

Höping, Hubert

Article — Digitized Version

Trade and politics

Intereconomics

Suggested Citation: Höping, Hubert (1970) : Trade and politics, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 05, Iss. 10, pp. 299-, <https://doi.org/10.1007/BF02928918>

This Version is available at:

<https://hdl.handle.net/10419/138393>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Trade and Politics

It has lately become a popular habit to launch acrimonious public debates about the subject of "political trade transactions". Cases in point were the steel pipe deal of last spring and the excitement about the dam of Cabora Bassa, in whose construction five German companies, as members of an international consortium, are taking part. And now, a project about which Daimler-Benz and the Soviet authorities had been having quite unsensational talks for the last two years has been made the subject of highly spectacular speculations which try to suggest that it has something to do with the new German-Soviet treaty. The purpose of these negotiations is the creation of motor works for making annually about 150,000 heavy trucks in Neborezhnie Chelny on the Kama river.

The proposed deal has only reached the banner headlines of the press because both supporters and opponents of the Moscow Treaty believe that it may serve as evidence for the truth of their contrasting arguments. The one side believes, in complete euphoria, in an explosive expansion of trade between West Germany and the Soviets — pointing out that, a very long time ago, the volume of these exchanges had claimed about 10 p.c. of total German exports (1969: 1.4 p.c. only), whilst their antagonists maintain that the Federal Republic has signed, or will sign, a financial Rapallo reducing the burdens of the Soviets' armaments budget, and will furthermore strengthen, by increasing East-West trade, the force of the attraction that compels Bonn to travel in Moscow's wake. But even if Moscow intended to operate along such lines, real conditions will not enable the Soviets to do so. Not even 5 p.c. of the Federal Republic's foreign trade flows towards Communist countries, including China, and only 1.4 p.c. to the Soviet Union. Even if Germany succeeded in doubling the Soviets' share, this would not justify the predictions made.

Trade with the Soviet Union has its advantages and disadvantages, but the former are definitely greater than the latter ones. In the years to come, the Federal Republic is bound to come up against rapidly rising competition in the world's markets, and this is the reason why German industry must be interested in Eastern markets where the chances are big. Moreover, Soviet technology has also made great progress in certain fields, and it would be foolish not to make use of this. Conversely, the Soviets are highly attracted by the chance to use German know-how in those sectors of production where they have failed to keep abreast of world development, e.g. in motor vehicle construction. The only disadvantages connected with such a deal might arise from petty jealousies among Western trading partners, and that is why a race of the Western Europeans to "make it" with Moscow must be avoided at all cost. But after all, it has been reported that the project on the Kama river is to be handled by a big consortium of suppliers, comprising, apart from Daimler-Benz, also Fiat, Renault, and the Dutch DAF concern — in other words, all the big motor truck manufacturers within the EEC. It is therefore utterly misleading to describe the deal which is still pending as West Germany going it alone in East-West trade. And there is not the slightest reason for euphoria, since the wellknown difficulties, against which all the countries of the Soviet Bloc are coming up when they are called upon to pay for their imports with scarce convertible currency or through exports of their own, preclude any expectations of untoward buoyancy of such trade.

Political policies and economic policies are so much of one and the same kind that the one is not conceivable without the other. To quarrel about the sham problem which of the two plays the role of the pacemaker is futile, because there are many examples for the two possibilities. But it is certainly true that close economic cooperation, an active trade, and technical collaboration will always contribute to a genuine reduction of tensions, provided that they do not lead to one-sided but mutual dependency of the partners. In the West, economic cooperation has already led to the disappearance or decisive reduction of national antagonisms which had outlasted centuries of the past. Why should the same not be possible also in respect of the East and of the Third World?

Hubert Höping