

Denver Journal of International Law & Policy

Volume 5
Number 3 *Special Issue*
Soviet-American Trade in A Legal Perspective

Article 6

January 1975

Discussion

Denver Journal International Law & Policy

Follow this and additional works at: <https://digitalcommons.du.edu/djilp>

Recommended Citation

Discussion, 5 Denv. J. Int'l L. & Pol'y (1975).

This Comment is brought to you for free and open access by the University of Denver Sturm College of Law at Digital Commons @ DU. It has been accepted for inclusion in Denver Journal of International Law & Policy by an authorized editor of Digital Commons @ DU. For more information, please contact jennifer.cox@du.edu, digitalcommons@du.edu.

Discussion

Keywords

Politics, Economics, Liberty

Discussion

A wide variety of views were expressed on the broad question of whether foreign trade should be an integral part of a state's political relations with other states, or whether trade should be insulated from political influences and decisions affecting it made on the basis of purely economic considerations.

One of the Soviet participants expressed the view that trade is so inseparable from politics that it is even useless to speak of linking trade decisions to long-term rather than short-term policies. He stated, in effect, that politics is a two-directional process. Either it leads toward peaceful coexistence, which creates the proper conditions for trade to flourish, or it leads toward war, in which case trade would be out of the question.

Another Soviet participant attributed the slow development of U.S.-U.S.S.R. trade to the late recognition of the U.S.S.R. by the United States, citing this as an example of the inseparability of trade from politics.

An American participant expressed the view that even if it were desirable, it would be impossible to separate trade from politics. He noted that businessmen are deterred from trading with certain countries by hostile public opinion, even in the absence of governmental prohibitions, so that the same public opinion which determines political developments also determines trade patterns.

In responding to these comments, Mr. Berman agreed that businessmen react to politics, and added that insofar as government agencies control trade they, too, are necessarily responsive to government policies. However, he expressed the opinion that the institutionalization of basic trade policies can transform them into a force shielding trade from fluctuating political factors. He noted the irony that in the United States, where most trade is carried on not by government agencies but by private companies, it has been much more closely tied to short-range political factors than in the Soviet Union, where all trading organizations are an integral part of the government. Nevertheless, he felt that the United States has a greater potential than the Soviet Union for developing an autonomous sphere of foreign trade.

Another Soviet participant agreed in general with the thesis that trade should be insulated from politics. However, he expressed the opinion that politics has some positive influences on trade, and only the negative aspects of linkage should be eliminated. He felt that insulation of trade from politics can best be effected by the development of principles which would protect trade from arbitrary unilat-

eral practices. The two key principles would be non-interference in the internal affairs of other governments and non-discriminatory treatment under the most-favored-nation standard.

Another American participant expressed the view that the institutions which would best protect international trade from the pressures of short-term political considerations were international organizations such as the International Monetary Fund. Thus the answer to the problem of political distortion of East-West trade would not be found in bilateral agreements between countries, but rather in the wider participation of the socialist countries in multilateral arrangements, and especially in world financial institutions such as the International Monetary Fund and the World Bank.