

Report from Germany by Rainer Apel

Ties to Russia Are Gaining Momentum

The potential for industrial cooperation is not tapped yet, but talks are making progress.

In the past ten months, Chancellor Gerhard Schröder and Russian President Vladimir Putin have met four times—two of these encounters occurred as “private” summits, with no translator attending. This intensification of political contacts between Moscow and Berlin is being watched with suspicion by Anglo-American geopoliticians, who smell that something is going on there that is not in their interest. In particular, they are suspicious of two aspects of Russo-German relations: the skepticism of the Germans against the military plans of the Bush Administration, notably the National Missile Defense (NMD) project, and ongoing talks between Berlin and Moscow about a debt-for-investment arrangement that would ease the debt burden on Russia and create conditions for Russian industrial projects with German participation.

The German view of the NMD project has been attacked repeatedly by Bush-related circles in recent weeks. The most violent attack came from Henry Kissinger, during the Munich “Wehrkunde” conference on Feb. 3, when he warned Germans to stop criticizing NMD and other U.S. policies. Kissinger did not name names, but it was clear that he was referring to Rudolf Scharping, the German Minister of Defense who, in remarks to the press a few days earlier, after talks with Russian Defense Minister Igor Sergeev in Moscow, characterized NMD as an ill-bred project. Scharping will most likely provoke more opposition among Kissinger’s co-thinkers, when he leaves for high-profile visits to China and India at the end of February—China being a “rogue” state in

the eyes of geopoliticians, and India rapidly becoming one for them, as it refuses to join a U.S.-led alliance against the Chinese (another ill-bred project).

By comparison, the remarks that German Foreign Minister Joschka Fischer made on NMD on Feb. 12, during a two-day visit to Moscow, were “soft”: He told journalists, after talks with Russian Foreign Minister Igor Ivanov, that he sees a Russian commitment to enter talks with the Americans on NMD and its effects on the 1972 Anti-Ballistic Missile Treaty, if those talks were offered seriously. Fischer said that the Bush team is committed to NMD, irrespective of skepticism abroad, and that his impression from the talks in Moscow is that the Russians would accept NMD “in the end,” if it were part of a new international agreement. Interestingly, Fischer said that he thinks Bush will have a much harder time with the Chinese and the Indians, who will not be content to sign agreements that cut deeply into their national sovereignty.

If Germany maintains its opposition to NMD, there is little that it could do militarily, except not become part of it, and make arrangements with the countries affected by it, to make sure that should there be tensions between the United States and the so-called “rogue nations,” relations between Germany and the latter would not suffer substantial damage. Necessarily, such agreements must have an economic foundation; they must reflect a genuine mutual interest in industrial and financial cooperation.

While Fischer was in Moscow, the economics ministers of Russia and

Germany met in Berlin, to again discuss proposals to transform Russian debts into German physical investments in Russia under preferential conditions. Russian Economics Minister German Gref presented his German counterpart, Werner Müller, with a list of 13 potential projects, out of which they chose three, to be signed before, or at the next Russian-German summit, in St. Petersburg on April 9-10. The three projects are said to be worth 2.5 billion deutschemarks, covering the following areas: The German branch of Sweden’s furniture-maker, IKEA, will build a huge department store in Moscow; the German oil and gas company Wintershall will engage in a new joint project with Russia’s state gas firm, Gazprom; and the Ferrostaal company will engage in joint projects with Gazprom for building new oil- and gas-processing facilities.

With Ferrostaal, a division of the German machine-building company MAN, a very promising aspect comes into play: The company is engaged in an array of sound, classical industrial facility-building, and of infrastructure technologies that are of utmost interest for any government that wants to re-industrialize Russia. For example, Ferrostaal is building industrial machines and machine tools, and is involved in metallurgical technologies on a broad scale. Ferrostaal is also building modern port and shipyard equipment and facilities, and one of its subdivisions, Dillinger Stahlbau, is building bridges and heavy industrial cranes, and nuclear engineering components and equipment for power plants and fuel reprocessing.

The Ferrostaal part of the Feb. 13 Berlin agreements may be the first step toward broader industrial cooperation between Russia and Germany. Granted, the agreements are still small, but there is new momentum in Russian-German relations.