

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version

Federal Republic — Iran: Closer cooperation

Intereconomics

*Suggested Citation:* Hamburg Institute of International Economics (HWWA) (Ed.) (1975) : Federal Republic — Iran: Closer cooperation, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 10, Iss. 12, pp. 365-, <https://doi.org/10.1007/BF02929331>

This Version is available at:

<https://hdl.handle.net/10419/139302>

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the EC, could, in truth, become enlightened supporters of high prices only after they themselves cannot just cover their own requirements but export a sizeable surplus to the world's markets. However, before some economically important quantities of North Sea crude can be lifted, another number of years will have to pass, and in view of the high lifting costs it is questionable whether exports of North Sea oil will ever become profitable.

As to their intentions within the EC, the British have demonstrated more than clearly that when there should be conflicts between interests of their own and those of the EC, they will act steadfastly as selfish gamblers. Those who have broadcast warnings before the British plebiscite on EC membership, that the British would make it impossible to achieve further progress towards political unification, see their predictions justified. There remains, however, the question whether Europe would be better off in this respect without the UK, because other EC members, notably France, have never hesitated in comparable situations to push their national interests through and against the joint ones of the Community. ch

#### *Federal Republic – Iran*

### **Closer Cooperation**

Relations between Bonn and Teheran are close, but the Shah wishes to draw them even more closely, as came out during the brief intermediate stay of Chancellor Schmidt on his return trip from China to Bonn. There are even a number of fields where the wishes of the Shah seem to be going too far for the politicians in Bonn.

The Iran has a high interest in close nuclear cooperation with the Federal Republic of Germany. The Federal Government is reticent to become over-active prematurely there. The fundamental decisions are not to be made before 1976. One of the major reasons for this reluctance may be sought, very probably, in Washington's negative reaction on the Brazilian-German nuclear agreement. One of the other Iranian desires, on the other hand, could be met with to its satisfaction: On the Caspian shore, German aid will contribute to the build-up of a "German-oriented" Technical University to be laid out for 5,000 students initially. Citizens of the Federal Republic will be the experts teaching the students. This will be an eminently sensible form of development aid because, at present, there are several thousands of Iranians studying and being trained in German and other countries' universities and polytechnics. But few of them return home because salaries and other conditions of life are frequently more

attractive abroad than in Iran. The big problem for the Federal Republic in this case will be to find suitable German experts for the Iranian project.

Last but not least, the Iran requests the conclusion of an agreement on preferential trade treatment with the EC. The Federal Government is absolutely in favour of this desire. But there will still be some obstacles to be overcome within the EC, especially when building up the organisation for such an arrangement. The Federal Republic, though being an important member of the EC, is only one of its nine members. kw

#### *China*

### **The German Chancellor in Peking**

Helmut Schmidt has been the first head of any German Government who ever visited China. Admittedly, this visit did not produce yet an official dialogue, but yet, the change of opinions, suggestions and suggestive questions forms a good beginning. Should Tseng Hsiao-ping accept Helmut Schmidt's invitation this would be an initial step toward such a dialogue. Above and beyond that, Air Traffic and Shipping Agreements have already been made in Peking, which augur well as a first beginning of further improvements in Sino-German communications.

In view of the Soviet-Chinese tensions for Helmut Schmidt the difficult problem existed neither to fall foul of the Soviet-German policy of détente nor to jeopardize the intentions of future cooperation between the Federal Republic and China. But as a pragmatist he did what probably was the only thing to be done in the present juncture: describing with abundant clarity his own position and trying to dismantle mutual prejudices. It can hardly surprise that the Peking talks did not result in much substantial success apart from the two treaties. Because China had been excluded for far too long a period from the exchange of diplomatic opinions these talks could not possibly produce a directly measurable political or economic success.

It would however be a grave fault to undervalue the agreements that the two partners did conclude. *Lufthansa*, e.g., can now establish very likely regular flights to Japan via Peking, a very attractive connexion for businessmen. Without this air traffic arrangement it would have been impossible to open up such a comfortable "communication way" which may also help to improve economic relations between the Federal Republic and China – and this by itself can already be described as a respectable success of mutual talks. iwe