

The dispute over the Nord Stream 2 gas pipeline

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There is no honour among thieves, goes the proverb. This also applies to NATO and its preparations for war against Russia. While governments on both sides of the Atlantic are surpassing each other with their accusations and threats directed at Moscow, mobilising a huge war machine, and assuring each other of their agreement, behind their backs their knives have long since been drawn.

As in the wars of the 20th century, control over strategic raw materials plays a significant role in the present confrontation with Russia. While the First World War was about the coal of the Ruhr area in Germany and the iron ore of Alsace-Lorraine, oil came to the fore as the most important energy source during and after the Second World War.

In the meantime, natural gas, which is slightly more environmentally friendly than oil and coal, has also become very important. In the last 30 years, global gas production has doubled, while oil production has only increased by a quarter. Currently, about 30 percent of the world's energy needs are met by oil, 27 percent by coal and 24 percent by natural gas. Russia is the world's second largest producer of natural gas and oil behind the USA. It is by far the largest exporter of natural gas and, behind Saudi Arabia, the second largest exporter of oil.

Since the dissolution of the Warsaw Pact and the Soviet Union three decades ago, NATO has moved ever closer to Russia's borders. The largest imperialist military alliance will not rest until it has gained unrestricted access to Russia's vast mineral resources, subjugated the country, and eliminated it as a military rival.

This—and an intractable domestic crisis—are the reasons why neither the USA nor the European powers are willing to accommodate Russia's demand for security guarantees and are recklessly heading for a third world war. But there are fierce tensions within NATO over who bears the burden of the confrontation and who gets the spoils in the end.

This lies behind the conflict over the Nord Stream 2 gas pipeline, which the US has long insisted will not be put into operation. During Chancellor Olaf Scholz's inaugural visit to Washington, President Biden even blatantly threatened he wanted to "put an end to it". Scholz himself has long hesitated to put Nord Stream 2 on the list of possible sanctions against

Russia and continues to dodge the issue.

The €10 billion Nord Stream 2 was completed last year despite American sanctions but is still awaiting its final operating permit. The 1,250-kilometre pipeline connects Russia directly to Germany under the Baltic Sea. It bypasses Ukraine, Belarus, Poland, and other Eastern European countries that collect high transit fees and could turn off the gas tap in case of conflict.

Nord Stream 2 doubles the capacity of the parallel Nord Stream 1, inaugurated in 2011, to 110 billion cubic metres a year. That is significantly more than Germany's current annual consumption of just under 90 billion cubic metres. However, German gas consumption will increase significantly over the next 10 years due to the phasing out of nuclear and coal power and the growing demand for energy to power electric vehicles. The pipeline also supplies other countries, such as Austria, the Czech Republic and France, via the widely distributed European gas pipeline network. The whole of Europe currently receives 160 billion cubic metres of gas a year from Russia.

The non-operation of Nord Stream 2 would not directly threaten the energy needs of Germany, which currently obtains 55 percent of its gas and 42 percent of its oil from Russia via the existing pipelines. However, this would be the case if existing pipelines were to be shut down or Russian supplies came to a complete standstill due to the escalation of the Ukraine conflict. Such a halt to supplies could also occur if Russia was excluded from the SWIFT system and could no longer process international payments.

In such a case, not only would hundreds of thousands of German households be left in the cold, but some parts of industrial production would also come to a standstill due to a lack of energy supplies. With a share of 35 percent, industry is the largest gas consumer in Germany. In many processes, natural gas is difficult to substitute. The second-largest consumer is private households with 30 percent; half of German homes are heated using natural gas.

The German government and the EU Commission are feverishly searching for substitutes. Since existing gas storage facilities are only marginally full and the most important suppliers after Russia, Norway and the Netherlands, are at the limits of their capacity, only liquefied natural gas (LNG) comes

into question. However, this is considerably more expensive than pipeline gas, as it must be cooled down to minus 160 degrees Celsius, loaded and unloaded in separate terminals and transported by special tankers. Germany does not yet have its own LNG terminal.

Qatar, the world's largest LNG exporter, has offered to supply more to Europe, to the detriment of Asian and developing countries that depend on supplies from Qatar.

The USA is also showing a willingness to help. According to the finance daily *Handelsblatt*, "top officials of the EU Commission are currently speaking almost daily with experts of the National Security Council in Washington via tap-proof connections" to discuss the matter.

The US is not acting without self-interest. The country, which consumes over a fifth of the world's natural gas, has become a major LNG exporter thanks to fracking technology. It is an extremely lucrative business, as the price of gas is reaching record levels—not least because of the Ukraine crisis. According to a Reuters report, LNG ships from the USA are already being diverted to Europe because market prices there are much higher than in Asia.

Handelsblatt expects "shock waves on the markets" in the event of a war in Ukraine: "European shares would plummet by up to ten percent, Brent oil would rise to 100 dollars a barrel, the price of gas would increase even more by up to a fifth." Markus Krebber, head of the energy giant RWE, warns: "I'm afraid that the high industrial prices will lead to a creeping de-industrialisation and hardly anyone will notice."

Purchasing large quantities of LNG from the US would also make Germany more dependent on the US in the long term. The importation of oil and gas from Russia goes back to Willy Brandt's *Ostpolitik* in the early 1970s. At that time, German steelworks supplied the pipes for the pipelines to Russia, which were then paid for by gas exports. Germany thus secured greater independence from the USA during the first major economic crisis of the post-war period.

After World War I, when America first emerged as a leading world power in Europe, Leon Trotsky wrote that it would put capitalist Europe "on rations": "It will divide the market into sectors, it will regulate the activity of European financiers and manufacturers.... This means that America will tell Europe how many tons, litres or kilograms of this or that commodity it may buy or sell." (Leon Trotsky, *Europe and America*)

This is now being confirmed again. Washington is pushing for all NATO members to join the war front against Russia and is careful not to let Germany and the European Union become too powerful. Nevertheless, there are no significant voices in the German media and establishment parties that oppose the war course.

In 2003, the German and French governments had still spoken out plainly against the US invasion of Iraq, which affected their own imperialist interests in the region. French Foreign Minister Dominique de Villepin, a conservative

Gaullist, delivered an incendiary speech at the United Nations against the US war plans. Around the world, millions took to the streets against the Iraq war.

Today, German politicians and the media never tire of assuring Washington of their support and their willingness to pay a price for it. The peace movement has completely collapsed.

Green Party Foreign Minister Annalena Baerbock assured the Bundestag (federal parliament) that Germany must be ready for sanctions, even if they brought economic disadvantages. The Christian Democratic Union (CDU) applauded. "If Putin knows that we will only accept sanctions if they don't hurt us, then he also knows that they won't hurt him either," emphasised CDU foreign policy expert Roderich Kiesewetter.

This attitude has both domestic and foreign policy grounds.

The last thing the ruling class wants is an anti-war movement, which would inevitably combine with the growing opposition to its policies of deliberate mass infection, social inequality, and social cuts. Like the US ruling class, its German counterpart uses war to channel internal tensions outwards.

Eastern Europe, moreover, has always been the traditional direction of expansion for German imperialism, alternating peaceful methods with violent ones. In both world wars, Germany occupied Ukraine and tried to conquer Russia and the Soviet Union respectively. Now it is joining the USA because it fears being left out in the division of the spoils.

However, this does not reduce the transatlantic tensions. Two years of pandemic, in which millions of lives have been sacrificed for profit, unprecedented social inequality and a financial system whose implosion is only a matter of time, are bringing to a head again all the contradictions of capitalism that made the last century the bloodiest in human history. Only a socialist movement of the international working class can prevent the relapse into barbarism.



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