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50 years of pipes for gas:

German-Russian century deal and German-American economic crime novel

„Germany as far as I'm concerned is captive to Russia because it's getting so much of its energy from Russia. I think that is very inappropriate.“

US President Donald Trump

„Germany as far as I'm concerned is captive to Russia because it obtains so much of its energy from Russia. I think that is very inappropriate.“ With these words US President Donald Trump repeatedly expressed his repeated disapproval of the Nord Stream 2 pipeline project at the NATO summit in Brussels on 23 July 2018. Almost one and a half years later, on 21 December 2019, he signed a sanctions law against international pipe-laying ships involved in the pipeline construction. The completion of the 2,500-kilometer-long two-strings pipe, which runs through the Baltic Sea starting near St. Petersburg and ending in Lubmin near Greifswald, was thus halted - around 20 days before the last welded seam was applied.

In addition to Russia's Gazprom, the Nord Stream 2 project was financed by energy companies from France, Austria, the Netherlands, Great Britain and, of course, Germany. The owners of the special pipe-laying vessels threatened by US sanctions came from Switzerland and Italy. US sanctions against European allies? "Typical Trump" one could say, and sanctions measures could be traced back to his motto "America First". Protectionism instead of multilateralism, self-interest instead of respect for partners.

But anyone who digs a little into the history of German-Russian energy relations will be surprised: Trump, who is driven more by the US Congress on the pipeline issue than he is himself the driving force, has a long tradition of sanctions against pipeline projects starting with John F. Kennedy, Jimmy Carter or Ronald Reagan. The history of German-Russian energy relations is also a history of the German-American conflict. All the US presidents mentioned above tried to prevent closer economic relations between the Federal Republic of Germany and the Soviet Union, using similar arguments and sometimes toughest tactics.

The fact that the German-Russian natural gas pipeline business will nevertheless celebrate its 50th anniversary in 2020 is not least due to the fact that, starting with Willy Brandt, all subsequent German Chancellors without exception, whether Social Democrats (Helmut Schmidt, Gerhard Schröder) or Christian Democrats (Helmut Kohl, Angela Merkel), have stepped into the breach for the pipeline projects. But the Kremlin's Leonid Brezhnev and Waldimir Putin, French President François Mitterand and US Secretary of State Henry Kissinger have also played their part in this exciting chapter of European economic and political history, not forgetting such entrepreneurial figures as Berthold Beitz (Krupp), Ernst Wolf Mommsen (Thyssen), Friedrich Wilhelm Christians (Deutsche Bank), Herbert Schelberger and Burckhard Bergmann (both Ruhrgas). Otto Wolff von Amerongen, Chairman of the German Eastern

Business Association (OAOEV) from 1955 to 2000, mediated between Germans and Soviets and between Germans and Americans as a "commercial traveler on climate issues"¹.

CoCom list and NATO pipes embargo

The origins of German-Russian energy relations date back to the 1950s: In 1954, Chancellor Konrad Adenauer cancelled an already prepared first OAOEV-delegation trip to Moscow at short notice out of consideration for the USA; in 1955 he went to Moscow himself and established diplomatic relations between the Federal Republic of Germany and the Soviet Union. This was followed in 1958 by the first trade agreement, which was co-negotiated by the German Eastern Business Association under its chairman Otto Wolff von Amerongen. At that time, business with the East had gradually lost "the smell of dubious pacing with the ideological enemy". "Since the Federal Government had also come to the conclusion that trade could be used on the whole as a means of detoxifying relations with the Eastern European states, we were able to operate on a new basis", Wolff von Amerongen recalls in his memoirs in 1992². As a result, bilateral trade with the Soviet Union, which had amounted to a modest 17.2 million German marks in 1952, the year the German Eastern Business Association was founded, grew to 1.4 billion German marks by 1960³.

In particular, it was companies in the metal industry from the Ruhrpott that promoted business relationships with the Soviet Union. They were slowed down by export embargo lists for strategic goods, which was controlled by the Coordination Committee on Multilateral Export Controls (CoCom) in Paris during the Cold War for all NATO members at the US initiative. After pipeline tubes were removed from this embargo list in 1958 because the Americans assumed that they had a dominant market position of their own, there was a surprisingly rapid supply of large-diameter pipes of German production to the Soviet Union - from the US perspective. The Soviet Union wanted to develop its raw material deposits for the domestic market first and then to increase export as well, in order to obtain coveted foreign currency. In addition to extensive oil and coal deposits, there were also huge natural gas fields in the southern Urals near Orenburg. In addition, the largest natural gas deposits in the world were discovered in the north-western part of Siberia around the Yamal peninsula in the 1960s, on an area eleven times the size of the Federal Republic of Germany⁴. A gigantic business was on the horizon, in which above all companies such as Hoesch, Mannesmann and Thyssen but also pipe producers from Italy, Great Britain, Sweden and Japan wanted to participate.⁵

After 600,000 tons of large-diameter pipes of German production had already been delivered between 1959 and 1962 and a fresh contract had been signed for another 163,000 tons for the Druzhba oil pipeline planned by the Soviets from Tatarstan to Schwedt in the former GDR, the Americans abruptly pulled the ripcord. The details were published by George W. Ball, Undersecretary of State in the US State Department from 1961 to 1966, in an article in the Washington Post on 11 March 1982: "At the beginning of the Kennedy administration," Ball recalls, "the President assigned me the task of trying to prevent the construction of the so-

¹ Otto Wolff von Amerongen, *Der Weg nach Osten – Vierzig Jahre Brückenbau für die deutsche Wirtschaft*, München 1992 p. 116

² von Amerongen, p. 91 et seq.

³ von Amerongen, p. 77

⁴ Brochure on the occasion of the 25th anniversary of the natural gas pipe business, Ruhrgas AG 1995

⁵ „Turnier der Großrohre“, in: *Spiegel*, 5 May 1969: <https://www.spiegel.de/spiegel/print/d-45741501.html>, retrieved 25 May 2020

called Freedom Pipeline (note: probably "friendship" pipeline is meant), which would have brought Soviet oil to Western Europe. At that time, Ball said, they forced the cancellation of contracts that had already been signed. "Through intense pressure, we managed to get a NATO decision that the 200,000 tons of pipes, which the German companies had promised, were a 'strategic asset'. And our constant 'arm-twisting' finally convinced the reluctant Chancellor Konrad Adenauer to order a tube embargo.⁶

One felt "embarrassed in front of the whole world", Otto Wolff von Amerongen recalls in his memoirs about the embargo, especially since the NATO country Great Britain did not follow the US "recommendation"⁷. Because the coalition partner FDP opposed the embargo, Adenauer even had to use a procedural trick⁸ in the Bundestag to prevent the deal. In order to save Adenauer's honour, the time circumstances should be mentioned: After the construction of the Berlin Wall in 1961 and the Cuban Missile Crisis in 1962, he didn't want to afford an affront to the USA. Kennedy then thanked him in 1963 with his legendary visit to Berlin.

The Soviet Union took this small defeat in the Cold War surprisingly well: Berthold Beitz, who was granted a private audience in Moscow in 1963 by Soviet Secretary General Nikita Khrushchev, shortly afterwards conveyed the following quotation: "I am not even angry with your government. For us it was a salutary shock. We have made an effort and now we no longer need foreign countries. "I have gratefully declined offers from England and Sweden."⁹ But the Soviet Union was not as independent as Khrushchev said on the pipeline issue. German large-diameter pipes, which resisted extreme climatic conditions, remained a sought-after commodity.

The "window of possibilities" opens

The German Eastern Business Association then tried hard to get the steel pipes off the embargo list. At the same time, chairman Wolff von Amerongen tried to convince the Federal Government to grant state-guaranteed export credits to Eastern Bloc countries in order to be able to reliably implement larger transactions.¹⁰ Both were successful: from 1965, federal guarantees with longer credit periods became possible and the tube embargo was collected in 1966. The circumstances had changed: as early as 1963, Federal Chancellor Adenauer was succeeded by Ludwig Erhard, the economic miracle man, who was not particularly fond of state intervention in the economy in the form of sanctions. The founding of the German Eastern Business Association in 1952 was also due to an initiative of Erhard.

With Willy Brandt, the first Social Democrat in the first grand coalition at the end of 1966 rose to the position of German Foreign Minister. He made an understanding with the countries on the other side of the Iron Curtain his trademark. The "Hallstein Doctrine", which had for years

⁶ Quoted after: Harald Müller, Reinhard Robe, *Osthandel oder Wirtschaftskrieg? Die USA und das Gas-Röhren-Geschäft*, Frankfurt/Main 1982, p. 66

⁷ von Amerongen, p. 210

⁸ von Amerongen, p. 212; Before the vote, the CDU/CSU parliamentary group left the plenary chamber in a closed session, thus rendering the parliament unable to take decisions. The lifting of the embargo regulation was then no longer possible due to exceeded deadlines.

⁹ *Star im Osten*, in: *Spiegel*, 5 June 1963, <https://www.spiegel.de/spiegel/print/d-45143681.html>, retrieved 25 May 2020

¹⁰ von Amerongen, p. 96

restricted the diplomatic options of the Federal Government by preventing it from establishing relations with countries that recognized the GDR, was overcome. From January 1967 onwards, the trade missions, which, thanks also to the preparatory work of the German Eastern Business Association, represented the interests of the Federal Republic in Eastern Bloc countries, were gradually expanded into fully-fledged embassies.¹¹

Just as important for trade with the East, in view of previous experience, was the fact that at almost the same time priorities shifted in the USA as well: The Americans had been fully focused on the Vietnam War since the mid-1960s. Mao's China thus also became a growing threat. Its big rival in the communist camp was the Soviet Union. Both states were on the brink of a hot war on the Amur several times in the mid-1960s. The USA therefore considered it sensible to relax its relations with the Soviet Union somewhat.

Heinz Alfred Kissinger, called Henry, from Fürth in Franconia, who had fled with his German-Jewish family to America to escape the Nazis, played a decisive role in this strategic change of course. At the beginning of 1969 Kissinger was promoted to US Security Advisor under President Richard Nixon, and in 1973 he became US Secretary of State under Gerald Ford for four years. In Kissinger and Brandt, who was elected the first Social Democratic chancellor in October 1969, there were two politicians who had a formative influence on the policy of détente between East and West in the 1970s. Brandt and his Adlatus Egon Bahr developed the concept of "change through rapprochement". The Nixon/Kissinger administration pursued the so-called "linkage" approach: with concessions in the trade sector, the Soviet Union was to be integrated into a global network. Economic concessions were expected to be met with political goodwill.¹²

These circumstances opened the famous "window of opportunity" for German business and the German Eastern Business Association to further intensify economic relations with the countries on the other side of the Iron Curtain - despite severe setbacks such as the Soviet invasion of Czechoslovakia in 1968.

Neutral Austria then showed the way to the first major exchange transaction of energy for steel: on 1 June 1968, it signed a contract with the Soviet Union for the purchase of natural gas in exchange for the supply of pipes. The gas was to be delivered through an extension of the Soyuz pipeline, which ran from the southern Urals through the Ukraine. The connecting section, which was to run from western Ukraine through present-day Slovakia to the Baumgarten junction near Vienna, was called Transgas. The Essen-based Thyssen AG was brought on board as a producer of some of the special pipes. This gave impetus to the idea of building another branch of the pipeline through what is now the Czech Republic to Bavaria.

Historical contract at the Hotel Kaiserhof in Essen

The Transgas project of the economy turned out to be an ideal complement to Brandt's Ostpolitik. The purchase of Soviet gas was seen as a confidence-building measure. As early as 1969, the Foreign Office considered a 20 percent share of Soviet gas in the German market

¹¹ Sven Jüngerkes, *Diplomaten der Wirtschaft, Die Geschichte des Ost-Ausschusses der Deutschen Wirtschaft*, Osnabrück 2012, p. 210

¹² Müller/Rode, p. 13 et seq.

conceivable.¹³ Moreover, the Federal Republic was looking forward to cheap energy and the Soviet Union was hungry for foreign currency.

In the Soviet Union, with its state command economy, there were no private companies with which German corporations could have reached bilateral agreements on projects. Every German-Soviet business had a political dimension, the Kremlin was always at the table. In the Federal Ministry of Economics, headed by the Social Democratic "Superminister" Karl Schiller, the young State Secretary Klaus von Dohnanyi was charged with the political preparations for the project. Dohnanyi first travelled to Moscow in January 1969. Von Dohnanyi recalled that his talks at that time had been the beginning of a "calculated thaw".¹⁴

But the CSU also played a major role in the energy deal: Otto Schedl, Bavarian Minister of Economic Affairs in the 1960s, tried to catch up with the then backward agricultural state in terms of cheap energy and technological progress. In order to break the supply monopoly of American companies (!), an oil pipeline to Italy was built and refineries were established in Bavaria.¹⁵ In search for new industries, the Austrians' gas businesses also came into view.¹⁶ A connection of Bavaria to the Soviet gas network also offered the option of overcoming a natural gas supply monopoly of the Dutch at that time and positioning Bavaria as a hub for the distribution of gas in the European Community, as Italians and French were also open to energy cooperation with the Soviet Union.

With the blessing of the politicians, German companies pushed the project forward. On August 11, 1969, *Der Spiegel* informed a broad public about the natural gas pipeline plans: "Herbert Schelberger, General Director of Ruhrgas AG, has been negotiating for two months - most recently in Moscow the week before last - about the largest and most politically significant East-West deal of the post-war period: the exchange of Soviet natural gas for German steel pipes.¹⁷ The deal was a very complicated triangular deal: The Soviet Union was to supply up to three billion cubic meters of natural gas annually with a total value of 2.5 billion German marks to Ruhrgas AG of Essen for a period of 20 years. To build the necessary extension to the Transgas pipeline, the Düsseldorf steel companies Mannesmann and Thyssen produced 1.2 million tons of large-diameter pipes with a diameter of 1.42 meters. These were in turn pre-financed by a twelve-year loan granted to the Soviet Union by a consortium of 17 banks led by Deutsche Bank board member Friedrich Wilhelm Christians. After completion of the pipeline, the Soviet Union was able to use the proceeds from the sale of gas to pay off the loan, which carries interest of around six percent. A win-win-win situation, one could say in new German.

¹³ Frank Bösch, *Energiewende nach Osten*, in: *Zeit-Online*, 10 October 2013, <https://www.zeit.de/2013/42/1973-gas-pipeline-sowjetunion-gazprom>, retrieved 27 May 2020

¹⁴ Jan Uwe Stahr, *Erdgas im Fokus der Geopolitik*, 17 October 2017 in *Deutschlandfunk Kultur*: https://www.deutschlandfunkkultur.de/explosiv-erdgas-im-fokus-der-geopolitik.976.de.html?dram:article_id=398440; retrieved 27 May 2020

¹⁵ Susanne Schattenberg, *Rote Energie*, in: *Süddeutsche Zeitung* from 26 January 2020: <https://www.sueddeutsche.de/wirtschaft/gastbeitrag-rote-energie-1.4771980>, retrieved 27 May 2020

¹⁶ Bericht über die Verhandlungen des bayerischen Wirtschaftsministers in Wien mit Vertretern der Sowjetunion: Schmal und hoch, in: *Spiegel*, 14 July 1969: <https://www.spiegel.de/spiegel/print/d-45549203.html>, retrieved 28 May 2020

Bösch, *Energiewende nach Osten*

¹⁷ Auf kleiner Flamme, in: *Spiegel* vom 11 August 1969: <https://www.spiegel.de/spiegel/print/d-45562725.html>; retrieved 27 May 2020

The Federal Government bore part of the risk:: 50 percent of the loan to the Soviet Union was secured by Hermes guarantees.¹⁸ The shareholders of Ruhrgas AG were BP and Shell, two companies from Great Britain and the Netherlands, which in turn were linked to the US Exxon. The German-Russian natural gas pipeline business thus had an international dimension from the very beginning.¹⁹

After a preliminary agreement between Mannesmann-Export GmbH and a Russian trade delegation on pipe deliveries had been initialled at the beginning of December 1969 and Dortmunder Hoesch AG together with Salzgitter AG had also submitted an offer for pipe deliveries²⁰, the big German-Soviet gas business was sealed:

On February 1, 1970, the contracts were ceremonially signed at the Kaiserhof Hotel in Essen. The historical photo from the conference room brand "Gelsenkirchener Barock" shows a long board on which about a dozen representatives from Germany and the Soviet Union can be seen with a drawn pen.²¹ On the part of Ruhrgas AG, Herbert Schelberger signed, Mannesmann AG was represented by CEO Egon Overbeck, the banking side by Christian's consortium leader. Representatives of the foreign trade company Sjugazexport also sat at the table. The Soviet Foreign Trade Minister Nikolai Patolitschew, who had a good working relationship with Otto Wolff von Amerongen²², together with the Minister of Economics and Finance, Karl Schiller, lent the Essen signature ceremony the appropriate political brilliance.

Measured by the gas volumes involved in 1970, the business was rather modest from today's perspective, despite the billions of euros that were called up: The total volume of 52 billion cubic metres of natural gas that was to be delivered to Bavaria via Transgas in 20 years' time corresponds almost exactly to the current annual capacity of Nord Stream 2. But the energy contract became an economic icebreaker during the Cold War²³ and marked the beginning of a long series of follow-up contracts and projects. Wolff von Amerongen therefore spoke of the "beginning of a new phase in the world economy".²⁴ For the first time, the Soviet Union had become part of an international supply chain beyond the countries it politically controlled, which was actually incompatible with the communist ideology of self-sufficiency. The Essen Treaty thus became not only a beacon project for Germans and Russians, but also a decisive turning point in East-West relations. "The Treaty of Essen means a calculated thaw. Economy as bridge builder. In the best sense: change through trade", commented Mario Mehren, spokesman for the Russia working group at the Committee on Eastern European Affairs and CEO of Wintershall Dea in a guest article on the 50th anniversary of the contract.²⁵

¹⁸ Manfred Pohl, *Geschäft und Politik. Deutsch-russisch/sowjetische Wirtschaftsbeziehungen 1850-1988*, Mainz 1988, p. 149-159

¹⁹ von Amerongen, p. 221

²⁰ „Gibst du Röhren – geb`ich Gas“, in: *Zeit* newspaper from 19 December 1969: <https://www.zeit.de/1969/51/gibst-du-roehren-geb-ich-gas>, retrieved 27 May 2020

²¹ The Hotel Kaiserhof can no longer be visited today. Only four years after the historic contract was signed, the Essen hotel was demolished. See: <https://www.deutsches-architekturforum.de/thread/6349-damals-heute/?pageNo=3>, retrieved 25 May 2020

²² von Amerongen, p. 124

²³ In a contribution of the WDR to the 35th anniversary of the signing: "icebreaker qualities in the Cold War“, <https://www1.wdr.de/stichtag/stichtag1396.html>, retrieved 28 May 2020

²⁴ Der Eisbrecher, in: *Welt* from 10 May 2007: https://www.welt.de/welt_print/article754448/Der-Eisbrecher.html, retrieved 4 June 2020

²⁵ Mario Mehren, *Trotz Gegenwind eine historische Energiepartnerschaft*, OAOEV homepage, 3 February 2020: <https://www.oaev.de/de/trotz-gegenwind-eine-historische-energiepartnerschaft>, retrieved 4 June 2020

"Ludmilla" goes on a journey

On 6 July 1970, the first "Mannesmann pipe" was sent on its journey east on a flatbed truck in Mülheim an der Ruhr, as a historical photograph testifies. An early PR strategist tied a wreath of fir branches around the pipe and named it "Ludmilla". It took a little more than three years, then all "Ludmillas" were delivered and neatly welded. On October 1, 1973, Herbert Schelberger pressed the button in Waidhaus in the Upper Palatinate on the border to the then ČSSR and the first "Russian gas" reached the NATO country, the Federal Republic of Germany - without border problems or visa controls, as the Soviet delegation noted at the time. "The Russians are here" wrote the "Zeit" in a less original way, but already knew that the Ruhrgas boss was pursuing much bigger plans. He was prepared to conclude a contract for twice the amount and instead of 20 to 50 years.²⁶

In fact, further natural gas pipe transactions were subsequently negotiated at close intervals: In his memoirs, Wolff von Amerongen lists a total of four agreements of similar design in 1970, 1972, 1974 and 1975, which enabled the further expansion of the gas transit system from the South Urals through Ukraine. Between 1974 and 1978, up to 25,000 workers from the socialist sister state of the GDR worked at one of the 500-kilometer-long pipeline sections called "Druzhiba" (Friendship) between the Ukrainian cities of Kremenchuk and Bar. These "Trassniki" assembled there large pipes of Italian and West German production. The largest foreign project that the GDR has carried out in its history, and which in the long term was of course also intended to supply East Germany with cheap energy, was thus basically a German-German joint venture.²⁷

Another speciality among the natural gas pipe deals was the triangular deal from 1975 called IGAT, in which Germany and other Western European countries cooperated not only with the Kremlin but also with the Shah of Persia. Iran supplied gas to the Soviet Union, which in turn passed on the same quantity to Western Europe.²⁸

Not only trade with Eastern Europe, but also the German Eastern Business Association experienced a strong upswing in these years, which were politically marked by the treaties with Eastern Europe and economically by the natural gas pipeline agreements: from around 100 members, the number of company representatives participating in the various committees of the German Eastern Business Association rose to over 1000 in 1974. The Soviet Union working group alone had 250 members at times.²⁹

Oil price shock strengthens cooperation with the Soviet Union

Meanwhile, the Americans also rapidly expanded their trade with the Soviet Union during the Kissinger era. Between 1971 and 1979, US-Soviet trade increased fifteen-fold to 3.6 billion US dollars. With a share of 19.9 per cent, the USA was the second most important supplier to the USSR in 1979 after the Federal Republic, which was only just ahead with 20 percent.³⁰ Even in

²⁶ <https://www.zeit.de/1973/41/die-russen-sind-da>

²⁷ Roman Goncharenko, Anhaltende Freundschaft. Die Druschba-Pipeline und die DDR-Arbeiter, Deutsche Welle, 9 December 2019: <https://www.msn.com/de-de/nachrichten/politik/anhaltende-freundschaft-die-druschba-pipeline-und-die-ddr-arbeiter/ar-BBXXzbl>, retrieved 28 May 2020

²⁸ von Amerongen, p. 221 et seq.

²⁹ *ibid.*, p. 100

³⁰ Müller/Rode, p. 10

the big energy game, the USA tried to play second fiddle. For no sooner had the Germans drawn their first energy from Siberia on October 1, 1973, than it became drastically clear on October 17, 1973, that a diversification of supply sources could be a question of economic survival: On that day, the oil price on the stock exchanges jumped suddenly from three to over five US dollars per barrel, an increase of 70 percent.

The Suez Crisis of 1967 had already led to temporary restrictions in Western oil supplies. In the autumn of 1973, the Arab-dominated OPEC then cut back oil production due to the Yom Kippur War between Israel on the one side and an Arab coalition led by Egypt and Syria on the other, thus putting pressure on western supporters of Israel. In 1974, the oil price peaked at 12 US dollars per barrel, an increase of 300 percent compared with the starting value.

The rise plunged the energy-dependent industrialised countries and with them the young Federal Republic into a deep economic crisis. Even four "car-free Sundays", the general limitation of the maximum speed to 100 km/h and urgent appeals to save energy did nothing to change this. In 1974 the Federal Government had to pay 17 billion D-Mark more for energy imports than in the year before.³¹ In the midst of this first oil price shock, the main ideological opponent, the Soviet Union, of all countries, developed into an absolutely reliable supplier of energy, who in the case of temporary shortages even preferred to let its own population freeze rather than to break the contract.³²

Even in the USA, the desire for diversified energy sources made the Soviet Union attractive as a potential energy supplier at times. As early as the beginning of the 1970s, the idea arose of exploiting a recently discovered, huge natural gas field in Northern Siberia near Urengoy together with the Soviet Union. The idea was to build a 2,400-kilometer-long pipeline to the port of Murmansk. There, huge plants for liquefying natural gas were to be built in order to transport the processed liquefied natural gas (LNG) to America in tankers. The idea fizzled out in the mid-1970s due to resistance in the US Congress. However, the goal of developing the deposits on the Yamal Peninsula remained. Instead of the LNG variant, the Soviet Union offered the Western Europeans, who were highly demanding for energy, to develop the gas deposits via a gigantic new pipeline, which, because of the northern deposits, was this time not to go through Ukraine but through the Soviet republic of Belarus and Poland towards Central Europe. The pipeline, named "Yamal" after the Yamal discovery site, the fifth natural gas pipeline business with German participation, then became the cause of a bone fierce dispute between the German government and the White House 20 years after Kennedy's pipe embargo and 40 years before the US sanctions against Nord Stream 2.

The struggle for "Jamal"

After Iran's failure as a gas supplier in 1979 as a result of Khomeini's revolution and the resulting destabilization of the oil-rich Middle East led to the second oil price crisis of the decade, the Federal Republic under Chancellor Helmut Schmidt pushed for further diversification of its energy imports. From 1980 onwards, intensive negotiations were

³¹ Wikipedia, Ölpreiskrise: https://de.wikipedia.org/wiki/Ölpreiskrise#Die_erste_%C3%96lpreiskrise_1973, retrieved 27 May 2020

³² Schattenberg, Rote Energie. She reports that immediately after the start of gas supplies to Bavaria at the end of 1973, there were short-term supply problems in Siberia, which is why gas intended for the local population was diverted from the Ukraine.

therefore held on Germany's participation in the Soviet Yamal project. But the international constellation had changed considerably in the meantime: After the superpowers USA and the Soviet Union, mediated by Henry Kissinger, had agreed on a first arms limitation agreement for strategic nuclear weapons (SALT I) in 1972, a further agreement for short- and medium-range missiles (SALT II), already negotiated by Kissinger, failed in 1976, initially because of US President Ford. The USSR thereupon replaced older types of rockets in Europe with modern SS-20 rockets on mobile launching pads. Chancellor Schmidt in particular saw this as a threat to the balance of power and became the mastermind behind the NATO double decision, with which NATO in turn threatened to install new missiles in Western Europe if the Soviet Union did not withdraw its missiles. At the same time as the double decision was published, on 12 December 1979, the Soviet Union unintentionally plunged into civil war and invaded Afghanistan to support the struggling Communist regime, which had led a coup d'état, against fundamentalist fighters.³³

US President Jimmy Carter reacted to the Soviet actions by introducing economic sanctions. The export of high technology was further restricted, the export of grain to the Soviet Union was reduced and a boycott of the Olympic Games in Moscow was announced. NATO allies were called upon to join the US sanctions policy.³⁴ Thus the intended Yamal deal, the largest German-Soviet energy project ever undertaken at that time, immediately began to take a serious hit. Otto Wolff von Amerongen, who was the first German to be called to the supervisory board of a US company, the world's largest energy company Exxon, in the early 1970s and who visited the USA almost monthly, made an effort in Washington to prevent German-Soviet relations from getting caught up in this "crisis maelstrom". "The gentlemen were dogged by the idea that the Federal Republic was getting into a highly dangerous dependence on Moscow," Wolff von Amerongen recalled his Washington talks.³⁵

In the course of 1980 the situation eased somewhat: The Federal Republic boycotted the Moscow Games, in return the USA wanted to forego an extraterritorial application of its high-tech sanctions. However, Ronald Reagan's accession to power and the declaration of martial law as a result of the Solidarność movement in Poland changed the starting position in the course of 1981. During the election campaign, Reagan had promised US grain producers that he would fully resume deliveries to the Soviet Union, but in return the technology embargo was now to be fully enforced in the oil and gas industry.

At the beginning of globalisation, the threat of losing US business did not yet have any real potential to deter German companies from cooperating with the Soviet Union. The most effective lever of the US government and the "Eastern Trade Falcons" (von Amerongen) there was the ban on export licenses for equipment and machinery that General Electric and Caterpillar wanted to supply for the Yamal project and were not allowed to do so. But also foreign owners of US licenses were to be prohibited from supplying. In order to improve the energy supply to Western Europeans nevertheless, the USA, for its part, proposed extensive deals. In addition to American coal, nuclear power and oil supplies, the hastily put together proposals included the idea of liquefying natural gas from Alaska and transporting it to Europe

³³ Frank Bösch, *Zeitenwende 1979, Als die Welt von heute begann*, München 2019, p. 229 et seq.

³⁴ von Amerongen, p. 226 et seq.

³⁵ von Amerongen p. 231

by means of subsea tankers. Especially US delegates from Pennsylvania (coal) and Alaska (gas) put pressure on the natural gas pipeline project.³⁶

The above proposals failed either because of technical feasibility or economic viability and ultimately did not prevent the Western Europeans from signing the contracts for the Yamal project on 20 November 1981.³⁷ Soyusgazexport (today Gazprom Export) and Ruhrgas agreed to supply an additional eight billion cubic meters of gas annually to the Federal Republic of Germany between 1984 and 2008, with a further twelve billion cubic meters to be forwarded to Western Europe.

The crisis in West German-American relations, which had been severe until then, dragged on for months in 1981/82. Wolff von Amerongen, who tried to explain in Washington that the pipeline investments would benefit Western equipment producers in particular and that with a Soviet supply share of 30 percent of German natural gas consumption and less than ten percent of total German energy requirements, there would be no risky dependency, was himself caught in the firing line. Columnist William Safire wrote in the New York Times that Wolff's attitude was an "insult to America" and that "100,000 slave laborers" would be used to build the pipeline.³⁸ But Wolff von Amerongen succeeded in finding influential allies, especially in the US economy. Among other things, the head of the US Chambers of Commerce wrote a letter to President Reagan, warning against sanctions against the Western allies and promoting the German strategy of becoming less dependent on energy supplies from the Middle East.³⁹

At the time, the EC foreign ministers were also unanimously opposed to the US sanctions policy and its extraterritorial claim to effectiveness, which ran counter to the principles of world trade. Nevertheless, in the summer of 1982, the Reagan administration placed two French compressor manufacturers, as well as one Italian and one British company each, on a US sanctions list and refused to use US licences for the Yamal project. As a result, German companies already organized "letters of protection" in the Federal Ministry of Economics, which showed that US sanctions violated German foreign trade law. "The enforcement of American law is null and void in sovereign foreign states," Wolff von Amerongen commented on the US activities in his memoirs.⁴⁰

In a press release of July 2, 1982, the German Eastern Business Association warned that "the extraterritoriality of a U.S. government decision, now claimed for the first time," would lead to a "serious violation of the principle of loyalty and honesty" and called for a review of the U.S. decree. There would be a danger of Moscow's claims for damages in the billions as well as an "impairment of the international division of labour". The situation that has now arisen

³⁶ Müller/Rode, p. 22 et seq.

³⁷ Müller/Rode, p. 29

³⁸ von Amerongen, p. 233

³⁹ Letter from 5 February 1982 by the President of the US-Chamber of Commerce Richard Leshner to President Reagan. A similar letter from March 1982 is also delivered by the CEO of Caterpillar. Both letters are printed in: Müller/Robe, p. 61 et seq.

⁴⁰ von Amerongen, p. 236

gives cause for concern "that from Washington's point of view trade and cooperation relations with the East are classified as dangerous from the outset; this view cannot be shared".⁴¹

Containment vs. cooperation

In an article in the New York Times of 12 November 1982 on an international East-West trade conference in Bonn, which the then Executive Director of the German Eastern Business Association, Karl-Hermann Fink, co-organized⁴², the arguments of both sides are presented as examples⁴³. In terms of content, the text could also have appeared in 2020. The US professor Angela Stent, who is still an active trade expert at Georgetown University in Washington, is quoted as saying that the US fears that the Europeans are "helping the enemy" with trade transactions. According to many Americans, the deals are more advantageous for the Soviet Union. Other experts, on the other hand, speculated at the time that the Yamal pipeline might be superfluous because gas demand in the EU would fall anyway. George Sokoloff, advisor to President François Mitterrand, on the other hand, emphasised in the same contribution that it was the aim of the Europeans to encourage the Soviet Union to invest billions in the non-military sector (and thus away from armament programmes). "While Mr. Reagan prefers embargoes, the Europeans want new cooperation programs," Sokoloff said. And the German analyst Friedemann Müller pointed out that it is possible to stay in dialogue about joint economic projects and defuse conflicts at an early stage.

At the time, the great difficulties that have arisen in the meantime in the Eastern Bloc in being able to pay off Western loans taken out since the 1970s in the course of intensified East-West trade were also discussed. At the end of 1981, the Soviet Union's Western debts amounted to an impressive 19.4 billion US dollars, while Poland, which had fallen into a veritable consumption frenzy in the 1970s thanks to the easy availability of Western loans and lived completely beyond its means, came to over 20 billion dollars.⁴⁴ Otto Wolff von Amerongen commented in his memoirs that the hunger for foreign exchange and the erosion of the large billion-dollar loans had led to the Soviet Union preferring to deliver its oil and gas to the West rather than selling it domestically or heavily subsidized to befriended countries. In this way, the big trade and credit deals of the 1970s and 1980s would have stabilised the socialist camp less than the US hawks had feared, but in the end would have weakened it and contributed to the collapse of the Eastern bloc. The GDR did indeed run into massive difficulties in the course of the 1980s, when the generous energy supplies from the Soviet Union were severely cut, and for its part had to use its few available foreign currencies to buy energy on the world market.

In February 1982, US Secretary of Defense Caspar Weinberger warned in a report to the US Congress: "If the Soviet Union earns foreign currency by exporting raw materials to our allies, it can buy more equipment that will facilitate its arms production and those of its client states".⁴⁵ In fact, however, the gigantic raw materials projects in difficult climatic conditions

⁴¹ Press reale by the German Eastern Business Association from 2 July 1982 (German Eastern Business Association Archives). The quotations were taken up by a dpa correspondent: Peer Meinert, Der Schock sitzt tief, dpa report, July 1982 (German Eastern Business Association Archives)

⁴² Program of the conference „Industrielle Zusammenarbeit zwischen Ost und West in dritten Ländern“ from 10 till 12 November 1982 in: German Eastern Business Association Archives

⁴³ John Tagliabue, Deep Trade Rift With Allies Seen, in: The New York Times, 13 November 1982

⁴⁴ Müller/Rode, p. 34

⁴⁵ Quoted from Müller/Rode, p. 53

tied up enormous resources and personnel and took decades to refinance. In addition, the hoped-for revenues were subject to strong fluctuations. The more energy sources were connected to the grid, the more the prices on the world market fell in the 1980s. The overall balance of East-West transactions also includes the fact that the cheap energy from the East kept the Western European industrial nations going, especially during the difficult phase of the OPEC oil crises, and that this also allowed them to be further and further removed from the East in technological terms. The projects also secured thousands of jobs in the steel and energy industry, not only in Germany.

The old controversy, which of both contributed more to the peaceful collapse of the Eastern bloc, "containment" in the form of embargo and arms race, or "cooperation" according to the German Eastern Business Association's motto "change through trade" or, in Brandt's variant, "change through rapprochement", will probably continue to occupy many generations of historians. There is little to suggest that the two concepts would have achieved their goals separately, but there is much to suggest that the natural gas pipeline business and trade with the East as a whole tended to favour the West and its economic model, and that the economic backwardness of the socialist camp was even more obvious.

The decisive three aspects for Ronald Reagan's yielding in the great pipeline conflict of 1982 were mainly:

1. the US companies involved were not at all in agreement with the embargo policy of their own government and made it plausible that they were thus falling behind in global competition and on the European market.
- 2) Chancellor Helmut Schmidt, who was known in Washington as an advocate of the NATO double-track decision, clearly supported the energy project and made it clear to President Reagan that the Soviet Union could not buy grain in the USA without the foreign exchange revenues from the gas transactions.
- 3 Schmidt could rely on the unanimous support of European heads of state such as François Mitterand, as well as the broad approval of the West German economy and public. Helmut Kohl (CDU), the new Federal Chancellor who succeeded Schmidt in the autumn of 1982, also adhered to the pipeline business.

On November 13, 1982, the US sanctions were finally lifted. As a face-saving solution, the German government agreed to an extension of the CoCom blacklist for high technology without affecting the pipeline project. The German Eastern Business Association had already offered such a solution in its press release of 2 July 1982.

The transformation process in Eastern Europe, protracted negotiations on land use in Belarus and Poland and the extreme climatic challenges in Northern Siberia then led to the Yamal project being considerably delayed. It was not until 1995 that the 5,000-kilometer-long pipeline was completed and then operated by a Russian-Polish joint venture. The Soviet Union, whose damaging influence on the NATO country Federal Republic was feared by the US falcons of the 1950s to 1980s through the energy deals, had in the meantime first agreed to German reunification and NATO membership and shortly afterwards dissolved itself largely peacefully. The relationship of trust that German entrepreneurs and politicians had built up with Moscow since the 1950s was perhaps a decisive component in this transformation process. And Poles, Slovaks, Czechs, Belarusians and Ukrainians who had become independent

were now able to benefit from a modern energy infrastructure and considerable transit fees thanks to the many German-Soviet natural gas pipeline deals. The fact that they had to accept the gradual conversion from subsidised to market-driven energy prices by Russia in return is the other side of the coin.

Nord Stream 2 - New edition of the German-American economic crime novel

At the latest, the 650-kilometer-long human chain with which the inhabitants of the Baltic States demonstrated against the Hitler-Stalin Pact and for their independence on August 23, 1989, made it clear on what shaky legs the multi-ethnic empire "Soviet Union" stood on at the end of the 1980s. The fact that energy could certainly be used as a weapon during these struggles for independence was experienced by the inhabitants of Lithuania in April 1990, when the Soviet Union, under President Mikhail Gorbachev, cut off oil and gas supplies in order to take action against the country's declaration of independence. In 2006, Russian state-owned utilities suddenly shut down a branch of the Druzhba oil pipeline in the direction of Lithuania, officially for maintenance reasons, but unofficially probably as revenge for a lost refinery business. The Lithuanians had given preference to the Polish Orlen group.

Belarus, which is particularly dependent on Russian energy supplies but also has considerable influence as a transit country, has also been and continues to be involved in energy disputes with Russia. Whenever new contracts and prices are up for negotiation, mutual finger-wagging can be expected. While Belarus, as part of a union with Russia, has repeatedly been able to negotiate successful discounts, Ukraine's turn towards the West following the Orange Revolution in 2004 contributed to the largest conflict to date over the transit of Russian gas. Since there had been no agreement on a follow-up contract between Russia and Ukraine until the old supply contract expired at the end of 2008, and Ukraine was, according to Russia, already significantly behind schedule with payments, Gazprom stopped supplying gas to the country in January 2009. Under the accusation that Ukraine would alternatively use transit gas deliveries that were actually intended for Western customers, gas deliveries were completely stopped on 7 January 2009, which immediately led to massive energy bottlenecks, especially in Southeast European countries like Bulgaria, Moldova and Serbia, which are highly dependent on transit gas from Ukraine. The gas dispute was defused with the mediation of the German government and the EU on 20 January 2008, when the then Ukrainian Prime Minister Yulia Tymoshenko signed a new gas contract, which in the opinion of many experts was very unfavourable for Ukraine under the pressure situation at the time and caused further tensions and court cases for a decade.⁴⁶

These events explain in part why, on the one hand, Lithuania, Poland and Ukraine are among the sharpest critics of new energy deals with Russia today and, on the other hand, why Russia distrusts Ukraine in particular as a transit country and is trying to reduce its influence. Pipelines inevitably lead to mutual dependencies. The less diversified a country's energy imports are, the greater is the objective possibility that a supplier, such as the state-owned Russian pipeline export monopolist Gazprom in the cases mentioned, can use its power, set political prices and pursue strategic goals. However, this dependency also has the opposite effect: all transit and consumer countries also have a potential to exert pressure on Russia; they can drive up transit

⁴⁶ Der russisch-ukrainische Erdgaskonflikt vom Januar 2009, Forschungsstelle Osteuropa Bremen, Arbeitspapiere und Materialien Nr. 101, February 2009

prices and even push through more favourable tariffs if Russia lacks supply alternatives but they themselves have them.

With stable relations, as the Federal Republic has maintained with Russia and the Soviet Union for 50 years, bilateral conflicts over gas transactions have never played a role until today. On the other hand, the less political trust the countries involved have in each other, the more conflictual these mutual dependencies have become, as the conflicts listed above show. In addition, there are economic interests that interfere with or overlap with political goals. In the big energy game everyone wants to have the best cards in the end.

This is the background against which the last two major natural gas pipeline projects to date, involving Russian, German and other Western European energy companies - Nord Stream (start of construction in 2005, opening in 2011) and Nord Stream 2 (start of construction in 2018) - should be seen. Both of these projects fall into the era of Russian President Vladimir Putin, who himself wrote his doctoral thesis on the energy industry in St. Petersburg in the 1970s.⁴⁷ Both pipeline projects, which will run in the form of double strands from Russia through the Baltic Sea directly to the German coast, will develop gigantic gas deposits east of the Yamal peninsula near Noviy Urengoy in northwest Siberia.

The first Nord Stream project was prepared at the beginning of the 2000s in a wedding of German-Russian relations in the high-ranking German-Russian Strategic Working Group on Economics and Finance initiated by the then Chairman of the German Eastern Business Association, Klaus Mangold, and accompanied to a large extent by the two members of the German Eastern Business Association, Burckhard Bergmann (CEO E.ON-Ruhrgas) and Tessen von Heydebreck (Member of the Board of Management of Deutsche Bank). As recently as 2006, the EU Commission classified Nord Stream as a "priority energy project" of "pan-European interest. The pipeline is part of the Trans-European Energy Network, which aims to diversify Europe's energy supply.

However, this project already met with considerable resistance from Poland and Lithuania, which joined the EU in 2004. The statement of the then Polish Minister of Defence, Radek Sikorski, who compared Nord Stream in May 2006 with, among other things, the "Molotov-Ribbentrop Pact" of 1939, has become famous. Germany, he said, should have agreed with Poland before the project was completed, which was in the last days of Chancellor Gerhard Schröder's term of office in 2005.⁴⁸ The fact that it was precisely the Schröder government that had fought as Poland's lawyer to clear the way for the country's EU membership and provided substantial EU reconstruction aid was quickly forgotten. However, the fact that Schröder was nominated chairman of the shareholders' committee of Swiss-based Nord Stream AG only two months after he was voted out of office caused particular annoyance in Germany, too. But his successor, Angela Merkel, also continued the project to the displeasure of Poland. "We asked. She refused," commented Sikorski laconically.⁴⁹ The Polish government put forward two main arguments: the Baltic Sea project is much less economical than the overland route through Poland. Moreover, the Yamal pipeline could then be omitted and

⁴⁷ Johannes Vosswinkel, Eine Macht für 50 Jahre, in: Die Zeit from 22 October 2009: <https://www.zeit.de/2009/44/Gasprom>, retrieved 3 June 2020

⁴⁸ Marc Beunderman, Poland compares German-Russian pipeline to Nazi Soviet pact, EU-Observer, 2 May 2006

⁴⁹ *ibid.*

Poland and Belarus could be decoupled from Russia's gas supply. With a gap of 15 years, it can be said today that nothing of the sort has happened.

The follow-up project Nord Stream 2, the construction of which was started in May 2018 after a long preparation period and in which former Chancellor Schröder is also playing a major role, is facing an even greater political tension due to the occupation of Ukrainian territory by Russia since spring 2014 and growing international conflicts between Russia and the USA. Within the EU, it is primarily Poles and Lithuanians who are fighting against this project and, together with Ukraine, are successfully campaigning in the USA for its sanctioning. Parts of the EU Commission and the EU Parliament have repeatedly rejected the project, especially with regard to Russia's role in Ukraine and Russia's attempts to destabilize the EU, which are attributed to Russia, as has the USA.

Poland, with the help of its Cartel Office, has managed to ensure that Nord Stream 2 may not be operated jointly by Russians and Western Europeans, but that Western partners may only be available as financiers. Two energy companies from Germany, Uniper SE, which emerged from the former E.ON Ruhrgas AG, and Wintershall Dea GmbH, which is affiliated with BASF, as well as groups from France, Austria and the British-Dutch Shell have together taken over a financial share of around five billion euros in the form of loans to the Russian gas supplier Gazprom.

The main arguments are similar to the situation in the early 1980s. Once again, one of the accusations is that Germany, or even the entire EU, is making itself politically dependent on Russia with this project, thereby simultaneously financing its war machine. Moreover, Ukraine could lose important transit revenue (which it can only generate because the West has energy relations with Russia). Conversely, critics accuse the USA, Poland and Ukraine of pursuing not least tangible economic interests with their blockade attempts. By preventing Nord Stream 2, for example, Poland wants to secure transit revenue via the Yamal pipeline. The USA, for its part, has developed gigantic shale gas deposits over the past ten years through new production methods ("fracking") and is pushing into the European market. Russian pipeline gas is an unwelcome competitor for this, as has become known above all among senators from gas-rich US states, who in Washington are among the spokespersons for sanctions against European-Russian gas projects.⁵⁰

The German government initially defended the project primarily as a private-sector project that is being implemented entirely without public funds or loan guarantees and has successfully passed all EU approval procedures, including extensive environmental assessments by the Baltic Sea countries Finland, Sweden, Denmark and Germany. In addition, Berlin argues with a growing demand for natural gas due to Germany's simultaneous exit from nuclear power and coal and the imminent end of gas production in the Netherlands. Later, in the tradition of the old East German deals, the German government used Nord Stream 2 and the transit issue to bring Russians and Ukrainians into conversation with each other. It is possible to reconcile legitimate Ukrainian wishes for the maintenance of gas transit with the

⁵⁰ Texan US Senator Ted Cruz, who was instrumental in initiating the sanctions law against pipe-laying vessels involved in Nord Stream 2, is receiving large donations from the Texas extractive industry. See: Heike Buchter/Thomas Fischermann, Warum wehren sich die USA gegen die Gaspipeline in der Ostsee? In: Zeit-Online from 18 December 2019: <https://www.zeit.de/2019/53/nord-stream-2-gaspipeline-ostsee-russland-usa-eu>, retrieved 3 June 2020

Nord Stream 2 project, emphasises Federal Minister of Economics Peter Altmaier⁵¹, who initiated successful negotiations between Russia and Ukraine in 2018 on the future of Ukrainian gas transit, which culminated in a new five-year transit contract at the end of 2019⁵².

The German Eastern Business Association and participating companies also insist on the fact that Nord Stream 2 will help keep energy prices stable for European consumers and industrial companies in the face of growing demand for climate-friendly energy, and that thousands of medium-sized companies in 25 countries will benefit from the construction and maintenance of Nord Stream 2. 50 years after delivery of the first "Ludmilla" pipes, some of the large-diameter pipes for the Baltic Sea pipelines are once again coming from the plant in Mülheim an der Ruhr. Europipe GmbH, which is based there and in which Salzgitter Mannesmann GmbH and Dillinger Hüttenwerke hold shares, produced 1.6 million tons of pipes for Nord Stream and around 900,000 tons of pipes for Nord Stream 2.

The feared political dependence on Russia, which the US President in particular has repeatedly raised, is, in the view of the German Eastern Business Association, unfounded even if Russia's share of German gas demand rises to 40 percent in view of the existence of large gas storage facilities in Europe and a wide range of supply alternatives. Instead, the close energy relations between Russia and the EU formed a network of common interests and mutual dependencies and thus an important basis for dialogue and understanding. Ukraine itself no longer obtains any natural gas directly from Russia, but is supplied from the West, diverting Russian gas from there. Critics have yet to prove how the Soviet Union and Russia have succeeded over the past 50 years in using energy relations to make German policy a "hostage" (quote Trump). The fact that the German government under Chancellor Angela Merkel is one of the mediators of EU sanctions against Russia following its intervention in Ukraine rather suggests the opposite.

In December 2019, the completion of the Nord Stream 2 pipeline was nevertheless slowed down by the US sanctions against pipe-laying ships mentioned above. For the first time since the days of Ronald Reagan, the USA thus resorted to "extraterritorial sanctions" against a European-Russian pipeline project with German participation. The Federal Republic rejects these extraterritorial US sanctions as "contrary to international law".⁵³ Brussels takes a similar view, but because of the conflicting interests of Poland and other EU members there has so far been little tangible support, which the Chairman of the German Eastern Business Association, Oliver Hermes, regards as a dangerous development: "It must be clear to all Europeans: If we do not find an effective response to such extraterritorial sanctions, the European economy will increasingly become the plaything of the Americans or the Chinese."⁵⁴

A Russian pipe-laying vessel, the "Akademik Chersky", could step in after the sanctioned withdrawal of western shipping companies and complete the Nord Stream 2 project before 2020. Irrespective of its completion, the pipeline must overcome further hurdles: The

⁵¹ Andreas Metz, Altmaier kämpft um die deutsch-russische Zukunft, OAOEV-Homepage, 12 October 2018: <https://www.oaev.de/de/altmaier-kaempft-um-die-deutsch-russische-zukunft>, retrieved 3 June 2020

⁵² Vertrag über Gasbeziehungen unterzeichnet, Tagesschau-Online from 31 December 2019: <https://www.tagesschau.de/ausland/russland-ukraine-gasstreit-103.html>, retrieved 3 June 2020

⁵³ Nord Stream 2 – Heiko Maas verurteilt US-Sanktionen, in Welt-online from 12 December 2019: <https://www.welt.de/politik/ausland/article204246094/Repraesentantenhaus-Nord-Stream-2-Heiko-Maas-verurteilt-US-Sanktionen.html>, retrieved 3 June 2020

⁵⁴ Erfolgsgeschichte für Europa, article on the OAOEV webseite from 31 January 2020: <https://www.oaev.de/de/erfolgsgeschichte-fuer-europa>, retrieved 4 June 2020

application of the third EU energy package, which has since been expanded under pressure from the Nord Stream 2 critics, could mean that for the first time the operator of a transit pipeline would have to be independent of the supplier of the natural gas ("Lex Nord Stream") and that only 50 per cent of the capacities of the transit pipeline, at least within the German maritime border, could be booked from one and the same supplier. The economic viability of Nord Stream 2 is therefore currently under question.

Further US sanctions against the pipeline project and thus a continuation of this long German-American struggle for the supply of pipes and the use of Siberian energy reserves are also conceivable. In his farewell interview in the Handelsblatt, Richard Grenell, the US ambassador to Berlin, who is leaving in the summer of 2020, left corresponding threats of sanctions and a now already legendary sentence: "Germany must stop feeding the beast while at the same time not paying enough for NATO."⁵⁵ A choice of words that could come from the deepest depths of the Cold War and does not really fit in with the brisk US-Russian trade relations: According to the US statistics agency, in 2019 the US traded goods worth 28 billion US dollars with Russia (+.5 billion), producing a bilateral trade deficit of 16 billion US dollars (+2.5 billion). As announced by Grenell, US senators presented a draft of an expanded sanctions law in June 2020, which is aimed primarily at German companies that are implementing contracts for the completion of Nord Stream 2 on the Baltic Sea coast.⁵⁶ A note written by Otto Wolff von Amerongen in 1992 as a summary of the Yamal sanctions debate seems almost prophetic: "Sometimes it seems to me that the subject of this American-European dispute has not yet been fully digested."⁵⁷

Some 60 years after the first US embargo on pipelines and 50 years after the signing of the first German-Soviet natural gas pipeline deal, the old lines of conflict, the old arguments, fears and warnings, opportunities and hopes are thus still as fresh as on the first day, even though pipelines have now been successfully laid, joined together and reaching halfway around the globe. Recently, two developments have added to the tension: With China, a new competitor for Russian pipeline gas has entered the market since the commissioning of the gigantic trans-Siberian pipeline "Sila Sibiri" in 2019 and is likely to increase its hunger for energy in the future. At the same time, the "Green Deal", which is supposed to make the EU climate-neutral by 2050, continues to shake up the market:

Does more natural gas as a bridging energy source help the EU to achieve its climate goals faster and at bearable costs? So will even more Russian natural gas be needed in Europe in the future? Or is it better for political reasons to go for LNG, which could also mean using fracking gas from the USA, which again has a dubious climate balance? Would it perhaps be conceivable to use the existing pipeline network to pump carbon dioxide in the opposite direction using carbon storage technology and to inject it underground in depleted deposits, as is already happening in the North Sea off Scotland? Or will the natural gas pipelines become a pipeline network for climate-friendly hydrogen and biogas in the foreseeable future? Could this even ultimately bring peace to the major conflicts of the past decades and turn everyone into winners - Russians and Poles, Ukrainians, Lithuanians and Germans, and even the

⁵⁵ <https://www.handelsblatt.com/politik/international/ostseepipeline-abschiedsgruss-von-us-botschafter-grenell-neue-drohung-gegen-nord-stream-2/25861262.html?ticket=ST-1936770-rdUAdwxtcYejKYCn0uBf-ap3>

⁵⁶ Protecting Europe's Energy Security Clarification Act of 2020, introduced by US senators Ted Cruz among others in the US Senate on 4 June 2020

⁵⁷ von Amerongen, p. 238

Americans - because in the future everyone will be able to feed into the pipeline network as hydrogen producers or to use it as a consumer?

These and many other questions are currently being asked by the public, politicians, and above all by companies that are investing billions in the energy game and thus have to accept great risks, but at the same time have a lot to gain. As this balance sheet has shown, German-Russian energy relations and the business of the century, which began in 1970, are an inexhaustible source of energy for discussions in Russia, in the EU, the common neighbouring countries and also on the other side of the Atlantic in Washington and in the White House. It remains exciting to see how the next 50 years will develop.

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