

**Paul White**

# **GERHARD SCHRÖDER INTERVIEW**



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**Scene:**

Hanover Germany

**Characters:**

Gerhard Schröder: The Former Chancellor Who Became Putin's Man in Germany

## **The Former Chancellor Who Became Putin's Man in Germany**

**Gerhard Schröder, who is paid almost \$1 million a year by Russian-controlled energy companies, has become a pariah. But he is also a symbol of Germany's Russia policy.**

**HANOVER, Germany** — On the evening of Dec. 9, 2005, 17 days after Gerhard Schröder left office as chancellor of Germany, he got a call on his cellphone. It was his friend President Vladimir V. Putin of Russia.

Mr. Putin was pressing Mr. Schröder to accept an offer to lead the shareholder committee of Nord Stream, the Russian-controlled company in charge of building the first undersea gas pipeline directly connecting Russia and Germany.

“Are you afraid to work for us?” Mr. Putin had joked. Mr. Schröder might well have been, given the appearance of possible impropriety — the pipeline he was now being asked to head had

been agreed to in the final weeks of his chancellorship, with his strong support.

He took the job anyway.

Seventeen years later, the former chancellor, who recounted the events himself in a pair of rare interviews, remains as defiant as ever.

“I don’t do mea culpa,” Mr. Schröder said, sitting in his sprawling light- and art-filled office in the center of his home city, Hanover, in northwestern Germany. “It’s not my thing.”

With Mr. Putin now waging a brutal war in Ukraine, all of Germany is reconsidering the ties with Russia that — despite years of warnings from the United States and Eastern European allies — have left Germany deeply reliant on Russian gas, giving Mr. Putin coercive leverage over Europe while filling the Kremlin’s war chest.

That dependency grew out of a German belief — embraced by a long succession of chancellors,

industry leaders, journalists and the public — that a Russia bound in trade would have too much to risk in conflict with Europe, making Germany more secure while also profiting its economy.

Mr. Schröder was far from alone in that conviction. But today he has become the most prominent face of that long era of miscalculation, not only because he expresses no regret, but because he has also profited handsomely from it, earning millions while promoting Russian energy interests.

His close ties to Mr. Putin have made him a pariah in his own country, where many now criticize him for using his clout and connections over the past two decades to enrich himself at the expense of Germany.

“He took advantage of the reputation and influence of the chancellor’s office and offered himself up as an agent for Russian interests to get rich,” said Norbert Röttgen, a conservative

lawmaker, former minister and longtime Russia hawk.

In the interviews, Mr. Schröder, now 78, spoke with undiminished swagger, cracking jokes but arguing in essence that, well, if he got rich, then so did his country. When it came to Russian gas, everyone was on board, he pointed out, mocking his detractors over copious amounts of white wine.

“They all went along with it for the last 30 years,” he said. “But suddenly everyone knows better.”

Mr. Schröder scoffed at the notion of now distancing himself personally from Mr. Putin, 69, whom he considers a friend and sees regularly, most recently last month in an informal effort to help end the Ukraine war.

Mr. Schröder refuses to resign from his board seats on Russian energy companies, despite calls to do so from across the political spectrum, not least from Chancellor Olaf Scholz, a fellow Social

Democrat, who worked closely with Mr. Schröder when he was chancellor.

Distancing himself now, Mr. Schröder said, would lose him the trust of the one man who can end the war: Mr. Putin. Even so, after all of his years of close relations with Mr. Putin, he walked away with nothing during his one brief interlude trying to mediate in the Ukraine conflict.

It is hard by now — with Mr. Putin unrelenting more than two months into the Ukraine war — to avoid the impression that Mr. Schröder is useful to the Russian leader as a cat's paw to further his own interest in hooking Germany on cheap Russian gas.

Germany's reliance on Russian gas surged to 55 percent before Russia's attack on Ukraine began in February, from 39 percent in 2011, amounting to 200 million euros, or about \$220 million, in energy payments every day to Russia.

It has helped make Mr. Putin perhaps one of the world's richest men, has buoyed his otherwise feeble economy, and has enabled and emboldened him to pursue his aggression in Ukraine.

Even as Mr. Putin was massing troops on the Ukraine border last fall, Mr. Schröder visited the Russian leader in Sochi, one of Mr. Putin's favorite retreats, across from the Black Sea coast that Russian forces are now trying to rip from Ukraine.

A cellphone photograph that Mr. Schröder showed me from that visit shows the two men smiling at each other, Mr. Putin in red hockey gear and Mr. Schröder in a light blue shirt and blazer. Asked what they talked about, he told me, "Soccer."

Mr. Schröder distanced himself from the war, though not from Mr. Putin. I asked about the by-now notorious atrocities in Bucha, a Kyiv suburb. "That has to be investigated," Mr. Schröder said, but added that he did not think those orders



would have come from Mr. Putin, but from a lower authority.

“I think this war was a mistake, and I’ve always said so,” Mr. Schröder said. “What we have to do now is to create peace as quickly as possible.”

“I have always served German interests,” he added. “I do what I can do. At least one side trusts me.”

That side is not the German side.

Since Russia’s attack on Ukraine began, the entire staff of Mr. Schröder’s parliamentary office resigned in protest, including his chief of staff and speechwriter of 20 years, who had been with him since his days as chancellor.

He relinquished his honorary citizenship in Hanover before his home city could strip it from him — something it last did, posthumously, to Adolf Hitler. When even the soccer club Borussia Dortmund, which Mr. Schröder has supported

since he was 6, demanded a strong statement on Mr. Putin from him, Mr. Schröder canceled his membership.

Calls for his expulsion are growing louder among Social Democrats, too.

But Mr. Schröder is undaunted. He remains chairman of the shareholder committee of Nord Stream, reportedly earning about \$270,000 a year, and served as head of the supervisory board of Nord Stream 2, which built a second pipeline connecting Russia to Germany under the Baltic Sea, until it was shuttered before the war.

Three weeks before Russia launched its attack on Ukraine, Gazprom — the Soviet energy ministry turned Russian state-controlled gas company, which owns 51 percent of Nord Stream and all of Nord Stream 2 — announced that Mr. Schröder would join its board, too. (Mr. Schröder would not say whether he would accept the nomination.)

Since 2017, he has also presided over the board of the Russian oil company Rosneft, earning another \$600,000 a year, according to public records, on top of his monthly \$9,000 government stipend as former chancellor.

Mr. Schröder's entanglement with the Russian president and Kremlin-controlled energy companies overshadows all he achieved in seven years as chancellor, from 1998 to 2005, a pivotal period of leadership when he was lauded for refusing to join the United States in the Iraq war; giving immigrants a regular path to citizenship; and putting in place far-reaching labor market overhauls that would pave the way for a decade of growth under his successor, Angela Merkel.

That legacy has been permanently tainted.

But even his fiercest critics acknowledge that Mr. Schröder's close and lucrative dealings with Russia are also emblematic of his country's decades-old approach of engagement with Russia. Lobbied aggressively by Germany's

export industry and cheered on by labor unions, successive chancellors, including Ms. Merkel, collectively engineered Germany's dependency on Russian energy.

“Schröder is the tip of the iceberg,” said Wolfgang Ischinger, a former ambassador to the United States and veteran diplomat. “But there is a whole iceberg below him.”

## The Long Shadow of Ostpolitik

Mr. Schröder was born in 1944, a year before World War II ended, and never met his father, who fought for the Nazis and was killed on the eastern front when the future chancellor was only 6 months old. The horrors that the Nazis inflicted on the Soviet Union, where some 27 million people died, weighed heavily on his youth, he said.

Mr. Schröder joined the Social Democrats when he was 19 and was studying law during the 1968 student rebellion that challenged the silence of

their parents' generation over Germany's Nazi past.

A year later, when Mr. Schröder was 25, Willy Brandt became postwar Germany's first Social Democratic chancellor, ushering in a new policy of engagement with the Soviet Union that became known as Ostpolitik.

The guiding rationale of Ostpolitik was "Wandel durch Handel," or "change through trade," and would become a defining pillar of successive Social Democratic-led administrations, including Mr. Schröder's two decades later.

To this day, a statue of Brandt is prominently displayed in one corner of Mr. Schröder's office. Mr. Schröder's two children were both adopted from Russia.

"All of these things influenced my relationship with Russia very early on, and as chancellor, I actually tried to continue it that way," he said.

When it came to pipelines, Mr. Schröder was not the first. They were being built between Germany and Russia even during the Cold War. Under Brandt, Germany signed a major pipeline project with Moscow, in 1970.

His successor, Helmut Schmidt, chancellor for the rest of the 1970s and the early 1980s, oversaw an expansion of the pipelines, including another big project known as the West Siberia Pipeline.

While that pipeline was uncontroversial in Germany, it was not without critics abroad — namely, the United States. The Soviets had already invaded Afghanistan and would soon push the Polish government to quash anti-Communist protests and impose martial law.

“Basically, since the 1960s, cooperation with the Soviet Union and later with Russia has been a constant,” Mr. Schröder said.

“They got the money and they delivered the gas,” Mr. Schröder said of the Russians. “Even in the

toughest times of the Cold War, there were never any problems.”

After the fall of the Berlin Wall in 1989 and the collapse of the Soviet Union, cheap Russian energy was seen more than ever as an earned peace dividend.

It was also Germany’s geostrategic North Star. For a country that had abandoned a military dimension to its foreign policy after World War II, economic interests were its security interests.

Germany is energy-poor, and as its coal resources diminished in the late 1990s, it needed affordable fuel to power its export-oriented economy, one of the world’s top five. Once the Russian pipelines were established, they fed German industry with a steady supply of gas through long-term contracts that led Germany to stop looking for other providers.

“This story, among other things — the early gas pipeline business with the Soviet Union, the

attempt to find a compromise with the Soviet Union — was the basis for the Russians being able to say, ‘OK, with this Germany we can risk reunification,)’” Mr. Schröder said.

During his own time in office, from 1998 to 2005, Mr. Schröder shepherded through Germany’s next pipeline project, Nord Stream 1.

But his pipeline differed from his predecessors’ in important ways. It bypassed Ukraine and Poland, for the first time connecting Russia and Germany directly under the Baltic Sea.

And the Russian president he was dealing with was Vladimir V. Putin.

The Chancellor

During one of Mr. Schröder’s first visits with Mr. Putin in Moscow, the Russian president invited the chancellor to the sauna in his private residence outside Moscow and offered him a beer.



Mr. Schröder said that when the sauna suddenly caught fire, Mr. Putin tried to hurry him out, but he insisted on finishing his beer first.

The two leaders hit it off, and not just because of their legendary macho bravado. Mr. Putin, a former K.G.B. agent who had been based in Dresden, spoke fluent German and grew up poor, like Mr. Schröder, whose mother was a cleaner who brought up five children on her own.

“That created a certain closeness,” Mr. Schröder said. “There was a feeling that you can rely on one another.”

“The image that people have of Putin is only half the truth,” he said.

In 2001, Mr. Putin addressed German lawmakers, the first Russian president to do so. Speaking in German, he described Russia as “a friendly European nation” whose goal was “stable peace on the continent” and got a standing ovation.

Among those applauding that day was Ms. Merkel, Mr. Schröder's successor.

Mr. Schröder recalled the mood in those early years of the 21st century. "It felt like a new era: the European House from Vladivostok to Lisbon," he said.

Nord Stream 1 was a corporate project, initiated by Gazprom and a Finnish energy company before Mr. Schröder and Mr. Putin took office, and eventually comprised German, French and Dutch companies.

The idea was to secure German and European gas supply at a time when quarrels between Russia and Ukraine over transit fees and Kyiv's siphoning off of gas raised concerns about supply disruptions.

"Industry eventually came and said we need more, possibly a lot more, gas," Mr. Schröder recalled. "We don't just need the pipeline because we need more gas. We also need the pipeline

because of the difficulties with the pipeline in Ukraine.”

“Why should we have objected as a government?” he added. “It never occurred to anyone that this could become a problem. It was just a way of procuring gas for Germans, for Germany’s heavy industry, and also for the chemical industry, with fewer problems and disruptions.”

Mr. Schröder and Mr. Putin backed the project early on and set up working groups to discuss industry and security.

One was the strategic working group that was presided by Klaus Mangold, a former senior executive of Daimler and then the head of the Ost-Ausschuss, a pro-Russia lobby group. Representatives of industry and key ministries from both countries met several times a year in Germany and Russia. Mr. Schröder and Mr. Putin periodically joined.

On Sept. 8, 2005, 10 days before the election in which Mr. Schröder's Social Democrats lost to Ms. Merkel's conservatives, the Nord Stream 1 contract was signed by representatives of Gazprom, E.ON and BASF.

It was celebrated by industry and politicians across the spectrum. Mr. Putin had come for the occasion and attended the ceremony with Mr. Schröder.

“Independently of whether he will retain his position or not,” Mr. Putin said at a joint news conference after the signing, “we will continue to have very good relations with the chancellor.”

The Lobbyist

In November 2005, two months after Mr. Schröder lost the election, a Gazprom executive asked to meet. At the airport hotel in Hanover, the executive offered him the position of chairman of the newly established company in charge of building Nord Stream 1.

“It felt a little early,” Mr. Schröder recalled, as he recounted the meeting.

He was tempted. On his 60th birthday, a year earlier, his biographer, Reinhard Urschel, had asked him what he wanted to do after leaving office. “Make money,” Mr. Schröder had replied.

But it was more than that, Mr. Schröder said. “I had been chancellor. I couldn’t go back to being a lawyer dealing with rental contracts. I needed a project,” he said. “Something I knew how to do and where I could serve German interests.”

When Mr. Putin called Mr. Schröder on his cellphone the night of Dec. 9, 2005, he accepted the offer.

Many in Germany were appalled. No chancellor before him had taken a job in a company controlled by a foreign country, let alone one that had benefited from their support in office.

But the pipeline project itself remained uncontroversial.

“The next government continued with it seamlessly,” Mr. Schröder recalled. “Nobody in the first Merkel government said a word against it. No one!”

Mr. Ischinger, who was Mr. Schröder’s ambassador to the United States and later ran the Munich Security Conference, concurred.

“You can’t blame Schröder for Nord Stream 1,” Mr. Ischinger said. “Most German politicians, whether in government or in opposition, did not critically question this. No one asked whether we were laying the foundation for getting ourselves into an unhealthy dependence.”

Ms. Merkel, through a spokesperson, declined to comment for this article.

Nord Stream 1 took six years to plan and build. In 2011, Mr. Schröder attended both opening

ceremonies — one on the Russian end, in Vyborg, along with Mr. Putin, Russia’s prime minister at the time, and the other on the German end, in Lubmin, on the Baltic Sea, along with Ms. Merkel and Mr. Putin’s trusted ally, Dmitri A. Medvedev, Russia’s president at the time.

“This gas pipeline will make Europe’s energy supply significantly more secure,” Mr. Schröder said then.

Once Nord Stream 1 was operational, Mr. Schröder set about lobbying for a second pipeline: Nord Stream 2. That was when “the real controversy” started, Mr. Ischinger said.

Earlier in 2011, Ms. Merkel had stunned the world, including her own country, by announcing that Germany would be phasing out nuclear power after the disaster at the Japanese nuclear plant in Fukushima. Under pressure from German industry to identify alternative sources of energy, she was open to Nord Stream 2.

“They said we need a transitional technology — we won’t be able to do it with renewables alone, at least not at a price that doesn’t get us into financial difficulties,” Mr. Schröder said. “The transition technology was gas.”

But Mr. Putin’s invasion of Ukraine in February 2014, and then his annexation of Crimea the following month, raised questions about the viability of Nord Stream 2, as the West put the first sanctions against Russia into place.

As opposition to Nord Stream 2 intensified, so did Mr. Schröder’s lobbying.

His main allies on Nord Stream 2 in the Merkel government, said Christoph Heusgen, Ms. Merkel’s chief foreign policy adviser until 2017, were the economics minister and vice chancellor, Sigmar Gabriel, and the foreign minister, Frank-Walter Steinmeier, both Social Democrats like the former chancellor and both from his home state, Lower Saxony.



Mr. Steinmeier, now Germany's federal president, had worked for Mr. Schröder when he was governor of Lower Saxony in the 1990s and later moved with him to the chancellery. Mr. Gabriel was Mr. Schröder's successor as governor in Lower Saxony.

The revolving door of contacts worried some lawmakers enough to ask the government to disclose a list of meetings between politicians and representatives of Nord Stream 2.

According to the resulting report, from January 2015 to October 2017, there were 62 such meetings, including 20 with Mr. Gabriel and 10 with Mr. Steinmeier or his ambassadors in Brussels and Moscow.

Matthias Warnig, the chief executive of Nord Stream 2, who took part in 19 of the meetings in the report, has acknowledged having been a former spy of the Stasi, the former secret police of Communist East Germany. Stasi records show that, in February 1988, both he and Mr. Putin,

when he was stationed in Dresden as a K.G.B. officer, were awarded medals for their service. But Mr. Warnig has denied reports that he had recruited spies for Mr. Putin in their old days.

In February 2015, Mr. Schröder took Mr. Warnig to see Mr. Gabriel to discuss cooperation with Russia, according to the list of meetings provided in the report. He also accompanied Nord Stream 2 executives to see Mr. Steinmeier's ambassadors to Moscow and Brussels at the time.

Mr. Steinmeier declined to be interviewed for this article. Mr. Gabriel texted to say he only met "representatives of Russia and Gazprom between 2014 and 2016" to "avert a looming supply stop of Russia to Ukraine."

He added: "Should you put my visits and meetings in Russia in a different context, I want to inform you now that I will initiate legal steps."

One big event included a 70th birthday party for Mr. Schröder hosted by Nord Stream at the

majestic Yusupov Palace in St. Petersburg, Russia. Mr. Putin attended, as did Gazprom's chief executive, Alexey B. Miller, and Mr. Warnig.

Nord Stream 2 was approved in June 2015, the same year that Gazprom was also allowed under the Merkel government to buy Germany's biggest strategic gas-storage facility, where it has kept levels of gas conspicuously low for the past year in what may have been preparation for providing leverage for Mr. Putin in his war.

But Mr. Schröder said he was unbothered by the growing dependency, or by American and Eastern European warnings about Mr. Putin weaponizing energy supplies.

The Russians, he argued, had always been reliable when it came to delivering oil and gas.

“Why should we have been distrustful? It always worked,” Mr. Schröder said. “For us, dependency meant double dependency. The so-called energy weapon is ambiguous. They need oil and gas to

pay for their budget. And we need oil and gas to heat and to keep the economy going.”

The reasoning explains why Mr. Schröder says he promoted the deal last year — even in the middle of Russia’s troop buildup — for the Russian oil company Rosneft to buy up the majority share of the critical oil refinery in Schwedt, in northeastern Germany.

Although the strategic refinery went to a Russian company, Mr. Schröder argued that the deal was ultimately in Germany’s interest.

“We made sure that Shell couldn’t sell to some unknown private equity,” he said. “They would have sold it off immediately.”

“If the oil doesn’t flow anymore, Schwedt is finished,” he said, “with all the consequences that this has for northeast Germany, including Berlin.”

The Mediator

In early March, just over a week into the war, Mr. Schröder said he was contacted via a Swiss media company, Ringier, by Ukrainian officials asking if he might be available to mediate between Moscow and Kyiv.

Mr. Schröder said he sought reassurance from the Ukrainian officials that the government of President Volodymyr Zelensky of Ukraine supported the initiative.

The answer from Kyiv was swift but cautious. An opposition lawmaker, Rustem Umerov, was sent to see Mr. Schröder in Istanbul to lay out the Ukrainian demands. The two men met for two hours on March 7.

Afterward, in the taxi to the airport, Mr. Schröder called a trusted contact at the Russian Embassy in Berlin to ask if Mr. Putin would see him. Ten minutes later, he had the green light, and on March 9, a Russian jet was sent to collect him in Istanbul.

In Moscow, Mr. Schröder was treated like a head of state: The coronavirus quarantine requirement was waived in return for a Russian P.C.R. test, and he got to sit at Mr. Putin's now famous 20-foot-long table. After meeting with Mr. Putin, a day later he also met with the president's main negotiator, Vladimir Medinsky, and Roman Abramovich, an oligarch who has served as an emissary between the Kremlin and Mr. Zelensky.

“What I can tell you is that Putin is interested in ending the war,” Mr. Schröder said. “But that's not so easy. There are a few points that need to be clarified.”

He reported back to Mr. Umerov in Istanbul on March 13. Since then, there has been no further contact. Andriy Melnyk, Ukraine's ambassador to Berlin, declared the initiative to have “failed.”

Mr. Schröder said he was ready to meet either side again.

Even now, two months into the war, Mr. Schröder believes that whatever happens, Russian gas and oil will keep flowing. The government should not impose an energy embargo, he said.

“My advice is to think about what an export-dependent economy can still cope with and what it can’t cope with anymore,” he said.

What if Russia turns off the tap?

“It won’t happen,” Mr. Schröder said. But if it did, “then I would resign.”

The Pariah

With the criticism of him mounting this year, it has gotten lonely for Mr. Schröder at home. He recently took up playing the piano. Outside his house, a police car is keeping watch day and night. Many of his old Social Democratic party friends have disavowed him.

But if there is one place where Mr. Schröder still seems to be appreciated, it is Russia.

Mr. Putin spoke fondly of Mr. Schröder in February during a joint news conference with Mr. Scholz, the current German chancellor, who visited the Kremlin in a last-ditch effort to avert war.

“Mr. Schröder is an honest man whom we respect and whose goal is first and foremost to promote the interests of his own country, the Federal Republic of Germany,” the Russian leader said.

“Let German citizens open their purses, have a look inside and ask themselves whether they are ready to pay three to five times more for electricity, for gas and for heating,” Mr. Putin added. “If they are not, they should thank Mr. Schröder because this is his achievement, a result of his work.”

On Russian state television, Mr. Schröder is frequently cited as a Western voice of reason, proof of the Kremlin’s contention that Europe’s current leaders have sold their countries’ interests out to a “Russophobic” United States.



In January, Dmitri Kiselyov, the host of the marquee weekly news program on Russian state television, “Vesti Nedeli,” lauded Mr. Schröder as the last German chancellor before Europe “lost its own voice” in foreign affairs.

“It was all downhill from there,” Mr. Kiselyov intoned.

But to Mr. Putin’s critics, Mr. Schröder is the epitome of a craven class of Western politicians who enable Mr. Putin by financing and legitimizing the Kremlin.

After Mr. Putin’s main domestic rival, Aleksei A. Navalny, was poisoned in 2020 in what the German government, among others, said appeared to be a state-sponsored assassination attempt, Mr. Schröder publicly played down the matter in the German news media.

Asked about it in the interviews, he noted that Mr. Navalny had been convicted in Russia. Last

month, Mr. Navalny was sentenced to nine years in a penal colony after being found guilty by a Russian court of large-scale fraud and contempt. I pointed out that he had been poisoned. “Yes, but by whom?” Mr. Schröder replied.

After he came out of a coma after being poisoned, Mr. Navalny told Bild, a German tabloid, that Mr. Schröder was “Putin’s errand boy who protects murderers.”

Still, Mr. Schröder holds to his unwavering belief that peace and prosperity in Germany and Europe will always depend on dialogue with Russia.

“You can’t isolate a country like Russia in the long run, neither politically nor economically,” he said. “German industry needs the raw materials that Russia has. It’s not just oil and gas, it’s also rare earths. And these are raw materials that cannot simply be substituted.”

“When this war is over,” Mr. Schröder said, “we will have to go back to dealing with Russia. We always do.”

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# ABOUT THE AUTHOR



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