

which today is lacking,” he said. At present, some 20% of EU natural gas supply and 16% of its oil come from Russia. Poor pipeline maintenance and major leaks in the Russia oil sector have been a terrible constraint on increasing Russian oil exports, thus far.

The next talks between Russia and the EU are slated for Oct. 12 in Moscow, in a meeting of the EU-Russia Cooperation Council. The EU delegation will be led by Chris Patten, EU Commissioner for External Relations. The talks will be technical, according to the EU, but as there are no regularly scheduled meetings of that group, it signals that some inside the EU are eager to move the energy cooperation agenda forward.

This could be a chance to recapture the missed opportunity, urged by LaRouche in the 1989 revolutions, to use western European infrastructure technology, focussed around Germany’s leading role in machine tools and steel, in exchange for Russia’s oil and gas, as the basis to rebuild Russia’s rotted economic base. Time will make this opportunity clearer. The initiative at this point at least seems promising for the first time in ten years.

## Germany on the Eve of a New Russia Policy

by Rainer Apel

The four-hour visit of German Chancellor Gerhard Schröder to Moscow on Sept. 25, was highly unusual, indeed: He and Russian President Vladimir Putin spent their entire time talking at the Kremlin in German, which the Russian President speaks fluently. There were no translators present, and hence, only the two leaders know exactly what they discussed. This is not to say there is some dark conspiracy between Berlin and Moscow, which the two leaders wish to withhold from the other Western powers. But, afterward, Chancellor Schröder told journalists jokingly that there was “no new Rapallo” in the making—an allusion to the 1922 exclusive treaty between the young Soviet Union and Germany, which was a strategic response by two states, which wished, respectively, to survive the anti-communist economic embargo and the destructive conditions of the 1919 Versailles Treaty. Most of the design of that Rapallo Treaty went under, in the political turmoil after the assassination, several months later, of Walther Rathenau, the German Foreign Minister who signed it, and with the hyperinflation that flailed Germany in 1923, making any calculable economic policy impossible.

“Rapallo” is past history, but it is a similarly acute economic crisis, that gave birth to the Schröder-Putin talks in Moscow on Sept. 25: The date was arranged at the peak of

the combined crises in Europe, with speculation sending fuel prices soaring, and capital flight sending the European Union’s single currency, the euro, plunging. The Chancellor conveyed an EU emergency policy initiative to the Russian President: a plan for a long-term “strategic energy partnership” between the EU and Russia (see accompanying article).

Schröder also discussed bilateral German-Russian issues, such as the proposal for a new, regular conference, involving politicians, industrial managers, bankers, and experts. They agreed that the conference shall be held at least once, in St. Petersburg, each year. And, the German state export credit guarantee facility, Hermes, shall be expanded, so that more German firms, notably middle-sized ones, can pre-finance exports to, and investments in Russia. Having come under immense political and economic pressure from rising fuel prices and the euro collapse, the German interest in intensifying economic relations to Russia is evident. The Russians, too, are voicing a new interest in building relations with Germany—relations that return to the basics of industrial and technological cooperation, unknottling the monetarist strait-jacket of neo-liberal “reforms” that have undermined any serious cooperation, during the past decade.

### What Was at Stake in Reunification

Several prominent former Soviet individuals who were in office in 1990, when the reunification treaties for Germany were signed, are among those voices favoring cooperation with Germany. And as Germany celebrated the tenth anniversary of its reunification on Oct. 3, these people have spoken out, again, on what direction German-Russian relations should take.

Former Soviet Foreign Minister Eduard Shevardnadze, now the President of Georgia, appeared on a German talk-show on ARD TV, on Oct. 1, along with many of the *dramatis personae* of the 1989-90 events: former Foreign Ministers of France (Roland Dumas), Britain (Sir Douglas Hurd), and the United States (James Baker III), as well as former German Foreign Minister Hans-Dietrich Genscher and the transition Prime Minister of East Germany between March and October 1990, Lothar de Maiziere. Shevardnadze stirred up the discussion by stating that in 1989 and 1990, there had been no alternative, but to respond positively when East Germans took to the streets, calling for the dismissal of their much-hated socialist regime. The alternative, to throw up any institutional obstacle to German reunification, he continued, would have led to uncontrollable tensions throughout Europe, and the threat of a Third World War. The Soviets and Americans agreed not to let a war break out, Shevardnadze said, which Baker confirmed.

Neither these two, nor the other talk-show guests, addressed the conditions that were imposed on the Germans before they were allowed to reunify. Unfortunately, Shevardnadze did not address that, although he is naturally aware of the destructive impact these conditions have had on the development of industrial-technological relations between



*German Chancellor Gerhard Schröder (left) and Russian President Vladimir Putin met in Moscow, and discussed state-to-state energy deals between the European Union and Russia.*

the Soviet Union, and later Russia, and the reunited Germany. Shevardnadze could have raised it, as he does have other designs in mind than those that have been practiced during the past ten years: His book, *The New Silk Road*, which argues for the development of the Eurasian Land-Bridge transport corridors, was published exclusively in Germany last year. The book makes clear, that the Germans have a special role to play in the realization of that design.

Remarks by the former Soviet Deputy Ambassador to East Germany, Igor Maximychev, came closer to this real Russian-German agenda: In an interview published on Oct. 2 with the Berlin daily *Tagesspiegel*, Maximychev said that the originally promising perspective of post-Cold War cooperation between Germany and the Soviet Union was sabotaged by those (he did not name names) who “always take action whenever there is a new understanding” between the two countries. In this light, Maximychev said, it was pretty dumb for the German media to parrot the Russian oligarchs’ media which put out black propaganda against Germany’s friend President Putin, during the emergency surrounding the sinking of the submarine *Kursk*. But, it seems that Chancellor Schröder and President Putin are getting along well, professional and personally, Maximychev said, citing their Sept. 25 Kremlin meeting, so there is reason to hope that Russian-German relations can now be intensified..

A decade ago, Maximychev was a crucial contributor to the process of German reunification, at a time when it did not have the full support of many in Moscow, little support in the United States, and no support whatsoever in Western Europe, with the sole exception of the Spanish government.

### **Gorbachov Speaks Out**

Finally, the Soviet Union’s last President, Mikhail Gorbachov, spoke out on the perspectives of German-Russian relations. In the same issue of *Tagesspiegel*, Gorbachov said that the only thing that will help Russia out of its present crisis is for it to intensify trade and foreign policy relations with the European Union. He said that to a greater extent, “Russia is co-responsible for its misery.” It has been occupied with its problems, but, instead of solving the problems step by step, “they tried to instantly impose the Harvard Model”—that is, Jeffrey Sachs’s neo-liberal “shock therapy.”

But Gorbachov also warned the West not to gloat: “The West has made strategic mistakes. It believed that it had defeated Communism, and that the neo-liberal theory had triumphed. Now we see that that is wrong. No fundamentalist current is able to solve the problems or win elections—Communism least among them.

“Yeltsin has destroyed a lot. He thought the market would take care of everything. That was adventurism. Germany has tried to maintain contacts on a certain level, during the Yeltsin era. But no fruitful relations developed from that. Now, Putin and Schröder are working on that.”

What one can see behind these pointed remarks by Shevardnadze, Maximychev, and Gorbachov, is reflections on the failures of the past ten years, and the beginnings of a debate about alternatives—real ones, that help the physical economy. Germany can do a lot to bring these new designs into the daylight, and it seems that Putin and Schröder discussed that in Moscow—indeed, in German.