tear of pain and a tear of joy we read the statement of the Bar Association. With pain, because we realize the warning signs that we are facing times in Switzerland, in which the rule of law is betrayed by the government, and because we think of the times of our grandparents who in the rise of National Socialism had to interpret such "early signs of totalitarianism" and had to respond to it. They then passed their exam. A tear of joy comes, because you feel that the response shows an intact immune system of society, and we realize that the Bar Association has complied with a historic task by publishing this warning. But we have to pick up the warning and draw conclusions.

Why has this intervention of lawyers become necessary? Let's articulate it clearly: The Federal Council is blackmailed (in the catchword jargon of political scientists these are "constraints by realpolitik"). But why does the Federal Council keep silent when it is being blackmailed? Why does it not disclose how it has to play hardball behind the scenes? Any criminal information center advises someone who is blackmailed to disclose the blackmailing and to resolve the matter, on the account of which one is forced to oppose the blackmailer. The Federal Council would have the opportunity to withdraw. Individually or in groups.

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of the United States? Or do you do that for NATO?

Dear "higher earners, even family fathers and mothers" (if this poll is true at all ...): Why do you agree with a training area in the Altmark and such hypocritical attack on the rule of law and international law? Why don't you follow the democratic way: Setting up your Germany so that your tax jurisdiction will be in the hands of the community, where every penny spent will only appear in the

budget and in the annual report with your permission? You will then determine the amount of taxation yourselves. The same will also happen at the level of the state. And then you go for Queen Merkel. Your fellow citizens will identify quite differently with such a structured Germany because they determine themselves on the common good. Then no one has the opportunity to act out the "Gröfaz". You would not need a "training ground for counter-insurgency" in the Altmark! You would gradually break free from the current quagmire of the American commissioned farce. •

"We demand that the banks don't deliver any more staff data"

The Federal Council has authorized the banks to pass on data of employees to the USA. Privacy advocate Hanspeter Thür* intervenes.

by Arthur Rutishauser

The "Bundesanwalt" (General Attorney) announced that he is not willing to investigate and prosecute the release of staff data. Do you agree?

Hanspeter Thür: I have nothing to add to the judgment of the "Bundesanwalt". But for me the affair is not at all off the table for that reason.

Why?

At the end of last week we wrote a letter to the eleven banks involved. Therein we informed them that we will perform a case investigation in order to verify the legality of the transmission of data to the USA. We demand that the banks not provide any further data of employees to the USA before we have the result; except the case an employee is involved in a criminal trial.

Aren't you too late? The decision permitting the data supply was taken on 4 April. We did not know about the decision of the Federal Council before. We only heard of it when data were already transmitted to the USA.

How that?

We received numerous complaints of bank employees and advised them on their legal options. Simultaneously we wrote to the respective bank in early July and made our legal objections clear to them. We also wrote to the Swiss Union of Bankers and to the Union of Private Banks on 26 July and asked them to explain to their members that the principles of the Data Protection Act have to be respected.

However, that wasn't of much use.

We assumed that our concerns would be taken into account. But when by end of last week we received the message that the HSBC had transmitted staff data to the USA a second time, we felt prompted to act.

What will happen now?

We announced to the banks that they would be provided with a comprehensive questionnaire in the course of this week. The banks have to give us information about what data they have supplied to the United States with what justification. For the time being, it has to be ensured that no more data go out until the legality of this proceedings is clarified.

What will you do if the banks don't care?

and confidence in the supporting power of the basis. Their flow of ideas for defense is tremendous, incorruptible and resolute people are still around in large numbers, and the Bar Association has already grabbed the flag. Let us face it; this will encourage the cowards as well. •

* Since 2001, the Argovian lawyer Hanspeter Thür is Commissioner for Swiss data protection and public sphere. Thür was born in 1949. From 1987 to 1999, he was the National Council of the Green Party, from 1995 to 1997, he was president of the Green Party. He is an avowed follower of the banking secret. (ar)

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Clarification for advance publication in "Anwaltsrevue" 8/2012 (in French)

The pre-release of this article by Vice President Schupp in "Anwaltsrevue" has led to many questions, even at the cantonal bar associations. The topic is the transfer of bank employee data to the United States, approved by the Federal Council and the Swiss Financial Market Supervisory Authority (FINMA). Especially in times of general uncertainty, it is a task of the *Swiss Bar Association* and its Board of Directors to contribute to the efforts of our authorities in adhering to the essential constitutional and fundamental principles. If the wider public gets the impression, as in connection with the approved data transfer to the US, that the federal authorities might be frivolous with the protected interests of the affected persons, the *Swiss Bar Association* wants to act as a whistleblower. This and nothing else is what the *Swiss Bar Association* has done with the contribution of his vice-president Pierre-Dominique Schupp. There are critical questions. To answer them is not the matter of the *Swiss Bar Association* but of the responsible authorities and courts. Only these bodies have the necessary knowledge of the facts and the relevant connections. The *Swiss Bar Association* has fulfilled its mission with this alert if the protected rights of the affected persons are brought to mind and kept up. Moreover, it does not comment on any pending proceedings.

Source: Homepage Swiss Bar Association SVA/FSA, 21.8.2012
(Translation Current Concerns)

The national bar associations in Germany and Switzerland are warning Lawyers in Germany and Switzerland agree: even in tax law, some basic law principles are indispensable

The fight against tax evasion and the levy of evaded taxes is a legitimate concern of the state and the general public in all countries. Therefore, it should be ensured by intergovernmental agreements that during custody of assets in Switzerland the German state is not deprived of tax revenue.

However, acting on the principle "the end justifies the means" is no option for the German state when pursuing the legitimate objective to prevent tax evasion and recover evaded taxes. Rather, it has to respect the limits set by the rule of law in this as in any other case. Therefore, we have fundamental doubts regarding the purchase of illegally gained data from bank customers by German authorities and want to make clear that we oppose it. Secretly and illegally copying relevant data is a criminal offense under Swiss as well as under German law. Receiving and handling stolen goods is punishable under the law of both states. But experts point out that stolen data were no "stolen goods", because they were no "physical objects". This is a distinction that probably neither the German nor the Swiss legislator has taken into consideration when adopting the Criminal Code. Regardless of whether the purchase action by the German authorities is punishable under other provisions: The purchase of stolen

data by the government vests the data thief with an unjustified legitimacy. The state moves tactically and morally on the same track as the thief.

If the government buys illegally obtained data, the criminality falls back on them. In addition, this amounts to an incentive for reoffending. The result is a loss of credibility and the erosion of the sense of justice.

If that example was set, developments are to be feared that could have severe adverse impacts on the privacy of citizens. If the existing legal framework is not sufficient to address current problems such as that of tax evasion abroad, the legislature must create new possibilities of acting that meet constitutional requirements. However the purchase of illegally acquired data is no acceptable way to solve the problem.

RA Prof Dr Wolfgang Ewer, President of the German Bar Association

RA Brenno Brunoni, President of the Swiss Bar Association

Berlin/Berne, 19 February 2010

(Translation Current Concerns)

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We have the option to apply for precautionary measures at the Federal Administrative Court. We will think about this step after reviewing the answers.

The banks refer to the Federal Council resolution, which allows the surrender of the data, in addition to a recommendation by the Financial Market Authority, who even recommends the banks to pass on the employee data.

Down to the present day, we have not seen this secretive resolution of the Federal Council. According to the information we received from the State Secretary for International Financial Matters, the banks had been made clear that the gauging of civil liability remains a matter of the banks themselves. Therefore, accord-

ing to my present knowledge, the banks are released merely with respect to criminal law at the most, but not to civil law.

What does that mean?

I have great doubts as to whether the surrender of the staff data was lawful. You cannot just abrogate established law. Civil claims can still be argued. It's not just only the e-mails of the responsible staff that were transmitted, but also the names of people who had only marginally or even nothing to do with the US business.

The banks say that these people have nothing to fear. So far, merely people have been sued who had directly to do with the US business.

This is only partly true. Recently it came to light that even teenagers were stopped to be questioned at their entry to the US. So, even people were involved who had

nothing to do with the matter. For this reason, as a data protection officer it is my duty to take action in the matter. And that is why we want to examine the case now.

Don't you then also protect people who helped the defrauders?

Just to make this clear: We do not mind that the banks provide documents that disclose their business practices. But data of employees must not be published as long as no criminal charges against them have been initiated. If the US wants the blackened-out names because there is a sufficient suspicion against them on the basis of existing documentation, the US can demand the surrender of these names as part of a legal assistance request. Another way is constitutionally unacceptable. •

Source: *Tages-Anzeiger* of 22.08.2012

(Translation Current Concerns)

The sovereignty of every state is guaranteed under international law

Shall Swiss banks control whether German taxpayers are paying their taxes? Are the German tax authorities not capable of that?

Interview with the president of the "Aktion für eine Unabhängige und Neutrale Schweiz" (AUNS), [Campaign for an independent and neutral Switzerland], National Councillor Pirmin Schwander



National Councillor
Pirmin Schwander
(picture thk)

thk. In this interview, the president of AUNS, National Councillor Pirmin Schwander, explains with clear arguments why the agreement with Germany on the capital gains compensation tax is out of the question for Switzerland and

why the adoption of this agreement is contrary to the spirit of direct democracy, the Swiss political state philosophy and to the principle of the rule of law.

Current Concerns: The AUNS has taken on the referendum against the tax agreements with Germany, Austria and the UK. Since the last CD theft it has become clear that Germany also uses illegal means to get hold of some money. Why do you, as president of the AUNS oppose the agreement on the capital gains compensation tax?

National Councillor Pirmin Schwander: That's something that you never knew before, namely, that a state collects definitive taxes for another state. This is unique in the world. So far no definitive taxes were collected, but only an anticipatory tax such as the withholding tax. Also the *Taxation of Savings Income Agreement* with the EU falls in this category. According to this agreement taxes are deducted and remitted to the EU. But the taxpayer has the possibility of reasserting this deduction with the state. To this end there are the so-called double taxation agreements. So, the *capital gains compensation tax* is something completely new. These are the agreements with three countries, and in addition there is also the *Taxation on Savings Income Agreement* with the EU. Here the same income is already taxed. And how that should be clearly distinguished, nobody knows anyway.

Apart from these legal ambiguities – where, in your opinion, is the problem if a state collects definitive taxes for three other states?

If we look at the whole development, then it all comes up to a war against property. States that are heavily indebted seek

money. Our government, our Federal Council wants to persuade the population that one needs to monitor the citizens. Some others will join in here, those who think that the billionaires should also pay. One could take away 50% from them, that would not matter much to them. But we must definitely bear in mind that the basic question discussed here is that of *citizens ownership* in general. The development in the communist countries, for example in the GDR, has shown us how far one can get without private property. One cannot do that, it does not work.

So there are several aspects being discussed here.

The *spying, the surveillance of citizens, the mistrust towards them*, these are the three points that are discussed here. And of course the *attack is on our political system in general*. The spying on the citizen is something we already had once before, in the 1930s. This led to the spying law in 1935. We must be clear about that when we talk about this issue. Here, the Federal Council deliberately sows mistrust. Our country has become strong through confidence. In Switzerland everyone fills in his tax return himself. It is unacceptable that the state monitors the citizens. Our philosophy is different, *here in Switzerland, the citizens monitor the state. Thus our political system works extremely well*. It is unacceptable that the Federal Council or the German Government sow distrust in our country. I like to quote the phrase, "He who sows mistrust will reap trouble." We must keep in mind that the point is in fact something completely different to what we are made to believe. Considering how Switzerland has come under fire from Germany, I simply do not understand why no one realises what is going on.

As for the proponents, how do they argue?

The banks and *économie suisse* – i.e. the representatives of international high finance – who advertise on their homepage in favour of adopting the tax agreement, argue with the fact that one must regulate the past. So here's the question: What from the past is to be regulated? If we have done everything correctly so far, there is no need for us to regulate anything. If errors were committed and laws were violated in the process, then I would like to know who violated what laws. I just

cannot tell the citizens to vote yes because the past has to be corrected. For crimes in the past, I would not pay a cent. Then let those who have done it have the courage to stand up, to take responsibility and accept the consequences, however, certainly not that I am to vote yes as a citizen in order "to put the past right".

One of the recurrent arguments of the proponents is that one could prevent the automatic exchange of information this way.

This is not possible, anyway, because the agreement is only concluded by three states. The EU is pushing for the automatic exchange of information, which is so to speak part of the Basic Law of the EU and the Schengen Agreement. The OECD is also strongly for the exchange of information, the US want it anyway. On 27 July, the Federal Council adopted a message on the revision of the Money Laundering Act. It holds that the Reporting Office can automatically exchange data with all foreign authorities. Thus, the banking law is suspended in the area of the reporting authority as soon as it comes to money laundering.

If the US and EU call for automatic exchange of information, we will hardly be able to rely on a convention with three states. It will be necessary to take a clearer position.

In this context one always comes across the term "white money strategy".

Yes, what does that mean? Shall the bank that takes over the monitoring, act as an employee of a foreign tax authority? Thus, the separation of public and private sphere is no longer given. Either we have a government control of banks by FINMA or by the National Bank. Or it eventually comes to the point that the Swiss banks have to control whether German taxpayers pay their taxes on behalf of the German tax authority. This is ridiculous.

This brings to mind a comparison with Nazism: Things began with spying, as well.

The citizens were monitored, and then their property was taken away. It has been going on like this for three or four years now, it works like this, since the states did not know how to settle their debts. Now

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of course they will come and say, "That was the greatest crime in the world, you must not say that." But we have already crossed the line on the way to an even larger crime. Who monitors the citizens? These were mainly dictatorships, totalitarian states. This is exactly what is happening today: the CD theft or that citizens are spied on. If citizens are encouraged to steal such discs, then they are paid for spying on their neighbours. In totalitarian states, it has always started like this. The others were monitored, denounced and thus intimidated.

How should Switzerland react to these attacks?

The sovereignty of every single state is guaranteed by international law. In other words, we have a right to our legal sovereignty, to the sovereign legal system of our state. If we are asked for administrative assistance, because a Swiss citizen is suspected of criminal activities abroad or because a German Citizen is concealing something in Switzerland, which he should have declared in Germany, then it is a different story. In this case the state can and must apply for legal assistance of Switzerland. This is according to the principle of the state of law. That is how it works. It cannot be that data are being exchanged unlimitedly.

Thinking back to the affair of the fiches, we could at least expect some resistance from the left.

It is indeed amazing, on the one hand the leftist parties uphold data protection,

but they don't seem to apply this to financial questions. Should the handing over of data to the US and Germany all of a sudden be no problem? In my view the entire German government ought to be accused of receiving stolen goods. If the state is ready to pay for stolen CDs containing personal data, it presents instigation to committing a criminal deed, there is no doubt about that. Citizens of our country are encouraged to break the law of bank client confidentiality. Stealing data and passing it on to foreign authorities is a criminal offense in Switzerland, therefore it must be prosecuted by the authorities.

This means that Switzerland must become active in this matter and prosecute the law breakers.

Fortunately the new General Prosecutor has finally filed charges against the German tax officials. *The German Government, and in particular the governments of some Länder (federal states) are criminal. They are committing criminal deeds.*

The argument in favor of the tax on income savings has always been that data would no longer be stolen afterwards. Hearing them talk like this one gets the impression that this doesn't correspond with reality.

We can see here that Berne and Berlin are judging the matter differently.

Similar to the discussion about aircraft noise?

Exactly, but also the safety valve clause with the EU. The agreements are formulated sloppily. You can no longer trust the wording. If Mrs *Widmer Schlumpf* says that CD stealing would no longer be possible from January 2013 onwards, why is it still possible now? This is absurd. The agreement has been signed and has to be ratified by the parliaments, yet data stealing is still going on. Who then is to believe that things will get better afterwards?

If I sell a house and the contract was notarized, but not yet entered into the land register, I can't say the house is still in my possession. This is altogether incredible. If the Federal Council argues that the treaty has not yet been enforced and that therefore illegally purchased CDs may still be bought, I must say that one should no longer enter into a contract with such a state, in this case with Germany. In the agreement with Germany we find the common declaration: "They [Germany and Switzerland, editor's note] they will carry out the agreed measures in good faith without violating this regulation by unilateral acts, or contravene this regulation via the relation with third parties."

Should it still be trustworthy if, after signing such a declaration, the purchase of stolen data continues?

Has this really been fixed like this in the contract?

There is no doubt, this is no longer possible in an active way. Well, what does "active" mean? This does not mean that the passive way is no longer open. We have to differentiate here: We know both the active and the passive right to vote. As a federal employee I'm not allowed to become member of the national council, but I certainly have the right to vote. One thing does not exclude the other. Likewise active and passive bribery are not the same.

What can be done in the present situation? It is obvious that it is pure demonstration of dominance – which indeed reminds us of the 30s in a very unpleasant way – and pure harassment of Switzerland. In the case of the aircraft noise Germany is also simply lying about the expertise. Albeit the aircraft noise or the interest tax, it has always been arbitrariness and arrogance. What is the attitude official Switzerland ought to adopt here?

In my view the Federal Council lacks a coherent foreign affairs strategy, so they don't speak with one voice. Moreover, the new parliament obviously still has too little experience and also a too small historical basis to clearly tell the Federal Council which politics they want. However, the parliament would basically have the necessary means. If necessary, influence can also be exerted via the budget. What we lack is the will to resistance against the Federal Council's politics. Perhaps it is again necessary that large parts of the population make themselves be heard by demonstrations and various actions that can't be ignored, and that they say that they no longer agree with this policy. I don't see any other way. The Jurassians might be able to contribute a lot to this discussion from their own experience. Things would look different if recession would manifest itself more strongly and unemployment figures would continue to increase. We have now experienced ten fairly good years. However, this is not the result of the bilateral treaties or the free movement of persons agreement, which finally caused even more problems, e.g. with regard to traffic. In many fields, we have completely lost control and our self-determination. That's why I see demonstrations as the only way to object to this development. *An initiative should be launched, which would allow the dismissal of a member of the Federal Council or a Federal Judge. Moreover, it should be possible to take a mem-*

More than 50% taxation is confiscation

You have to consider that Germany is a high-tax country, also France and other countries as well. The German Federal Constitutional Court even had to recall the politicians in Germany and state, that if they taxed at more than 50%, they were confiscatory. I would possibly also define it as a criminal action: That is confiscation. It violates the fundamental rights of property. The views differ from state to state how much they may take from its citizens and in which manner they do so. Agreements between the states need to find a compromise between their legal systems. Up until now, the German legal system does not apply for Switzerland. The SPD politicians will have to realize that.

Source: Beat Kappeler on radio SWR2, from 22.08.2012

(Translation Current Concerns)

"The sovereignty of ..."

continued from page 6

ber of the Federal Council to court if he does not carry out the will of the people after a Citizens' Initiative had been accepted. If we look ahead of present developments by one or two years, then it is clear what the necessary steps are. If

a state is in a violent conflict, it is clear to everyone – except for the great powers like US and Russia, who do whatever they like – but smaller states are prosecuted on the grounds of crimes against humanity. What is going on in Europe, these horrendous debt levels, also constitute a crime against humanity in my view. It is in actual fact an expropriation

of the saver, which doesn't solve anything, but has a devastating impact. This ought to be a new chargeable crime with no statute of limitation. It cannot be that a democratically elected government can act as it pleases.

National Councillor Schwander, thank you very much for this interview. •

Switzerland versus Germany: Facts about the aircraft noise – what the actual noise exposure really is like

rr. The population density in the concerned Southern-German municipalities¹ is an average of 241 inhabitants per km².² it should be noted however, that around 450,000 people live in the area of the four flight corridors of the southern approach to Zurich airport. The southern area with 46.8% of all residents is by far the most densely populated area with a population density of 1,090 people per km².³

In the crash corridor of the southern landing path alone around 40,000 people live in the municipalities Opfikon, Glattbrugg and Zurich-Schwamendingen.⁴

Each year 90,000 takeoffs and landings take place over the territory of the canton Thurgau. Each third aircraft which starts or lands in Zurich, crosses the Thurgau area.

In total about 500,000 inhabitants in Switzerland are affected by aircraft noise of 45 decibel around Zurich airport compared to 25,000 inhabitants in Germany.

Around 210,000 people in Switzerland and 750 people in Germany, suffer a flight noise nuisance of 50 decibel.

It is undeniable that there are significantly more people affected in Switzerland (see the declaration of the political leaders in the area of Südbaden concerning nuisance by air traffic to Zurich airport, Stuttgart 25.11.2009). That is why Germany is counting the air activity but not the affected inhabitants.

The joined noise measurements agreed upon by Germany and Switzerland on the 29.4.2008 in Berne – "Common analysis of the noise caused by arrivals and departures at the Zurich airport"⁶ – show that the German population – in contrast to the Swiss population – is not affected at all at night and during the day only up to 45 decibel. The exposed population of 24,292 people in Germany is not even 5% in contrast to 490,547 in Switzerland. The measurements revealed the following cumulative data on noise nuisance:

People affected by noise:

- During the day: > 54 dB, Switzerland: 86,066 / Germany: 0
- During the day: > 45 dB,

Switzerland: 490,547/Germany: 24,292

- During night: > 40 dB, Switzerland: 152 715/Germany: 0
- ### Noise affected overnight stays (tourists)

- During the day: > 54 dB, Switzerland: 678,539/Germany: 0
- During the day: > 45 dB, Switzerland: 2028,153/ Germany: 48,679
- During night: > 40 dB, Switzerland: 670,301/Germany: 0

¹ Region of Hochrhein-Bodensee, map see: www.hochrhein-bodensee.de/fileadmin/user_upload/Downloads/Region_HochrheinB_fbg_20100517.pdf

² CF. www.hochrhein-bodensee.de/index.php?id=6.660000inhabitants.12756km2

³ www.vfsn.ch/images/stories//dossier_suedueberflug_dez_2004_web.pdf

⁴ www.vfsn.ch/images/stories//dossier_suedueberflug_dez_2004_web.pdf

⁵ www.fluglaerm-hitg.ch/downloads/Mitglieder_Info_2012_Maerz_RGB.pdf

⁶ published on 29 October, 2009 by www.bazl.admin.ch/themen/infrastruktur/00300/01241/02600/index.html?lang=de (Translation Current Concerns)

The Federal Council has to review its decision

The Federal Council decided to sign the agreement negotiated between Germany and Switzerland on the impact of the Zurich airport operation. Once again, the Federal Council decided neglecting the Swiss interests. The SVP urges the Federal Council to come back to its decision.

In the current situation with continuous attacks on the Swiss sovereignty by German authorities and politicians, Switzerland should not conclude any new contracts with Germany. In addition, the agreement will again bring a unilateral concession of Switzerland towards a

foreign country. It ought not have been concluded in this form and must not be signed in any case, the SVP says.

Source: Confidential Swiss letter, no. 1332 of the 21.8.2012
(Translation Current Concerns)

Aircraft Noise: No Exceedances in Germany

The results of a noise analysis conducted by Germany and the Switzerland make it clear that there are no noise exceedances over the area of southern Germany – neither according Swiss nor German law.

The report shows as well that the aircraft noise from Zurich does not reach the statutory limit of 60 decibel anywhere in Germany whereas in Switzerland 18 000 inhabitants are affected. At a noise level of 53 decibel, just 80 people were affected in Germany. In contrast this noise level affects more than 108 000 people in Switzerland.

For these reasons the Ministry of Economic Affairs of the canton of Zürich writes, that the claim is unfounded that Switzerland would run a "systematic noise export to Germany".

This view is shared by the BAZL (FOCA Federal Office of Swiss Aviation): The Germans have to take note that they do "not suffer a legally relevant noise level" and that the "claims of Switzerland are based on a very real foundation", as Müller is convinced.

On the German side the results are interpreted differently. It would be up to

Switzerland to do a next step towards a concrete solution. In addition, the measurement results would not lead to any change of the previous position, as was announced by the southern German District Office of Waldshut.

Source: [www.tagesschau.sf.tv/News/Archive/2009/10/30/Switzerland/Noise dispute attack against Germany of October 30, 2009](http://www.tagesschau.sf.tv/News/Archive/2009/10/30/Switzerland/Noise%20dispute%20attack%20against%20Germany%20of%20October%2030,%202009)

(Translation Current Concerns)

Recover the sense of our national dignity Switzerland has nothing to gain if it bootlicks the Great Powers

by Michel Halpérin, Geneva

To satisfy unfathomable financial needs, France suddenly revokes the convention which had avoided the double taxation of inheritances between France and Switzerland for the past 60 years. The Federal Government is offered an entirely new text for the benefit of our neighbors, the Federal Council hastens to sign it, organizes a hasty consultation of the cantons and hopes for the ratification of the Federal Assembly in the coming weeks.

The French rush by itself does not come as a surprise. France is accustomed to coups, and the stress that periodically affects the country, is well-known, especially before and after a period in office. This country that constantly questions the citizenship of those citizens who seek to circumvent the revenue department seems not to have understood yet that it is less the tax rate rather than the constant changes in tax law that make taxpayers flee. The latter expect stability and security from the state and fear nothing more than rate changes that complicate daily life and make their future activities unpredictable.

In contrast to this inconsiderate, chaotic and obsessive tax policy, the Swiss have acquired a reputation as a considerate people with sustainable institutions over centuries. The undue federal haste this summer is therefore astonishing and quite unusual.

The official line is the more surprising: The French cancellation would become effective on 1st January 2014, and since nature and Switzerland fear nothing more than a vacuum, there was an urgent need to replace the text that was no longer wanted by the French by a new one. Apart from the fact that it is difficult to draft a contract meant for a specific duration, the customary vacuum is not always quite unbearable: 17 member states of the European Union have no problems accepting this.

The Federal Department of Finance also explains that this new agreement will only have marginal effects, since it concerns only a few people. Few people, the 160,000 French in Switzerland and the 170,000 Swiss residents living in France? In addition, the new agreement would mean/cause heavy tax losses for some cantons. In Geneva, for example, the inheritance tax averagely bears several hundred million francs per year, of which a significant part comes from the estates of foreigners.

As usual, Swiss authorities refer to "tax models" of the OECD. In this case, the argument turns out to be wrong. The new agreement desired by France turns away from the OECD's recommendation, (which is) to raise the inheritance tax at the domicile of the deceased, as it is customary in most places.

No, the new agreement is neither urgent nor harmless. It only discloses that our country once more behaves subserviently towards abroad. Any state, that now demands anything from Switzerland can be pretty sure to be successful. This is evident by our policy, that is so very keen on international legal assistance and by the intentioned destruction of a part of the framework, that has allowed the Swiss economy, especially the financial sector, to ensure the prosperity of the country. To hand over lists of names of our bank customers to foreign powers, and more recently even of employees of the same banks, follows the same line and shows that Switzerland is neither defending its principles nor its citizens, not to mention its interests. It tries to please. And it thinks that this kindness will make it friends. Tragic error. Its demeaning creep causes nothing but lack of understanding and general contempt. This fact is brutally demonstrated by the exploitation of stolen data by the treasury of neighboring states, after all. What is urgently needed today is not to make matters even simpler for France, not to award France with new concessions, but to rediscover the meaning of our values, especially our national dignity. •

Source: *Le Temps* on 20.8.2012

(Translation *Current Concerns*)

Letter to  the Editor

The militia protects the filigree state structure

The interview with the Swiss army chief Lieutenant General *André Blattmann* in *Current Concerns* No. 34/35 of 20 August 2012 concerning the importance and the status of the Swiss militia army brings the urgently-required agreeable clarity. A militia army, not a professional army as it is attempted to be established just now by the power-craved, aggressive neighbor to the north with dubious success, ensures the security of the Swiss population which today is more necessary than ever before. An army with well-trained, high-

ly motivated soldiers, to be ready to defend the traditionally, filigree, democratic state structure and the people living in there that is furthermore firmly anchored in the population in spite of all dishonest and indecent waffle of the media, that is trying to instigate insecurity. A modern army even well-prepared to fence off computer attacks safeguards an essential of Switzerland's numerous characteristics, i.e. the armed neutrality, and thus provides the necessary protection to preserve the location Switzerland.

Lieutenant General *André Blattmann's* clear words contribute a major part to the fact that the army is anchored in the young population, as well. The young population, as citizens of a small country, is now again ready to contribute to the protection of the country and its people.

Isn't that a model and the deepest desire of every citizen?

Dr A. Bau, Schweizersholz

(Translation *Current Concerns*)

The origins of Obama's killer strategy

by Prof Dr Albert A. Stahel, Institut für Strategische Studien (Institute for Strategic Studies), www.strategische-studien.com

In 1999, the then President *Bill Clinton* adopted a strategy against Belgrade which was a landmark strategy for the USA. Even before the beginning of the war, the overthrow of the Yugoslavian president *Milošević* was targeted, however, officially not declared in the coming conflict by Clinton and the inner circle of his administration (*Madeleine Albright* and *Richard Holbrooke*). In Belgrade a Regime Change should take place.¹ To achieve this goal the USA allied with one party of the conflict, the KLA (Kosovo Liberation Army) and its leaders. At that time everyone already knew that the KLA was nothing else than a group of criminals and terrorists whose killings and politics were based on the Albanian Kanun, the legal system of the Albanian tribes. The Clinton administration decidedly sided with this alliance in the conflict between the KLA and Belgrade and declared the Serbs as opponents who were to surrender by all means.

As early as 1998, even prior to NATO's aerial warfare, hundreds of KLA members were trained in warfare and tactics and equipped with modern weapons by the elite unit of the SOF (Special Operation Forces) and mercenaries of a US private military company (PMC). Although the majority of the units of the Yugoslavian People's Army withdrew from the Kosovo in 1998, KLA units continued to attack the Serbian police strongholds in Kosovo and killed policemen. As *Milošević's* negotiating delegation was not willing to sign the surrender document of the USA and NATO in the French town of Rambouillet at the end of February, NATO's aerial war against the Federal Republic of Yugoslavia started on 24 March 1999 without prior resolution of the UN Security Council. Despite the increasing intensity of the air missions, like the destruction of the bridges across the River Danube near Belgrade, the Serbs withstood.² Only after 78 days *Milošević* was willing to give up. On 10 June 1999, the UN Security Council sanctioned the formation of a NATO troop KFOR and the "occupation" of Kosovo.

Although different states in favor of the USA, including Switzerland, recognized the former Serbian province as a state, Kosovo's ethnic problems and those concerning international law have not yet been solved. This includes the massive expulsion of Serbs by the KLA before the NATO occupation in June 1999. In 1996, the percentage of the Serbian population in Kosovo was at 33 per cent; by the end of 1999 it was only 10 per cent.³ The big number of murders and crimes committed on the Serbian and the Romani people by the KLA have never been prosecuted to this very day. Up to the present day, only the Serbian side has been held accountable. On 1 April 2001 *Milošević* could be with the help of a colour revolution, obviously financed by American donor societies, surrendered to the International Tribunal in The Hague.

Despite of the primarily not quite satisfying result, this American strategy was declared as success and has gradually been accepted since 2009 by the Obama administration. All in all the particular phases of this strategy can be described as follows:

Phase 1: On the basis of the geopolitical interests of the USA the national head of state is declared an enemy. The official objective of a campaign effective in the media, which consists mainly of disinformation and defamation, is said to be a Regime Change.

Phase 2: If the first phase is successful, then the not yet declared war becomes superfluous. If not, adventurers and criminals from the destination country are allured by financial benefits and are trained by soldiers of American elite units (SEALs, Green Berets, etc.) and / or private mercenary companies (PMCs) and equipped with weapons.

Phase 3: If these "militia units" (e.g. the KLA or the "Free Syrian Army") are successful in their attacks and assaults against army and police of the regime, then the war is over. If they are not, members of US-elite units and / or mercenaries are infiltrated in the destination country with the help of drones. They mainly have to conduct assaults on the leadership

of the enemy state and to remove them in terms of a decapitation strike.

Phase 4: If their effort does not lead to the desired success, air attacks by the USA or the NATO with sea-based cruise missiles and strategic bombers are accomplished against targets which have been declared relevant for the war.

Phase 5: The last act of this rolling destructions, which lead to many victims among the population, is the removal of the enemy "tyrant" by any means, may it be by the enforcement of a judgment, which is declared as according to international law (e.g. *Saddam Hussein*) or by the assassination through the mob (as *Gaddafi*). It is important that no traces lead to the initiators of the war. The posterity may not become insecure.

During all these phases the international media are intensively provided with an efficient propaganda machine of lies and disinformation. The representatives of these media have to disseminate these "information" in their countries.

By its nature, this strategy is originally not American, but goes back to the Chinese theorist of war *Sun Tzu*. He described it in his tractate "Thirteen fundamental principles" in 510 BC.⁴ The Chinese have repeatedly applied this strategy during the thousands of years of their state's existence. The Americans had to suffer from it during the Vietnam War. Since then they have increasingly applied it themselves successfully in their wars. The last example was Libya. Now Syria and the Assad-regime has become the declared target of the Regime Change of the *Obama* administration. •

¹ Crosland, J. (ret) (2006). *Witness Statement, International Criminal Tribunal for the Prosecution of Persons responsible for serious Violations of International Law committed in the Territory of the Former Yugoslavia since 1991*, p. 5.

² Lambeth, B.S. (2001). *NATO's Airwar for Kosovo, A Strategic and Operational Assessment*, RAND, Santa Monica.

³ Crosland, J. (ret) (2006), p. 12.

⁴ Stahel, A.A. (2003), *Klassiker der Strategie*, Vdf, Zurich, third edition, p. 13-35.

(Translation *Current Concerns*)

Europe: To strive for observer status at the Nonaligned Movement

“The time has come for the West to reconsider its hostility toward the Nonaligned Movement”

by Kaveh Afrasiabi

The Nonaligned Movement’s much-heralded summit meeting next week in Tehran – featuring dozens of leaders from the developing world, including President *Mohamed Morsi* of Egypt and Prime Minister *Manmohan Singh* of India, as well as the U.N. secretary general, *Ban Ki-moon* – will elevate Iran as the movement’s new president for three years and enhance Tehran’s regional and international clout.

Tehran wants to seize this opportunity to neutralize Western-imposed isolation over its nuclear efforts and to defend its program, which has been consistently supported at past Nonaligned Movement summits as well as by Nonaligned countries in the International Atomic Energy Agency. Concurrent with the Tehran summit will be a new round of Iran-I.A.E.A. talks in Vienna that holds out the promise of greater nuclear transparency by Iran.

Unfortunately, the United States and a number of other Western countries have adopted a purely negative approach toward the Tehran summit, going even as far as urging Ban to boycott it since the host nation is in defiance of U.N. resolutions on the nuclear issue. But the secretary general must be lauded for exercising independent judgment in deciding to go to Tehran for the meeting. After all, there are 120 Nonaligned Movement member states in the U.N. General Assembly, and U.N. chiefs have regularly attended Nonaligned Movement summits.

Although the Tehran summit has been mocked as a “bacchanal of nonsense,” it is likely to have significant implications, above all for regional peace and stability. As a case in point, both Singh and President *Asif Ali Zardari* of Pakistan have stated their intention to meet on the summit’s sidelines to discuss bilateral issues. And though Syria’s embattled President, *Bashar al-Assad*, may not participate, the crisis in Syria will be on the agenda and may culminate in a new Nonaligned Movement mediation push to complement the efforts of both the United Nations and the Organization of the Islamic Conference.

At a recent O.I.C. conference in Mecca, Morsi proposed forming a contact group on Syria comprising Iran, Egypt, Turkey and Saudi Arabia. This idea could now earn the blessing of the Nonaligned Movement and demonstrate how a new Middle East can chart its own destiny after the Arab Spring.

Morsi’s decision to go to Tehran indicates a thaw in Iran-Egypt relations and could be the harbinger of a diplomatic normalization between the two countries that could greatly enhance stability in the region.

With respect to the stalemated nuclear negotiations between Iran and the “P5+1” nations – the U.N. Security Council’s permanent members plus Germany – the Tehran summit is expected to produce some good. As the Nonaligned Movement underscores the extent of international support for Iran’s right to enrich uranium for peace-

ful purposes, the United States and its allies will be pressed to drop their rigid insistence on a complete halt to Iran’s enrichment efforts and take a more nuanced approach to help break the deadlock on the issue.

The Western offer to provide nuclear reactor fuel and aviation parts in exchange for Tehran shutting down its high-grade enrichment work was called “ungenerous” by the International Crisis Group. It is clear that one-dimensional, coercive diplomacy on this matter will not yield a positive result – and that the Western diplomatic approach toward Iran needs to be much more flexible and prudent.

Practical steps could help a lot. China and Russia both have observer status at the Nonaligned Movement. So why have the United States and the European Union failed to join them by seeking observer status, too? The movement’s goals and aspirations should not be a bar to this; after all, the United States sends observers to O.I.C. meetings that habitually condemn Israel.

The time has come for the West to reconsider its hostility toward the Nonaligned Movement. A small olive branch could be extended if the United States and the European Union requested observer status. And the deep North South divide could begin to close.

•
Kaveh Afrasiabi is a former political science professor at Tehran University and former adviser to Iran’s nuclear negotiation team.

“*International Herald Tribune*”, 24 August 2012

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United States: mixed picture with an alarming note

One of our editors is currently visiting North America and analyzes the country and its people. The focus is on the United States and Canada. About 100 days prior to the presidential election, the United States show a mixed picture with a disturbing note. Pessimistic economists talk of a looming economic crash due to the miserable economic situation of many American regions, municipalities and cities. In addition, unemployment remains at a worrying level of 8.2 percent according to official statistics. But these statistics – as many economists agree – are strongly embellished, actually distorted! They do not consider the millions of out-of payment long-term unemployed who have slipped through all social networks. Furthermore, all unemployed who are temporarily embedded in so-called work programs and training courses are not included. We have seen “real” statistics about unemployment of 16 to 18 percent. Many unemployed do not register any longer in the office, in order not to be obliged to fulfill their requirements.

In the wide belt between the Pacific (California) and the Atlantic (New York) umpteen cities, regions and states are in financial distress, they can no longer meet the most important daily tasks. America has lost much of the former splendor when you look closer at the everyday life. The land of hope and future? For many only a thing of the past! The once thriving Californian City of Stockton (150 km east of San Francisco, 300,000 inhabitants) is a shocking example. The city authorities have declared the city’s bankruptcy (Chapter 9) during these weeks. \$700 million in net debt and

only \$5,000 cash in the city’s coffers. Civil servants, police officers and firefighters are without pay and salary. The current supply is turned off, and only thanks to a court order the main roads, etc. are still illuminated provisionally. The State of California declared itself unable to provide financial assistance, since every day it just barely avoids the national bankruptcy itself. A debt directory published by the city of over 211 pages (!) shows that many SMEs of the city are creditors. They will not only have to report large losses but will also be lost as taxpayers in the future. It is a vicious circle.

Further states, such as the “Old people’s home” Florida, are faced with bankruptcy. United States Central Government now has to increase the debt limits every year, in order to pay its bills with new debt. The United States, superpower of the past 60 years, are up to their ears in astronomical debt of about 15 trillion dollar. Every day they have to make new debt of 1 up to 2 billion dollars on the international capital market so they can pay only the compound interests. It is an impasse for financiers, and it will manifest itself sooner or later in a further sharp drop of the dollar. The distressed infrastructure of the United States is a major concern. It has been neglected ruthlessly for decades. Here an example: the Army Corps of Engineers qualified 160,000 of the 600,000 US bridges as no longer secure or even in danger of collapsing – every fourth bridge. “American roads and the streets of the cities are crumbling slowly but surely”, is one of the sad findings. There is no money in the coffers for social issues. Many cities and towns are no longer able to meet the

pension claims. Although pensioners have deposited for a lifetime, no more money is available. For many years it was misused and consumed by the municipalities. Today, the pension claims appear as creditor’s assets.

The United States currently have 307 Million inhabitants. Surprisingly, there are only nine cities having millions of inhabitants. These are: New York (8.2 million), Los Angeles (3.8), Chicago (3.0), Houston (2.1), Philadelphia (1.5), Phoenix (1.5), San Antonio (1.3), San Diego (1.3) and Dallas (1.2). In 100 days a new president will be elected. There is a lot of evidence that with the election the last days as a superpower are dawning. With his inauguration the new (old?) man in the White House must directly solve the first big problem, the so-called “Fiscal Cliff”. This is the gap between the expiries of tax subsidies and the simultaneous occurrence of drastic cuts in the public budget. It is the American lawnmower method, which seriously threatens the economy! A short retrospect: In November 2011 the “Super Committee”, a group of democrats and republicans, could not agree about a savings plan of \$1.5 trillion. If there is nothing to stir the pot, budget cuts will automatically come into force in January next year. All the budgets will be reduced by the lawnmower method – in the social system as well as in the armed forces, with a few exceptions only. And all that at a time, when many tax subsidies end. •

Source: *Vertraulicher Schweizer Brief* No. 1330 of 2 August 2012

(Translation *Current Concerns*)

Transparent people

tb. While the descent of the facebook-share continued, company founder *Mark Zuckerberg* acknowledged blatantly, that facebook was “the single most powerful tool for population control ever created”. Currently around 800 million people visit the facebook page every day and post as many as 300 million new pictures. With the help of a special software each newly posted picture is immediately associated with the data of the respective “customer” which are known to the system and is therefore inextricably linked.

Moreover, with the help of special face recognition software it was easily possible to identify the persons in the photographs (if their data required for this purpose are also stored on facebook). This is made possible by software developed by the Israeli company “face.com“, which made Facebook purchase the entire company.

By the way, the latest facebook campaign for “customer loyalty” took place over night: the users’ e-mail addresses deposited on facebook were therefore converted overnight into facebook-mail-addresses. From now on, most facebook

users can socialize with their previously maintained contacts only through this platform. From now on, it is true more than ever: facebook knows almost everyone and knows almost everything.

So very silently and quietly became true, what most of the secret service agents have been dreaming of for centuries and naive facebook users have long become transparent people! •

Source: *Vertrauliche Mitteilungen* [Confidential News], no. 3993, 21.8.2012

(Translation *Current Concerns*)

Cracks in the system

Risks, indications and warnings from the Bank for International Settlements

Since the collapse of the US housing boom in 2007 and since the beginning of the disintegration of the euro system in winter 2009/2010, the governments have always been trying to give the impression that they have everything under control, and the worst is over. That's why it is not easy for investors to distinguish between eloquence, alarmism and the objective situation. They must know the hard facts and figures, and take particular care what the market participants do – and pay less attention to what they say, promise or pretend to hope.

Therefore the lead story in the business section of the "Frankfurter Allgemeine

Zeitung" of 7 August had a high information value. The title was: "Corporations are pulling out money of the euro zone – Shell, Vodafone and Glaxo Smith Kline are preparing for the collapse of the monetary union." The message is important considering that Royal Dutch Shell, is Europe's largest company and had cash amounting to \$17.3 billion at its disposal at the end of June. The very successful British companies Reckitt Benckiser (detergents) and Diageo (World's largest liquor producer) as well as the Dutch brewery group Heineken have taken similar steps.

The 82nd annual report found of the Basel Bank for International Settlements

(BIS) published in June indicates that there are good reasons for such precautions. As the Bank of the world's central banks the BIS knows better than other observers what is going on and where the weak points of the system are. So no one who thoroughly studied the annual reports of the BIS and took it seriously could have been surprised about the outbreak of the great financial crisis in 2007/2008. G&M has repeatedly quoted the BIS publications. How serious is the situation in the summer of 2012? •

Source: G&M Gold & Money Intelligence, No. 369 dated 08/20/2012

"Germany is at the wheel"

The whole crisis only serves to distract "the people of Europe from the third world war. A war that has already begun and which will be more brutal and violent than the last one ..."

ev. The harsh rhetoric of German politicians towards Switzerland recalls unpleasant times. Those who talk like that enjoy "backing" from "a higher level", at least do not just campaign for elections and domestic policy. Obviously, the big brother across the Atlantic has grand plans with this new Germany. The fact that Europe – and Germany in particular – plays a crucial role in American geopolitics is not new. Since the Second World War, the US has always ensured by carrot and stick that Germany would not focus too strongly on the East: Germany allied with the Soviet Union or with Russia would not only limit US influence on Europe and Eurasia, but – as Zbigniew Brzezinski bluntly points out in his book "The Grand Chessboard: American Primacy And Its Geostrategic Imperatives" – would even destroy the superpower plans of the US.

Now German politicians should obviously receive special consecrations by the Empire: After Germany's war guilt has been promoted for decades it is now of no political use any longer, and Germany now may give rise to its superpower-plans in the context of the EU under the patronage of the United States. Timothy Garton Ash, Professor for European Studies at Oxford University and a Senior Fellow at the Hoover Institution (a think tank at Stanford University, financed by large corporations that informed George W. Bush on international issues among others before he was elected) writes in the latest issue of *Foreign Affairs*, the journal of the Council on Foreign Relations, in a premium article titled "Europe's crisis":¹

"European Germany, German Europe"

"Germany is the key to Europe's future, as it has been, one way or another, for at least

a century. The irony of unintended consequences is especially acute here. If Kohl was the first chancellor of a united Germany since Hitler, François Hollande is the first Socialist president of France since Mitterrand, and it is Mitterrand's legacy he has to wrestle with. Monetary union, the method through which Mitterrand intended to keep united Germany in its proper place – co-driver with France, but still deferential to it – has ended up putting Germany at the wheel, with France as an irate husband flapping around in the passenger seat ("Turn left, Angela, turn left!)." (p 12)

"At the time of German reunification, German politicians never tired of characterizing their goal in the finely turned words of the writer Thomas Mann: 'Not a German Europe but a European Germany.' What we see today, however, is a European Germany in a German Europe. This Germany is an exemplary European country: civilized, democratic, humane, law-abiding, and (although Mann might not have rated this one) very good at soccer. But the "Berlin Republic" is also at the center of a German Europe. At least when it comes to political economy, Germany calls the shots. (The same is not true in foreign and defense policy, where France and the United Kingdom are more important.)" (p.13)

And where will this German Europe lead us? There are serious voices who point out that the only intention of the whole crisis is to distract the people of Europe from the third world war. A war that has already begun and which will be more brutal and violent than the last one ...

The US project of united states of Europe makes less and less sense to the popula-

tions – the current crisis seems to convince only certain elites of a supposedly "necessary political union", however not the peoples of Europe. •

¹ Timothy Garton Ash. The Crisis of Europe. In: *Foreign Affairs*, September/October 2012, pp. 2–15

Current Concerns

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Editor: Erika Vögeli

Address: Current Concerns,

P.O. Box, CH-8044 Zurich

Phone: +41 (0)44 350 65 50

Fax: +41 (0)44 350 65 51

E-Mail: CurrentConcerns@zeit-fragen.ch

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Which “well-paid people” are backing the SPD breaches of the law?

A few questions to the German Social Democrats

km. On 19 August, the German newspaper *Welt am Sonntag* reported on the results of a survey by market researcher *GfK*. German citizens were asked what they thought of German government agencies continuing to illegally “acquire” data on German customers of Swiss banks.

At first glance, the results are amazing. 71 percent of those who earn more than 3,500 net per month, the German well-paid, are in favour of it. This is almost 10 percent more than the average percentage of supporters which is – with 62 percent – already alarmingly high. Is the argumentative mess so big that no one knows any longer what is going on? Does the Swiss market research institution want to participate in the “chaos management”?

How is it possible that the Finance Minister of the federal state North Rhine-Westphalia and SPD member, *Norbert Walter-Borjans*, is in a line with the high earners who otherwise have nothing to do with socialism? This curious connection must be questioned. Who are those well-paid people who “respond” so well to SPD policy? The survey itself does not tell. This is why we as citizens have got a few questions:

- Do these well-paid belong to those in the Republic who are grateful to the SPD that under SPD leadership the doors for globalization (equals Americanisation) were opened “for a new social contract” and that when they were in power the

life of the unemployed and job seekers has become harder with the *Agenda 2010* and in particular with *Hartz IV*? To those who are grateful for the fact that under an SPD chancellor the climate in companies turned colder and more ruthless, that the achievements of the social market economy were thrown over board, and that there is no recognisable difference to the American neoliberal project any longer?

- Or is it the speculators on the stock-exchanges who are grateful to the SPD for having eliminated the last barriers for free capital movement which attracted the “locusts” of the globalized financial investors to Germany and terminated the “Germany AG”, a project that had aimed at leaving German companies in German hands.
- Or is it even the speculators who are grateful to the SPD because their party member *Jörg Asmussen*, ECB Director and former Secretary of State under Finance Ministers *Steinbrück* and *Schäuble*, has vigorously supported the admission of the most toxic financial products on the German market?
- Or is it maybe the high-earners, whose income top tax rate was lowered from 53 to 42 per cent, thanks to the red-green government?
- Or is it those well-paid in international German companies who stand fully behind the policy of their concern man-

agement and their foundations who – like *Siegmar Gabriel* and his new party manifesto writers *Jürgen Habermas*, *Peter Bofinger*, and *Julian Nida-Rümelin* – want to abolish sovereignty and the national state and who are now molesting citizens with the propaganda campaign “I want Europe” – as there are the *Allianz Cultural Foundation*, the *Bertelsmann Foundation*, the *BMW Foundation Herbert Quandt*, the *Hertie charity Foundation*, the *Körber Foundation*, the *Robert Bosch Foundation*, the *Schering Foundation*, the *Schwarzkopf Foundation*, the *Gen-shagen Foundation*, the *Mercator Foundation* and the *Foundation Zukunft Berlin*.

- Or is it those well-paid who come from the social background of the academic jet set A13plus milieu who were thrilled eternally thankful to the SPD already in 1999 that Germany for once was allowed to fight a war for a “good cause” and who now want to make sure that the German human rights system and the R2P finally shall heal the world. Is it their goal that US-imperial wars under Nato-leadership become a permanent institution in the world? Could it also be possible that the polling firm looked for its survey clientele at the companies’ doors and in the residential communities of the employees of German arms manufacturers? •

Criminal complaint against North-Rhine-Westphalian Finance Minister Walter-Borjans

km. By letter dated 17 August (submitted to the editorial office), two members of the parliamentary group of the *Pirate* party in the Düsseldorf parliament, *Dirk Schatz* and *Nicholas Kern*, an MP of the same party in the parliament of Schleswig Holstein, *Wolfgang Dudda*, and the Düsseldorf lawyer *Udo Vetter* filed a complaint with the Public Prosecutor in Düsseldorf against the Minister of Finance for the state of North-Rhine-Westphalia, *Norbert Walter-Borjans*.

The charge concerns the acquisition of several so-called tax data CDs by the state of North-Rhine-Westphalia. Based on the finding that the data are subject to Swiss bank client confidentiality and the assumption that these data may not have been legally purchased and sold, “the initial suspicion that the parties involved are liable to prosecution at least for aiding and abetting offenses the seller committed.” (Emphasis in the original text)

The four complainants emphasize that the Supreme Court in its decision in 2009 (2 BvR 2101/09) “did not rule on the question whether German tax investigators and policy makers make themselves liable to prosecution with the purchase of tax data CDs”. (Emphasis in the original text) In the public the impression is partly conveyed that the highest German Court had considered the purchase of illegally obtained data legal. In fact, it was only stated that the use of such data would not be unconstitutional. The decision of the Constitutional Court, the complainants say, is “no legitimacy for the actions of the North Rhine-Westphalian authorities and their political leaders.”

In the complaint the following offenses under German law are listed (emphasis added): §44 “Bundesdatenschutzgesetz” (Federal Data Protection Act), § 17 Gesetz gegen unlauteren Wettbewerb (Act against

unfair Competition) and § 202a Criminal Code (CC). In this regard the complainants emphasize that “the communication and dissemination of trade secrets constitute a separate criminal act” and that “the leaders of the Land NRW were undoubtedly involved in a criminally liable manner”.

Furthermore they say that the question must be raised, “in how far previous acquisitions of those CDs that have taken place regularly since 2006 could be considered attempts to participate in or instigate the current purchases.” For this purpose, the complainants write “It does not only suggest itself but it would be unrealistic not to assume that the current providers of tax information have only decided to offer tax data CDs, because they know that the state of NRW is apparently willing to purchase them on a large scale.

"Complaint against ..."

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The North Rhine-Westphalian authorities probably make use of an offer induced by themselves, which may well be regarded as instigation and participation."

The German media, nearly all of which reported only very briefly on the complaint against North Rhine-Westphalia's Minister of Finance and played down the

complaint in the same breath, are not doing a good service to Germany's return to a state under the rule of law. "De legibus absolutus" ("detached from the laws") was the way royal absolutism saw itself, and today a number of German politicians, including their media mouthpieces, probably consider themselves above the law again. Once more, the topicality of the Nazi jurist Carl Schmitt and his definition of sovereignty are discussed in Germany. "Sovereign is he who decides

on the state of emergency", as the economist Charles B. Blankart recently illustrated in an article for the "Frankfurter Allgemeine Zeitung" ("Die Euro-Zauberlehrlinge" – The Euro-Sorcerers, 13 August 2012). German history however is full of bitter experiences with people who wanted to adjudge the state of emergency and saw themselves "freed" from all legal bindings. Is Norbert Walter-Borjans one of these people? Is it still a matter of course in Germany that people like the four complainants file a complaint in a legally clean paper against such politicians? Now we are curious how seriously the prosecutor in Düsseldorf will investigate the complaint. The rule of law also includes the separation of powers and an independent judiciary. In absolutism, there was no separation of powers. "L'état, c'est moi", said Louis XIV. In a democracy, however, something else is valid: We are the state! We – the citizens. Is this still wanted in Germany? Or are the citizens now to be abused to abolish their own democracy with the help of a referendum? Even "celebrities" and leading foundations have heralded the referendum campaign called "I want Europe". Included are the Allianz Cultural Foundation, the Bertelsmann Foundation, the BMW Foundation Herbert Quandt, the Hertie Foundation, the Körber Foundation, the Robert Koch Foundation, the Ernst Schering Research Foundation, the Schwarzkopf Foundation Young Europe, the Genshagen Foundation, the Mercator Foundation, the Stiftung Zukunft Berlin. In fact that would mean a very successful coup of those who want to create the state of emergency. •

Promoters of a "German Europe" start a bombastic propaganda campaign

The euro is said to be a success story ...

km. 11 German foundations, most of which are attached to international corporations (see the articles on this page), and a number of individuals have started a campaign on 23 August (www.ich-will-europa.de – "I want Europe"). Most of them are known as propagandists of the real EU and refuse a Europe of sovereign nation states, one of them being Timothy Garton Ash (see articles). Under the slogan "I want Europe" the campaign will again refurbish the reputation of the EU, also heavily tarnished in Germany, and will propagandistically prepare the ground for a "German Europe". The collection of German key media and the German private television, so to say forced into line politically, have proclaimed their assistance.

The German Federal President Gauck has taken over the patronage of the campaign; in a welcome address Chancellor Merkel expressed her outsized pleasure about this concerted action.

Words like EU or ESM or anything else concrete and realistic have not occurred in the available texts so far. They contain nothing but hazy smooth-talk. Nonetheless it is obvious that they are about to pave the path for the course of the German government with a bombastic PR-campaign.

One must only read more precisely to recognize the political intention: "The participating foundations work individually or together with a multitude of projects to intensify European integration." "The euro is a success story." And above all: "With a powerful Europe Germany will get a better hearing in the world." And almost incidentally: "The current crisis will certainly cost Germany [that is the citizens!] much money."

The slogan of the campaign is an affront directed against all those who no less say "I want Europe" but thereby do not think of a stepwise development

into an undemocratic and centralistic coercive structure following the Monnet method and deliberately staging heavy crises, but who think of the "Europe of fatherlands" that Charles de Gaulle strived for: a Europe, in which democratic and liberal states under the rule of law coexist and enjoy equal rights.

The campaign pretends to be willing "to allow and to promote discussion": "We want to give the people a say." There we take the campaign at its word. And quote the author of the book "Bayern kann es auch allein (Bavaria can do by itself)" (see *Current Concerns*, No 34/35, of 27 August): "For a multitude of reasons, Europe should not and may not become a great power of the usual kind. Great powers, tending to high spirits, cannot and may not be a model for the unity of Europe because in the historical overview it was from them that war and mischief among the people emerged. The European centralized state, should it be aspired to with the weak argument that only thus the euro- and debt-crisis could be overcome, would be doomed to failure even from its outset: There is no such thing as a European national people. The people in their diversity, in the variety of their languages, their thinking, their mentality, their social character or their house keeping constitute Europe's richness and splendor in the first place. Leveling this diversity, promoted or commanded by Brussels, would mean the end of what constitutes Europe, it would mean its death."

There is a popular saying that citizens are suspicious especially when propaganda is issued with high gloss and million amounts. This mistrust has proven successful. It is also a proverb saying "Don't reckon without your host." It is the citizen who is the host in a democracy. Nobody should try to fool him over and over again.

§ 202a of the Criminal Code Section 202a Data espionage

- (1) Whosoever unlawfully obtains data for himself or another that were not intended for him and were especially protected against unauthorised access, if he has circumvented the protection, shall be liable to imprisonment not exceeding three years or a fine.
- (2) Within the meaning of subsection (1) above data shall only be those stored or transmitted electronically or magnetically or otherwise in a manner not immediately perceivable.

Belief in progress and pioneering spirit in Switzerland

From 1838 to 1938 – one hundred years of railway construction in Engadine



The imposing viaduct near Cinous-chel. (picture out of the book)

thk. Whoever has once gone from Tiefencastel to Engadine by way of the “Rhätische Bahn” (Rhaetian Railway) keeps in mind a feeling of admiration, enthusiasm and great fascination. What our ancestors did already 150 years ago must earn our deepest recognition and respect. Under the most difficult conditions bridges were built across the deepest abysses; tunnels were dug in the Grisons rock for miles and miles to overcome the gradients loops. The railway tunnel through the Gotthard as well of course not in the Engadine which saw its breakthrough in 1880 – is a symbol of this technical progress which occurred very early in Switzerland especially concerning the rail-

way construction. This pioneering spirit is preserved in our country until this day. The Lötschberg-tunnel or the NEAT with the 56 kilometre long Gotthard basis tunnel, the Zurich cross-city link, the Alp-metro in Saas Fee are well-known projects of our modern times.

Day by day hundreds of bigger and smaller tunnels are passed through by the Swiss Federal Railways (SBB), mostly felt to be natural by the railway passengers. To describe and document this whole development of the railway construction would be a great project.

Concerning the railway history of Engadine a team of authors has gratefully undertaken this task; and only this small part of the Swiss Railway history fills a book of three hundred pages.

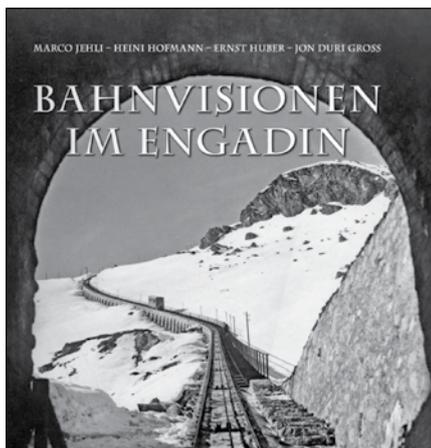
The work “Railway visions in Engadine” by *Marco Jehli, Heini Hofmann, Jon Duri Gross* describes in an impressive way how the Engadine was captured by the railway fever and how the progressing mechanization changed the lives of the people. This includes the triumphal procession of the automobile as well as the conquest of further regions by the railway.

With a meticulously detailed work and with partly newly-published photographic material the exciting history of the development of the railways in valleys and over mountains in the Engadine is documented.

Failed visions are described very precisely as well as realized construction projects. Only during the time between 1838, that is before the formation of the federal state, and 1938 there were 50 concrete railway and mountain-railway projects.

In the book one finds for example the ambitious idea of a summit railway (summit cabin railway) to the Piz Bernina, the highest mountain in the Grisons Alps. According to the assessment it fortunately was abandoned as well as a similar project to the Matterhorn or the Montblanc. Other projects were realized. Especially worth mentioning is the step-by-step and well-considered expansion of the Rhaetian Railway which was extended as well into the Valposchiavo as into the Lower Engadine and so overcame the Bernina pass.

Besides the technical progress and the pioneering spirit which prevailed in Switzerland and which was realized in concrete projects by well-known personalities, also those countless workers are appreciated without whose commitment none of these railway lines could have been built. Often they had to work under most difficult conditions. In many cases they had to pay with illness or even death. They as well obtained a worthy place in the book.



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Professor Eberhard Hamer established the Mittelstandsökonomie (Economics of Small and Medium-sized Companies)

eh. With the realization that owners who run their business themselves, behave differently from managers who are employed only on time, Professor *Eberhard Hamer* recognized a gap in political economy and business studies; he also developed an independent economics. In his "Mittelstands-ökonomie" (economics of small and medium-sized companies) which he developed himself he illustrates the characteristics of a medium-sized company. He defines medium-sized companies as "companies managed by their owners." This is fundamentally different from the traditional division into small, medium and large companies because Eberhard Hamer for the first time made the qualitative distinction of types of companies in the private sector between owner-operated small businesses and management-guided corporations. Meanwhile, the qualitative division of private companies by Prof Hamer has not only found wide acceptance, but has moved into public directives and science, as well. For medium-sized companies Prof Hamer developed a concept of independent economics, the economics of small and medium-sized companies, because conventional economics and business studies that focused on corporations had to be essentially amended by this part. Because the differences between these two types of companies are so fundamental and serious, it is not sufficient to make the prevailing theory applicable to these medium-sized companies just by minor adjustments to the existing literature. The economics of small and medium-sized companies developed by Prof Hamer refers among others to the following new findings:

Companies managed by the owner or by the owner's family operate differently than management-guided corporations.

In medium-sized companies, the entrepreneur is the central figure, who is responsible for more than 50% for the company's success. He is an immovable

"Belief in progress and ..."

continued from page 16

The book is a jewel for everyone who is enthusiastic about Switzerland and railways. It tells about the great achievements of the railway construction of the last 150 years in the Engadine and makes the heart of every railway enthusiast beat faster as well as that of every friend of the Swiss mountain world. A book that inspires, fascinates, educates and delights, entirely according to the motto of the Enlightenment "podesse et delectare". •

Eberhard Hamer celebrated his eightieth birthday

eh. Prof Dr *Eberhard Hamer*, founder and president of the "Mittelstandsinstitut Niedersachsen" (SME Institute Lower Saxony) and the "Deutsche Mittelstandsstiftung" (German SME Foundation), was eighty on 15 August 2012. The lawyer and economist is considered to be the founder of the "economy of small and medium-sized enterprises", the economy of enterprises run by their owners. In more than 30 books and numerous newspaper articles, he has worked out the special attributes

of medium-sized companies managed by their owners in contrast to manager guided capital companies and has taken a stand in political discussions as a selfless representative of the interests of the middle class. As early as in 2002 he was the first to point to and accurately predict today's visible crisis in his book "What to do when the crash comes"; furthermore he has laid the foundations for future political discussions in his other bestseller "The world money fraud".

factor associated with the enterprise for his whole life and non-terminably.

Unlike entrepreneurs, the management in corporations has a merely temporary interest in the company. His or her decisions are governed by the terms of the employment contract on the one hand and the requirements of the owner, (supervisory board, shareholders) on the other.

Entrepreneurs are liable for the company's success with their private assets. Managers on the other hand do not take full personal responsibility. Their liability is limited to that of an employee.

In medium-sized companies the operational goals are subordinated to the personal goals of the entrepreneur or the entrepreneurial family. In corporations, the manager or the managing family have to submit to the requirements of the business.

Entrepreneurs decide according to long-term perspectives, whereas managers consider only short-term periods in accordance with their employment terms.

In their business decisions entrepreneurs are committed only to themselves. Managers, however, must be able to justify all their decisions vis a vis the supervisory board or the shareholders and therefore they decide rather rationally than subjectively and economically, as most entrepreneurs do.

With regard to regulatory policy corporations and medium-sized companies have different demands. Whereas "hard location factors" prevail for corporations, "soft location factors" are often more important for medium-sized companies. Where the entrepreneur feels well, he establishes his business and expands it. If he feels no longer comfortable on a location or if he is "scared away" by regulatory policy, he moves away with his company. For the first time with his economics of small and medium-sized companies Prof Hamer found a holistic approach for own-

er-operated businesses, for their needs and their political importance. After intensive research, he concluded that medium-sized companies are not only the foundation of and single net contributor to the welfare state ("Who funds the state" 1986), but also a main trainer in the private sector and employers for the majority of employees with 80% in the private sector while they subsidize both the companies and the social systems. He is guarantor of market economy and freedom because he tries to assert himself on the market by top performance instead of market power and for this he needs personal freedom. While corporations have a tendency to size and monopolies, the size of owner-run businesses are limited by the individual entrepreneur. The growth of owner-managed companies depends on the personal skills of the entrepreneur's person instead of the capital, as is in the case in corporations. In numerous articles and more than 30 books, Professor Hamer emphasized the particularities, the special requirements for a regulatory policy and the special relevance in national economy and with the book "What is an entrepreneur?" he created the first standard reference, which emphasizes the particularity of medium-sized companies and differences to corporations. It is considered as the basis of economics of small and medium-sized companies. With the "Mittelstandsinstitut Niedersachsen" (SME Institute Lower Saxony) which was founded in 1975 by Prof Hamer's research on small and medium-sized enterprises will be continued in the future. It has become the most important, privately-funded Small Enterprises Research Centre in Germany. For the development of the economics of small and medium-sized enterprises Prof Hamer was honored publicly by award of the Order of Merit of the Federal Republic of Germany. •

(Translation *Current Concerns*)