

# Petersburg Dialogue Promotes Cooperation On the Real Economy

by Rainer Apel

July 24—The Ninth Conference of the Petersburg Dialogue, held in Munich, Germany July 14-16, was characterized by a considerable harmony of interests between Germany and Russia, un eclipsed by the geopolitical frictions that have characterized most earlier such conferences. That is due in part to the impact that the global financial crisis has had on both countries' physical economies, which are highly interdependent—Germany is Russia's main supplier of machines and industrial know-how, while Russia supplies natural gas to Germany. The theme of the Munich conference was "Ways Out of the Global Financial Crisis."

The semi-annual meeting was initiated six years ago to promote German-Russian relations. There are eight working groups, drawing nearly 200 representatives of the political, business, media, and other fields.

During the workshops, as well as in the plenary sessions and at the opening and closing of the conference, both sides stressed the importance of revitalizing industrial cooperation to rebuild the real economy, as the only way out of the current crisis. Klaus Mangold, head of the influential Eastern Trade Division (Ostauschuss) of German industry, lambasted the purported "gains" that Goldman Sachs reported on the eve of the Munich conference, saying such things had no relevance for the real economy, which is haunted by an unabated stream of disastrous news. Many German machine producers, for example, report a drop in foreign orders of 70% or more, with German industrial exports to Russia falling 30% in the first quarter of this year.

Acknowledging the collapse of the free-market economy dogma of the globalization era, both Russian and German industrial managers called for a government-to-government framework to secure the development of bilateral industrial relations. In that context, the

announcement of a special export credit guarantee of EU500 million to be granted by Germany's state-owned bank Kreditanstalt für Wiederaufbau, on the eve of the Munich meeting, was warmly welcomed.

## Eurasian Perspective

This year's conference was also noteworthy, because two themes were put on the table that have otherwise only been addressed by the LaRouche movement: first, the systemic nature of the current breakdown crisis; and second, the need for a global reconstruction program, centered on the construction of a Eurasian Land-Bridge.

Lothar de Maiziere, an eastern German Christian Democrat and the German co-chairman of the Dialogue, said in his opening speech that, having experienced the end of a system (the socialist one) in 1989-90, eastern Germans have a very direct feeling that the present global crisis is a crisis of the system as such, and not—as many West Germans still believe—a crisis within the system. De Maiziere was the last prime minister of communist East Germany.

Horst Teltschik, head of the German Chancellor's office in 1989-90, the period when the Berlin Wall came down and Germany was reunified, said that the missed chance of 1989 (which just happens to be the title of a book by Helga Zepp-LaRouche) is very much felt by both Germans and Russians, and that a new impulse is required in these times of deep crisis, to pave the way for the close economic-political cooperation that was, unfortunately, not achieved 20 years ago.

Valery Golubyev, deputy CEO of Russia's Gazprom company, struck a similar chord, saying that it is not just in the energy sector that "German-Russian relations have turned into Euro-Asiatic ones, actually," and that cooperation between Russians and Germans was of crucial relevance for the rest of Eurasia. If that sounds like a principal theme of the LaRouche movement, it's not surprising, as many of the Munich conference's attendees, in particular those from the Russian Academy of Sciences, have been familiar with the ideas of Lyndon LaRouche and his wife, Helga Zepp-LaRouche, for more than a decade.

The discussion at this conference thus suggests a readiness in Germany and Russia to rally behind a program to scrap the failed monetary system and replace it with a credit system—as soon as the political leadership emerges to do so.