

„Current capitalisms. Are they reformable? Is a clash indispensable?“¹

My access to this topic is a socio-economic one, similar to my late friend Univ.-Prof. Prof. Egon Matzner, a disciple of the Swedish professor Gunnar Myrdal.

Capitalism was initially a European product. Its production factors were: Enlightenment, production based on division of labour, technical inventions and colonial exploitation. Enlightenment in terms of Kant meant self-dependent use of one's reason. The axis of power church-feudal lord therefore was put into question. It could only be maintained until the technical-material development enforced the emergence of constitutional monarchies or republics.

The craft- and trade structure of the Middle Ages became already in the 17th century in France under Colbert subject to a state-influenced re-organisation by promotion of manufactories – including work in a production line without mechanically moved assembly lines – as well as the recruitment of foreign workers and the construction of streets and canals.

Here steam machine-capitalism could connect. It didn't only require capital investment but also workers who were able to accomplish more than just producing one specific product. The compulsory elementary school introduced by Maria Theresia was therefore followed by the citizen's school.

The production of a contemporary production factor „work“ is until today – even more than before – precondition for a profitable market position.

¹ Lecture by Federal Minister ret. Erwin Lanc at the Vienna Lectures on June 7th 2010 in the Old Townhall, Vienna.

In the meantime scientists and inventors like Stephenson, Edison, Nikolaus August Otto, Siegfried Marcus, Gottlieb Daimler and Wilhelm Maybach not only made driving powers, illumination and modern electronics possible, but also revolutionised transportation through the invention of railways and later trucks on the roads and – after the success of the brothers Wright – also in the air.

But a profitable market position also requires a high market share, a quasi-monopoly. After the purchase of an already far developed cheap production process for citric acid the Austrian industrialist Karl Kahane reached a price-setting position on the European and international market for citric acid.

Bilateral barter trade over long distances has already taken place in antiquity, for example via the Silk Road or the Amber Road. The interaction between trading houses and an upcoming intercontinental seafaring have further developed this system. The mercantilist forms of economy led to stock exchange-organised markets for goods and capital.

Stock markets were and still are at the heart of capitalism – even though there have been precursors in Tuscan towns, in Bruges and Antwerp.

Futures in grain trade already existed in 1511 in Antwerp. Already at the end of the 18th and the beginning of the 19th century there have been publications about stock market transactions and speculations.

In the US it was tried to find reasons for the panic-like reactions at the stock markets in the 19th century. Following reasons were mentioned:

- The spirit of extravagance and the craving for acquisition without work.

- Play instinct.
- Speculation.
- Overproduction.
- Economically disruptive factors and loss of trust in the policy of the government.

Already legendary is John Kenneth Galbright's book about the Great Crash 1929.

It is striking that the political converters of capitalism only drew economic-political conclusions out of these experiences for short periods. Examples are:

- The politics of "New Deal" under F.D. Roosevelt.
- The Marshall-plan for the purpose of reconstruction of the European market after World War II and the transformation of the US-American economy of war into an economy of peace. Eventually it led to a strengthening of the power of resistance of Western Europe against the Soviet Union, which already had degenerated to Stalinism.
- The attempt to introduce a social market economy á la Müller-Armack, Röpke and Ludwig Erhart, which could only work during the US-dependent reconstruction period in Western Europe. Its few regulatory instruments couldn't and can't make an impact in a fully globalized capitalism anymore.
- The Planification which was introduced by Jean Monnet in 1946 as a kind of planned capitalism in post-war France, which was also favoured by the national-economic assistant of the Austrian Trade Unions, Dr. Heinz Kienzl. This also set the stage for the Montan Union, the European Coal and Steel Community.

All mentioned attempts to tame capitalism have failed long ago; many of its exponents are already dead. It is touching to see how in German talk shows the former CDU-politicians

Heiner Geissler and Norbert Blüm still try to remind of the social components of the market economy.

Since the 80ies a generation of economists and business economists has been taught absolute market devoutness. Not the market is to be regulated – as Adam Smith postulated – but instead of its metastases are hindering its function.

There was no intervention during the stock market crash in 1929, the subsequent global economic crises produced its own political derivatives:

- The nationalistic robber-capitalism in Germany, Italy and Japan under absolutely authoritarian political leadership.

The Black Monday in 1987 – the Dow Jones-Index fell by 22,6% – was shocking with regard to 1929, but in the end it resulted in a painful repatriation of excessive stock prices of new technologies and didn't trigger a general crises.

The Asian crisis of the „Tiger States“ in 1987: Main causes were current account deficits, high foreign currency indebtedness and the liberalization of the financial market, which had been carried out too fast.

Not much later the rouble crises of the Russian mafia capitalism followed, which dispossessed the people of their last savings.

GATS and WTO are merrily furthering the deregulation. The Washington Consensus still dominates the global trade regulations and blocks the erection of a competitive economy in developing countries.

The conclusion is: The political representatives of current capitalisms are not able to learn – and they can't be. Even as authoritarian regimes it is otherwise difficult for them to uphold their power; in democratic states they either aren't elected or re-elected. Not Blair makes Murdoch but Murdoch makes Blair – including his disposal. The international development of TV programs leads to a dominance of soap operas, gambling and astrologic predictions, supplemented by political criticism of negligibilities. The freedom of press ends where print media loses advertisers and television subject to public law is increasingly financed by advertising rates depending on quotas.

Market-dominating monopolies or oligopolies have expanded on a global scale, like OPEC and Bill Gates.

Marx and Engels hoped for the proletarians to be the gravediggers of capitalism, but because of politically and trade-union enforced sharing of profit rate of capital or due to the failure of state-capitalistic functionary dictatorships they couldn't develop a globally appealing alternative.

The initially posthumously published theses of Marx about Feuerbach – a critic of religion and ideological materialist – culminated in the view that “philosophers have hitherto only interpreted the world in various ways; the point, however, is to change it”.

In the meantime trade unions and social democratic parties have reduced themselves to cushion the abuse of capitalism, temporarily they have even internalised “Reagonomics” and “Thatcherism” and privatised and deregulated accordingly. Only the social benefits have been regulated more rigorously, like Hartz IV, because the high-income classes in Germany refused a higher effort for the backlog demand of Eastern Germany.

Conservatives and Liberals are by majority still convinced of the functionality of the current, globally active capitalism. The wounds it inflicts are tried to be healed by little control-patches.

As Obama announced on the 21st of January that he wants to take banking houses at least, this already led to plunging of prices of financial shares on the 22nd. To reduce the risk of the state he also planned to limit the size of the banking houses and to cut down the obscene bonuses of managers, having made big losses.

After his arduous partial victory on health care reform he is now promoting financial market reforms in public assemblies, which would probably – unlike the health care reform – be supported by the majority of the population.

Nevertheless his package got stuck in the senate, because this time it hasn't been radical enough for 2 democratic senators.

Where in much smaller EU-Europe the 27 heads of government still go to public assemblies in order to explain their economic and financial policy to the people?

But which one should they explain if there isn't even a common tax and financial policy, which sustains the Euro stability pact and which can only strenuously and partially be worked out in case of combating a catastrophe.

On 10th of May 2010 the ministers of finance in the EU agreed upon a financial package of 500 billion Euros for members threatened by insolvency and in order to defend the Euro; against currency speculation 60 billion Euros, backed up by EU-reserves, 440 billion for

members in need, and another 250 billion from the International Monetary Fund; which gives the there dominating US at least a glimpse of the situation.

This package is being provided for Greece in addition to the 110 billion Euros of the EU and the IMF. This is approximately the amount of money which the US under Bush provided for their banking houses, and there hasn't been any speculation against the Dollar.

In addition the ECB (European Central Bank) keeps possibly necessary liquidity assistance ready. A common activity with the Bank of Canada, the Bank of England, the US-Federal Reserve Bank and the Swiss National Bank should reduce tensions on the Dollar market. A reactivation for a temporary supply of means for the currency exchange in US-Dollar for European bank houses has been agreed upon.

When comparing the Austian share of the Greece-aid of 2,5 billion Euros with the over 4 billion contribution to capital in the Kommunalcredit AG and especially the takeover of the Hypo Alpe Adria of Dr. Haider, Kulterer and co. amounting to 900 million Euros + X, this is worth the protection of Austrian demands to Greece, which would for the better part be lost in case of a national bankruptcy. Not to mention the participation capital for Raiffeisen and the Erste Bank.

The precautionary available European means are by their very essence commitments, which only become stringent in the foreign currency intervention field if speculations against government loans are calculated in Euro.

By the way: The introductory rate Euro – US-Dollar has been 1:1. By taking 1,50 Dollar for one Euro, the Euro has been overestimated by 20%, when comparing the currency spending value.

Therefore the self-damaging wailing in Europe is obsolete.

According to the export promotion financing law the export commitments of the republic of Austria alone amounted to 28,33 billion Euro by 31st March 2010. Austria is also liable for the Austrian Street Financing Company with 8,65 billion, for the Austrian Railway Company with 9,12 billion Euros.

Of course there are different forms of liability. Risks can be bigger or smaller; middle-term, as is hoped in the case of the EU-aid, definitely long-term in case of the ASFINAG and ÖBB, but in return with a positive effect on the infrastructure and an increase of productivity. Schumpeter already knew that.

The itinerant financial capital which dominates current capitalism produces crises. But the real economy is also dependent on other factors.

Europe, the US and Japan – the old capitalist states – have produced their own competitors: China, India, Russia and Brazil are the biggest ones. Their political leaderships are being captured by the capitalistic world economy system and vice versa try to influence it. After Obama's victory Mrs. Clinton didn't visit China first because she doesn't like Europe, but because China has immense monetary reserves in government bonds of the US in Dollar, which shouldn't be placed on the market. Otherwise Obama couldn't have even started with his policy of reforms.

China is as big as Europe until the Ural; mountains and deserts limit the settlement area for its 1,33 billion inhabitants. China has the longest country borders worldwide. The Han-Chinese compose 90% of the population. The minorities are concentrated in the Northwest towards India and the Islamic neighbouring countries. The coastal towns have developed rapidly. Shanghai shadowed Hong Kong long ago. But 800 million Chinese live in rural areas, 150 to 200 million are guest workers in their own country and only 300 million have managed the advancement in the new capitalist economy – and even this often for a very modest salary.

The GDP is around 8000 billion Dollars, on the 3rd place behind the EU and the US.

The national concern about Taiwan isn't only about "re-unification". It is also about the latent threat for free shipping from and along the Chinese coast. Therefore the Chinese armament concentrates on an accordingly build-up of its fleet.

As far as the islands contested by Japan, Brunei, Indonesia, Malaysia and South Korea are concerned it is rather about the oil that is located there.

The state maintains about 2,5 million soldiers, that is per capita of the population less than in Austria. The weapons of the army mainly come from Russia and Israel. The atomic weapons were tested near the border to Tibet and Sinkiang respectively, which – apart from the tactical position in relation to India – also partly explains, but doesn't justify, the Chinese brutality against the Tibetans.

In China early capitalist circumstances exist alongside modern technology. The CPC and its block parties struggle to maintain political control – especially over the richer provinces which tend to more independence. How long it will work to justify the tension between poor

and rich remains to be seen. The historical experience of the collapse and colonisation of China doesn't only determine the attitude of the CPC, it also serves as an instrument to maintain the toleration of inequality for a longer period of time. Taoism and Confucianism also can't really be regarded as "religions of uprising". Falun Gong, a teaching of truthfulness, charity and indulgence, focused on individual meditation, could on the other hand pose a threat.

The Indian territory comprises only about a third of China, the US or Brazil. With 1,2 billion inhabitants this amounts to a population density of about 350 people/km². Mumbai has 20 million inhabitants – but only 28% of the Indian population lives in cities.

Well educated workers migrate to the US, Canada and Great Britain, unskilled labourers to Arabia, a total of 25 million.

A quarter of the population is malnourished, 16,2% are untouchables, 8,2% belong to untouchable tribes. Quotas for them in the education system are about to be implemented. In 2001 the rate of literacy was only about 64,8%, with great differences among the federal states.

80% are Hindus, over 13% Sunnis – rather the poorer ones – and Shiites, who have once been favoured by the Moguls. There isn't just violence between Hindus and Moslems, but also between Shiites and Sunnis, as I could witness myself in the capital of Utar Pradesh, Lucknow. Social fears are – like in Europe – often at the bottom of religious conflicts.

When meeting former chancellor Kreisky in Alpbach in 1983 Indira Ghandi tried to encourage Europe to engage in the Indian economic development. The subsequent journey of

the new chancellor Dr. Sinowatz was a flop. The former states of the EC didn't even come to Alpbach.

In order to block China indirectly and to serve his own nuclear industry, George W. Bush carried into effect a cooperation treaty and a delivery permit for fissionable material at the International Atomic Energy Agency in Vienna, despite the fact that India didn't sign the Non-Proliferation Treaty and refuses to be controlled by the Atomic Energy Agency and therefore – according to international law and like Israel, Pakistan, China and perhaps North Korea as well – illegally built nuclear weapons. An Indian declaration not to use its bombs for first strike doesn't change the illegality. In 2005 India possessed 74 nuclear warheads. The recent inspection conference of the Non-Proliferation Treaty of the UN didn't result in any definite time target and promises to reduce nuclear weapon arsenals or against the development of new nuclear weapons. A UN-conference on a nuclear-free zone in the Middle East, which is planned for 2012, could on the other hand be regarded as a success.

The Indian professional army consists of 1,3 million soldiers with a strong air force and – due to similar reasons as China – a strongly developed fleet. In addition there are 1,1 million paramilitary units who try to maintain peace inside of India. The recent clash with Maoists in the region of Chatisgar in the Northeast of India revealed the social fractures. India has a military base in Tadzhikistan, a landing agreement with Mozambique and aerial defence over Mauritius.

90% of the foreign trade is being carried out in the 12 seaports.

The GDP is just about half of China's. Only if India builds up its education system and abolishes its caste system it will be able to catch up with China. Both states are economically and politically closely connected to the USA, which has learned from the debacle in Vietnam.

The condition of the armoury makes it very unlikely that there will be any warlike disputes in the near future.

The tensions between China, India, Japan and South Korea shouldn't be trivialised; with the exception of North Korea the respective leaderships seem to know their boundaries. Even if the oil in the Chinese sea would provoke the use of force, the pacific fleet of the US and the new Japanese fleet would be too strong.

In relation to the population, not to the area, Japan – which is 4,5-times as big as Austria – has 130 million inhabitants – a tenth in comparison to the great Asian brothers.

The parliamentary monarchy has been installed and controlled by the US after World War II.

Japan pursued a „cheque diplomacy“ in order to come into business with the formerly raped neighbours Korea, China, almost the whole of South East Asia. Concerning export Japan currently ranks fourth after China, Germany and the US. In the International Monetary Fund and the World Bank it is a loyal partner to the US and a defender of the “Washington Consensus”.

The economic advancement can be traced back to the strong self-discipline and the ban to arm itself – similar to Germany for a long period. After Hiroshima and Nagasaki militaristic abstinence was and still is popular in politics, the current partial armament – which is

approved by the US as it constitutes a kind of relief – in the former warlike-brutal Japan is controversial.

The GDP is equal to India, which has 10-times more inhabitants.

Despite the Toyota-call back Japan constitutes a modern industry country, which has the highest per capita-income and a foreign trade surplus. Initially being denounced as copying the West it has already spawned 10 Nobel price laureates in physics and chemistry. The use of military power in order to secure resources can be precluded. The Japanese version of capitalism is – among the great Asian economic powers – probably the most bearable and profitable for the population; it has developed the highest average age, but it stagnates similar to the EU.

The relatively high national debt is the result of a state-supported export financing system.

A during the Soviet Union often overrated, nowadays often underrated factor is the Russian Federation, which only recently could manifest its influence in the Ukraine and in the formerly associated neighbours in the Caucasus and Central Asia. Only the territorial distribution of the heritage of the Soviet Union worked out more or less. Crimea, Chechnya, Abkhazia, Ossetia, Nagorno-Karabakh or Transnistria show how many unsolved problems still exist.

To secure the Russian Black Sea fleet was the first request of Russia to the newly elected Ukrainian president Janukowytsh.

The clear refusal to renew the – in the meantime concluded – START-agreement as long as the US don't abandon their plan to erect missile bases in the South of Poland and the radar screen near Prague, shows the security-political sensibility of Russia. The remembrance of the victory in the Great Patriotic War is not as much a communistic commemoration as a rebuilding of the self-reliance as Russians as basis for the acceptance of their state. In this regard the Orthodox Church self-servingly supports this tendency.

With more than 17 million km², 4 million in Europe alone, but 13 million in Asia, Russia is the largest state on earth and contains almost all resources. 104 million inhabitants out of 142 million live in Europe up to the Ural, only 38 million in Asia.

In 2008 the GDP – according to Dollar purchasing-power parity – amounted to 2261 billion US-Dollars, only slightly behind Germany, in front of Great Britain and France, but with a distinctively higher growth rate. 80% of the inhabitants consider themselves as Russians, including many re-migrants from former Soviet, now independent republics.

The media is either directly influenced by the state or indirectly via state-loyal entrepreneurs. The critical press is practically restricted to Moscow and has big difficulties to survive economically as well as administratively.

Even after the recently concluded reduction of nuclear warheads with the US, Russia clearly remains number 2. In the course of the compulsory military service Russians have to serve 12 months – until recently it was 2 years. Since the inauguration of Putin the armed forces have been modernised and better armed. The arms industry booms and increasingly exports accordingly.

After the implosion of the Soviet Union the armed forces have been reduced drastically. Nowadays the technical units, air force, marine and nuclear forces prevail. There are no signs of a build-up of a territorial armed force as a basis for a violent extension of territory. For the military intervention in South Ossetia an elite unit from St. Petersburg has been flown in.

Brazil is – by taking into regard all differences that evolved out of the colonial rule – synonymous for the emergent subcontinent Latin America. With its territory being as big as the US it already has 192 million inhabitants – almost 2/3 of the US-American population. The core area of settlement is the coast.

Half of the population considers itself to be white, 43,2% as creoles – mainly with the descendants of African slaves, 6,3% are black and 8,7% - especially in the North – are Indios. ¾ are catholic.

The life expectancy already reached European standards.

The GDP in Dollar purchasing power amounts to 10 326 US-Dollars per capita, which is rank number 9 on a global scale. The trade with the US and the countries overseas outweighs that with its neighbours – with the exception of Argentina and Uruguay.

The scourge of Brazil is its high criminal rate, which nourishes itself out of the subcultures of the Favellas, which on their part represent the socially excluded.

The reduction of the rain forest areas at the expense of the environment and the Indios could only be marginally restricted under president Lula da Silva.

Brazil is part of the G23, the great non-aligned states, which represent 65% of the world population, 72% of the peasants but only 22% of the global agricultural production.

In the Doha Round of WTO the developing countries demand from the industrialised nations the reduction of import quota and customs for their agricultural products as well as a decrease of subventions for the agriculture in the industrial countries. Since almost one decade there has been stagnation, the more so as India and China fear that the competition of agricultural products would affect their small farmers.

Brazil is engaged in the Union of Latin-American States, which was founded in 2008. The first time the major obstacle for a stronger inland trade in Latin America should be removed, because there aren't any efficient transportation systems between the Atlantic- and the Pacific coast. MERCOSUR and Andean Pact were rather disappointing so far.

Brazil is spending 1,5% of its GDP for military, which corresponds to the German quota. Its extension rather demands a modern air force and marine as territorial armed forces. The nuclear arms project has been suspended. The own aviation industry developed well. Brazil is at the forefront of the development of environmentally adapted cars.

For the time being the US will remain a military hegemonic power. The development of a technologically modern, but backward early capitalism in the threshold countries – which have already become equal economic powers – haven't led to an alarming military armament yet. Despite the end of the Cold War the global military expenditures between 1999 and 2008 have risen from 847 billion by 72% to 1464 billion US-Dollars.

But it has to be taken into account that the classification of military expenditures by SIPRI, the Stockholm International Peace Research Institute, uses rather formal criteria and additional remunerations outside of the military budget – like for example in the US but certainly in other big countries as well – are not being considered. On the other hand purchasing power losses in the measuring unit within 10 years need to be taken into consideration as well.

The wrongly under the term „War of Terror“ initiated Iraq-War under the administration of George W. Bush proves that an acute threat of war at last emanated not from the new capitalist countries.

President Obama aims not for a „coalition of the willing“ but for a return of the US foreign policy to multilateral problem handling in the framework of the United Nations. He won't be spared to withdraw from Afghanistan, which will be even more difficult to be justified in his own country. The initial and true reason for the intervention, to direct gas from Central Asia through Afghanistan to the industrial centres in Pakistan and Northern India, won't be realisable in the near future anyway, because it is not possible to get rid of those forces which the US initially supported against the Soviet Union. So now it is all about preparing a withdrawal which is as honourable as possible and at the same time stabilising the neighbours – which will be a very difficult attempt.

In addition the Obama-administration is waiting for a resolution of the conflict between Israel and Palestinians, which serves violent Islamists as a pretext for their assaults. They don't need bin Laden anymore. Every solved, also internal conflict in the Arab states and in Central Asia deprives their basis. As the conventional professional diplomacy in the USA doesn't have any effect on Israel, Obama now sends his “chief of staff” who was born in Israel.

There wasn't much to hear about the „out of area“-interventions of the EU to secure resources lately. It definitely would lack the necessary unanimity.

Nevertheless there is still much work to do at the diverse international negotiation tables. The financial crisis shows that partial solutions don't guarantee a global functioning of the economy at all. What needs to be done?

1. Stable currency conditions facilitate the global exchange of goods and services. The current world trade currencies need to agree upon stable currency exchange rates with a low degree of fluctuation, like it has worked until the financing of the Vietnam War through devaluation of the Dollar. This creates certainty for economy and investors, inhibits comprehensive currency speculations. Dollar, Euro and Yen need to be the starting point.
2. Option trading in other currencies need to be detected as goods- or services payments.
3. The capital invested in hedge funds has to be – within a transition period – converted to forms of assessment based on real values.
4. Within a transition period tax havens need to be closed by their host countries.
5. Financial auditors (see ENRON) and rating agencies require permanent control by the principal authorities of their host countries and – if it is a direct participant in the capital market – by a democratised IMF. In the US bankers have been sued, because they have lowered the stock exchange prices by selling their shares and at the same time hedged on these lowered prices. The EU doesn't have any comparable uncovering agency.
6. By the means of compulsory software programming in all stock exchanges short-term capital transfers need to be taxed; to make extremely short-termed orders unprofitable.

7. Due to the migration of peoples from poor to rich, minimum standards for employees in their home countries – also with the help of international trade union associations – need to be provided. This would also reduce the wake effect to jobs in high income countries.
8. The WTO should not limit itself on agricultural-, trade- and customs policy. Absolute free trade only works among economically equal countries. The industrial nations have, according to the economic standard in the developing countries, to assist them in building up their own economy not overflowing them with imported goods.
9. Industrial nations need to provide financial means and know-how with an emphasis on infrastructure and education for the development of economies, especially in the least developed countries. A tax on short-termed speculative financial capital transfers could generate respective means.
10. All state-supported material investments have to be checked for their environmental sustainability and the possibility of their substitution by environmentally friendly technologies.

And how should this – definitely expandable – list of claims be put into practice?

The proxy wars on resources, especially in Africa, need to be stopped, because without keeping peace there is no trust as a basis for global prosperity.

The industrial nations have developed from the G6 to the G20. At the same time the developing countries have constituted the G23. The UN-organs responsible for economic development haven't evolved, therefore this needs to be changed immediately, in order to solve the problems arising from current capitalisms and thereby dissolving and conveying

them into a globally, economically, ecologically and socially balanced, democratic world society.

Are the proposals for a Global Governance from the UN jubilee year 1995 already forgotten? It is up to us to stop the intellectual provincialisation by addressing the real problems and their solutions.

There are several approaches.

EU-commissioner BARNIER wants to control – in addition to the bank- and insurance control – the rating agencies through ESMA, the „European Securities and Markets Authority“; it remains to be seen under which legal title these agencies residing outside of Europe are willing to be controlled, before they discharge their judgements and convictions.

We don't need that, said the head of the French central bank. The big export insurance companies like Euler-Hermes or Ceface understand by far more about this subject – but they would be a party.

For the 440 billion Euro assistance package the finance ministers of the EU just founded a financing association.

But global economic problems can only be solved globally, in the framework of the United Nations. Global Governance – asked for by numerous expert committees in the UN jubilee year – is demanded.

A possibility would be a vitalised Economic- and Social Council – ECOSOC. It has expertise, cooperates with 2719 NGOs, but has no power. This could be given to the ECOSOC by the Security Council – if the veto powers are willing to do that.

The global crash, a war between the great powers, is not to be spotted at present.

Heavy social conflicts in the socio-politically early capitalist former threshold countries are to be expected; as well as a social polarisation in the old capitalist democracies. Therefore a clash has to be expected.