

SECOND STATEMENT

Ulrich MOHRMANN *

The Federal Republic of Germany, for quite some time now, has been faced with the problem that Member States of the European Community have differing industrial policies. Some of them subsidize various industries, and often different views are held by Member States regarding a common trade policy. In general, these different policies have not seriously weakened the German national economy, even in the absence of similar German measures. One exception is the German steel industry, which has been affected adversely by the subsidization of steel industries in other European Community Member States. This may well lead to a situation where the German government would be obliged to give some support to the German steel industry.

It is important that countries avoid extreme actions when reacting to the policies of other countries. If the United States was to imitate mistakes that other countries have been making in their industrial and trade policies, the U.S. economy and the world economy would suffer. This is also true with regard to countertrade. The United States should not be led into actively promoting countertrade because a few other countries are doing so.

* Deputy Head of Section, Federal Economics Ministry, Federal Republic of Germany.