

Announcing diverse information sources on call at the Commission Library
 Signalant diverses sources d'information disponibles à la Bibliothèque de la Commission
 (Brux. JECL 1/33 - Tel. 52976 *** Lux. JM B0/10 - Tel. 3341)

N° 24 □ 1989

DOCUMENT INTERNE

East/West - Relations - Est/Ouest

A Turning Point: past and future of the European Community's relations with Eastern Europe*

JOHN MASLEN

The signature on 25 June 1988 in Luxembourg of the EEC-CMEA (1) Joint Declaration, of which a text is annexed to this article, marked the establishment of official relations between the European Community and the CMEA and at the same time gave the impetus for the normalization of bilateral relations between the Community and the individual East European countries members of the CMEA.

As Mr. Genscher, German Foreign Minister and then Chairman of the EC Council, pointed out in his speech on the occasion of the signature, it turned a new page in the history of Europe since 1945.

(1) CMEA, Council for Mutual Economic Assistance, also called COMECON.

The history of Community relations with Eastern Europe

For many years after the creation of the Community, the Eastern European countries, and particularly the USSR, had adopted a hostile attitude to it, regarding it, according to their statements, as the economic arm of NATO. For its part, the European Community had long been ready to normalize relations with its Eastern neighbours. Various initiatives in this sense were taken in the Sixties, and in 1972 the Heads of State and Government of the Community expressed their willingness to establish trade relations with Eastern Europe as a contribution to détente (2). In November 1974, the EC Commission proposed to all State-trading countries the outline of an overall trade agreement. The East European countries, however, at the time ignored this initiative. Their reaction was to propose in 1976, a draft agreement to be concluded between the Community and the CMEA, as well as the member countries on both sides. The inclusion of the Member States was evidence of the CMEA's wish to ignore and by-pass the Community's exclusive powers over trade policy matters, and to compel the EC to conduct its trade relations not directly with individual CMEA countries, but in a multilateral framework in which the CMEA would play the role of a kind of intermediary — this despite the fact that the CMEA has no common commercial policy towards Western countries, and no trade agreements, as an organization, with the important Western trade partners of the CMEA such as Austria, Japan or the United States. The CMEA agreement with Finland of 1973 was only an apparent exception, concluded for political reasons to offset Finland's agreement with the EEC of the same year. At this period there was clear evidence of an East European wish not to recognize the Community's identity as it was, but to try to change it (3).

The draft agreement, then, not only contained provisions for relations between the two organizations, indicating various fields in which they might cooperate, but also laid down principles for the development of trade relations between the Community and the individual CMEA member countries: such principles as most-favoured nation treatment, the removal of obstacles to trade, non-discrimination, and the granting by the Community of generalized preferences to CMEA countries which were « at an appropriate level of development ». According to this draft, bilateral agreements between the Community and CMEA member countries (as between EC Member States and the CMEA) would only be used for the solution of « certain particular concrete questions » and the Joint Committee, as proposed by the 1976 draft, would have the right to « contribute to the solution » of these questions. The Community saw this draft agreement as intended to play down the significance of bilateral relations between the Community and in-

(2) KLAUS SCHNEIDER, *Einige Aspekte der zukünftigen Beziehungen der Europäischen Gemeinschaft mit Osteuropa*, in « Perspektiven für Sicherheit und Zusammenarbeit in Europa »; H.D. JACOBSEN - H. MACHOWSKI - D. SAGER, eds. *Schriftenreihe der Bundeszentrale für Politische Bildung*, Bonn (appears in November 1988).

(3) SCHNEIDER, *op. cit.*, section 5.

dividual East European countries, to lay down guidelines for these relations in a « bloc-to-bloc » agreement, and to submit the bilateral agreements to the control of a « bloc-to-bloc » body, the EEC-CMEA Joint Committee. This approach was unwelcome to the Community — and not entirely welcome, it appeared, to some of the East European countries themselves; it was largely for this reason that the negotiations on an agreement between the two organizations, which had been going on since 1977, were finally suspended in 1980 and never resumed. It is often suggested that the suspension of negotiations was a political gesture by the Community in reaction to the Soviet invasion of Afghanistan at the end of 1979; in fact this was not the case, although the worsening in the general climate of East-West relations which followed the invasion certainly did not encourage the Community to pursue vigorously its negotiations with the CMEA at that particular time.

Meanwhile, since it had not proved possible to replace the bilateral trade agreements between EC Member States and East European countries, which expired at the end of 1974, by agreements negotiated with these countries at Community level, the EEC decided with effect from the beginning of 1975 to introduce a Community system of « autonomous import arrangements » — basically a system of quantitative restrictions and quota opening taken over from the previous agreements of Member States. Another effect of the expiry of EC Member States' trade agreements and the unwillingness of the East European countries to replace them with agreements with the Community was the conclusion, beginning in the early seventies, of a network of cooperation agreements between most of the EC Member States and the CMEA countries. These are basically framework agreements on the encouragement of industrial, scientific and technical cooperation between firms in the Member State in question and enterprises in the Eastern country. They do not contain references to classical trade policy instruments, but they are certainly aimed at commercial policy objectives, particularly the development and diversification of bilateral trade.

Despite the policy line laid down by the USSR of avoiding direct dealings with the Community, and despite the sprouting of a crop of cooperation agreements with Member States, most of the East European countries (Bulgaria, Czechoslovakia, Hungary, Poland and Romania) nevertheless found it useful in the middle to late seventies to conclude agreements with the EC as such in particular trade sectors: first textiles, on the basis of the Multi-Fibre Arrangement linked with the GATT; then steel, in the framework of the « Davignon Plan »; and finally sheep- and goatmeat. The conclusion of sectoral agreements was in the interests of these countries, maintaining and even guaranteeing access to the Community market for their exports in these sectors. It was also, apparently, consistent with the overall line agreed within the CMEA whereby member countries were allowed agreements with the Community on « concrete questions ». Even when Romania concluded a much broader agreement with the EEC in 1980, covering

trade in all industrial products, it was intended to be regarded officially as a sectoral agreement of the same kind; this was the reason why the Romanians insisted that the agreement on the creation of a Community-Romania Joint Commission, which was negotiated and concluded simultaneously with the industrial products agreement, should be kept separate from it (4).

If the first period of relations between the Community and the Eastern European countries was one of hostility, and if the second was one of limited contacts with stress on the CMEA as intermediary, the first signs of a more open and flexible attitude to the EC came in 1983-84. There were approaches by both Hungary and Czechoslovakia seeking wider trade links than the sectoral agreements they already had; and the CMEA began to send signals that it was time to take up again the dialogue suspended in 1980. But a recognition of the true nature of the Community as an economic and political entity had to await the imprimatur of Mr Gorbachev given when on 20 May 1985, during a visit to Moscow of Prime Minister Craxi, at that time President of the EC Council, the Soviet leader said it was time « to organize mutually advantageous relations between the CMEA and the EC in economic matters. To the extent that EEC countries act as a "political entity" we are ready to seek a common language with it, too, over international problems » (5). Less than a month later, on 14 June, a letter from the Secretary of the CMEA, Mr Sychev, was handed to President Delors. It proposed that official relations should be established between the CMEA and the EEC, no longer by the conclusion of a full-scale agreement, but by the adoption of a Joint Declaration. With his subsequent letter dated 26 September, Mr Sychev sent a CMEA draft of this declaration.

Nearly three years were to go by before the declaration could be signed. This may appear surprising in view of the brevity of the text, which in substance simply announces the establishment of official relations between the EEC and the CMEA and provides for subsequent contacts to work out possible areas and forms of cooperation between them. But two aspects unconnected with this substance led to intensive negotiations and discussions during the period 1985 to 1988. The first was the question, on the Community side, of how to respond to Mr Sychev's initiative. On the one hand, it seemed unreasonable to reject it, given that the two organizations had been in negotiation on an agreement from 1977 to 1980, and that the new CMEA draft was very much closer to Community thinking than any Eastern draft produced during that period. On the other hand, to react simply and exclusively to the CMEA initiative would contradict the Community's long-standing policy of giving priority to relations with the individual East European countries, taking account of each country's particular economic, legal and political situation, and of regarding relations with the CMEA as of secondary importance. This dilemma was overcome

(4) On bilateral relations between the Community and CMEA countries up to 1983, see JOHN MASLEN, *The European Community's Relations with the State-trading Countries 1981-1983*, Yearbook of European Law (1983), pp. 330-332.

(5) For a history of CMEA-EC relations from the beginning to 1986, see JOHN MASLEN, *The European Community's Relations with the State-trading Countries of Europe 1984-1986*, Yearbook of European Law (1986), pp. 335-344.

by addressing letters, in January-February 1986, to both Mr Sychev and the Foreign Ministers of the European CMEA countries. The letter to Mr Sychev accepted his proposal of establishing official EEC-CMEA relations and proposed an expert-level meeting to discuss ways and means of doing this; at the same time, it stressed that it would be inconsistent to have official relations between the EC and the CMEA in the absence of such relations between the Community and the CMEA member countries. In his letter to the Foreign Ministers, Mr De Clercq, Commissioner responsible for external relations, referred to Mr Sychev's approach, asked for each Minister's views on the possibility of normalizing relations between his country and the Community, and recalled the EEC's willingness, expressed in its offer of 1974, to conclude overall trade agreements with each of the State-trading countries.

The reactions of the East European countries to the Community's « parallel approach », i.e. seeking to develop relations with the CMEA member countries simultaneously with relations with the CMEA itself, were positive. The replies of the Ministers and of Mr Sychev, received in March-May 1986, all expressed the wish to see official relations established between the CMEA and the EEC; the wish to normalize and develop, in parallel, the CMEA countries' bilateral relations with the Community; and willingness to discuss bilateral agreements with the Community. Accordingly, a series of contacts and discussions were held during 1986 to get going the process of normalization of relations both bilaterally and with the CMEA. In June 1986, the EC Commission submitted to the Council draft mandates for an agreement on trade and industrial products with Czechoslovakia and a cooperation agreement with Romania, and these were approved in November and December respectively. Informal contacts took place with Hungary in June and July over a trade and cooperation agreement, draft Directives for which were finally proposed to the Council in December. The first exploratory discussions with Poland were held in July with a second round in November, while first contacts with Bulgaria took place in October, with the GDR in November, and with the Soviet Union in January 1987. The first meeting between experts of the Commission and of the CMEA Secretariat to discuss the new draft declaration took place on 22-24 September 1986. Considerable progress towards the EC's goal of developing relations "in parallel" was therefore visible during 1986.

The second question which complicated the negotiation of the Joint Declaration was that of the geographical area of its application. Community agreements with non-EC countries always contain a territorial application clause. It lays down that, as far as the Community is concerned, the agreement shall apply to the territories in which the Treaty establishing the EEC is applied, and under the conditions laid down in that Treaty. This refers to many territories and areas, such as the French Départements et Territoires d'Outre-Mer, for which special provisions are made in the Treaty of Rome or in annexes to it. But what particularly concerns East European countries are the provisions

on the application of the Treaty to Berlin (West), i.e. the Declaration on Berlin (6). Any agreements containing the territorial clause therefore imply the inclusion of West Berlin in the Community. In earlier years the approach by the Soviet Union — though not applied entirely consistently — was to deny that West Berlin formed part of the Community, and to protest when the EC undertook activities or set up institutions in that city (7). This had earlier prevented or hampered the conclusion of a number of agreements between East European countries and the Community, and notably the fisheries agreement between the EEC and the USSR which was negotiated in 1977, but never concluded because of the territorial clause problem. A compromise solution to this problem was found in 1978, during the negotiation of the first textile agreement between the Community and Hungary. When this was concluded, the territorial application clause was included in it, but a unilateral declaration was made by the Hungarian side at the time of initialling and signing the agreement. It said that the agreement does not affect "the well-known quadripartite agreements and in particular the agreement of 3 September 1971", i.e. the four-power agreement on the status of Berlin. The same solution was employed subsequently on the conclusion of textile and sheep-meat agreements with other East European countries. However, the CMEA side in the negotiations over the Joint Declaration refused for a long time to accept either the inclusion of a territorial application clause — on the grounds that the provisions of the declaration were general rather than specific and that the declaration had no time limit — or the compromise solution used in the sectoral agreements with CMEA member countries. Finally, when it became clear that for the Commission and the Member States the territorial clause was a *sine qua non* for the signing of the Joint Declaration, the CMEA side accepted it, at the last negotiating meeting on 17-19 May 1988, on condition that a unilateral declaration on the line of the « Hungarian formula » could be made by them at the time of conclusion.

The present situation and future prospects

The significance of the Joint Declaration, then, lies less in its content than in its existence, which symbolises the normalization of East European relations with the Community, opens the way for diplomatic relations and the conclusion of bilateral trade or trade and cooperation agreements between the EC and individual CMEA member countries, and represents recognition of the Community's identity both in terms of its territory and of its competences. The Joint Declaration

(6) Declaration by the Government of the FRG on the application of the Treaties to Berlin: annex to the Final Act of the Treaty establishing the EEC: in « Treaties establishing the European Communities », Luxembourg, 1973, p. 504.

(7) RÜMIGER HÜTTE, *Berlin and the European Communities*, Yearbook of European Law (1983), 1-23.

clearly limits EC-CMEA cooperation to areas where both partners have powers and where they have a common interest. The EC's powers are wider than those of the CMEA as an organization; and the new willingness of CMEA countries, and notably the Soviet Union, to negotiate with the Community on trade and a wide range of other areas of cooperation recognizes this. The Community had long insisted on its wish to negotiate with the individual CMEA countries alone, since it is these countries and not the CMEA which in practice control the instruments of trade policy — tariffs, quotas, but above all foreign trade plans and directives and the distribution of hard currency — and are thus in a position to negotiate with the Community on a basis of effective reciprocity. A long-standing dispute over the Community's exclusive power to negotiate on trade matters with the East European countries has thus been resolved in favour of the EC.

The fundamental change in the attitude of the Soviet Union and its allies to the Community has been expressed both in actions and in words. In contrast to the highly critical evaluation of Western European integration which East European commentators made in the 60s and 70s, a more realistic and balanced tone has been heard in recent years. Nevertheless, some Eastern spokesmen still find it difficult to believe that the Community is not directed against anyone; East European propaganda about the "antisocialist trend" of the EC can still be heard, especially from sources in the GDR. However, they are becoming rapidly less typical of the general attitude towards the Community in Eastern Europe.

For many years the Community has been pointing out the anomalous nature of a situation in which the great majority of countries in the world — some 130 at the latest count — had established diplomatic relations with the EC while a number of important European countries, close neighbours of the Community, had not. There was growing evidence in recent years that the East European countries themselves recognized this anomaly, and that they were looking forward to having formal relations, while at the same time calculating whether some advantage could be gained from doing so.

In the letters sent by the Foreign Ministers of the CMEA countries in 1986, some of them, notably the Soviet Union and the GDR, made a clear link between the establishment of official relations between the ECC and the CMEA and their own accreditation of diplomatic missions to the Community. Other countries, such as Romania, made no link with the CMEA, but seemed rather to wish to bargain diplomatic relations against the conclusion of agreements with the Community on a basis satisfactory to them. The first immediate result of the initialling in Moscow of the Joint Declaration on 9 June 1988, following the settling of the territorial clause problem, was the announcement, through Notes from several East European governments, of their decision to accredit missions to the Community.

The Soviet Union and the GDR presented their Notes on the day of the initialling, Bulgaria and Czechoslovakia on 13 June; Hungary followed suit at the time of the initialling of its agreement with the Community on 30 June, and Poland at the end of July. Consent from both the Council and the Commission to the establishment of these missions was given on 10 August, for the first five countries, and on 16 September for Poland. With this exchange of Notes diplomatic relations may be said to exist, even if the accreditation of Ambassadors and the setting up of missions will take some time longer. It is remarkable that Romania, which was the first CMEA country to enter into official dealings with the Community in the early seventies, and the first to conclude an agreement with it a few years later, has still not proposed the opening of a diplomatic mission. This is all the more surprising as some non-European CMEA countries — Cuba and Vietnam — have done so, although the Vietnamese request has not yet been accepted by the EC Council. In practice, the absence of a mission means little. Business can be done, as it has for years, between the Community and, for example, the Romanian Embassy to Belgium. The establishment of diplomatic relations is above all a goodwill gesture, which the Romanian authorities are at present unwilling to make, either because of the strained political relations between Romania and the West, or because they hope in this way to put pressure on the Community to make concessions to them over a trade agreement.

The new approach towards the Community adopted by the East European nations, and marked by the setting up of official relations, must be seen against the wider background of the improvement in recent years of East-West relations as a whole. The West has adopted a cautiously positive attitude to the reform process in Eastern Europe, regarding it as a necessary movement if progress is to be made towards solving the serious economic problems of the region, even if at present the practical effects of *perestroika* are less impressive than its theoretical scope. The increased transparency in the economic system of most East European countries, and the moves towards greater openness in social and political matters which have been linked with it, were specifically welcomed by the Hanover European Council of 27-28 June 1988. The Member States and the Community itself have made known their interest in developing deeper and broader political, economic and cultural relations with the East, both for their own sake and in the hope of encouraging structural change there. On their side, the USSR and other East European countries have become well aware of the need for improvements in the structure of their trade with the West, involving an increase in the share of industrial products among their exports. To achieve this aim, they need a radical improvement in the quality of the products they can offer for export, which in turn necessitates closer links with Western firms and their knowhow, not only in technology and production methods, but in management and marketing. Traditionally, Soviet exports have been

mainly of raw material and fuels; those of Eastern Europe, apart from agriculture, have tended to concentrate on semi-manufactures and relatively unsophisticated consumer goods — sectors in which they enter into direct competition with the NICs. Attempts in the 1970s to retool East European industry on the basis of loans from the West were for the most part unsuccessful, and led to the build-up of a heavy burden of indebtedness reckoned at some \$ 100 billion net at the end of 1987. One method, tried since the mid-seventies, to overcome Eastern Europe's twin problems of indebtedness and uncompetitive exports has been the use of compensation transactions (counter-trade); but there is a wide realization nowadays that, while this form of deal may allow trade to take place which would otherwise be impossible, it is not a long-term solution because in practice it amounts to entrusting Western firms with the task of marketing East European products. An alternative solution which has long been recommended by Western businessmen and economists, and which several East European countries have now enthusiastically adopted, is the particularly intensive form of industrial cooperation which involves direct investment — in other words joint ventures.

Another East European objective which has as its logical corollary more intensive cooperation with the Community is the wish to become more involved in the world trading system; for example, several East European countries became members of GATT around 1970; Bulgaria has now officially applied for membership and the Soviet Union has hinted at its interest in becoming a Contracting Party at a later stage. It is also important for Eastern Europe to maintain and develop access to the Community market in anticipation of the creation of the Single Market in 1992.

There is no doubt, then, about the interest for CMEA countries in developing economic relations with the Community. However, the potential for developing these relations is limited by a number of factors, some of which, such as the world economic environment, are largely outside the control of EC and CMEA countries. Another factor is the internal economic development of the partner countries themselves, which is by definition within their control; if they do not pursue sound economic policies, even the most imaginative international cooperation cannot compensate in the long term (8). Finally, account must be taken of existing links between partners. Relations between East European countries members of GATT and the Community are based to a greater or lesser extent on the rules of GATT, as amended by their Protocols of Accession to GATT when those exist.

(8) EDMUND WELLENSTEIN, *Historical aspects and possible future developments in EC-Comecon relations*, paper contributed to the Colloquium on Legal Aspects of East-West Relations, organized by the International Law Department of the University of Warsaw and the European Institute of the University of Utrecht, June 1988.

Some of these countries — Poland and Romania — undertook obligations in their Protocols which they have since been unable to fulfil. This experience, together with the recent Bulgarian request to become a Contracting Party to GATT, raises the underlying problem of how a State-trading system can be fitted into the pattern of GATT rules, devised as the latter were for relations between market economy countries, where decisions about production, pricing, and purchasing are taken by autonomous entities and where the State limits itself to measures like customs duties, quotas, safety and health prescriptions and indirect taxation. GATT obligations are expressed in terms of these instruments. The Protocols of Accession are less than perfect solutions; and trade policies of market economy countries towards State-trading countries will tend to be interventionist because the price-fixing mechanism in the latter is fundamentally different, and decisions about buying and selling can be taken irrespective of competitive factors. Then there is the problem of the non-convertibility of the currencies in Eastern Europe; this already imposes a pattern of bilateral equilibria on trade relations between the CMEA countries themselves, and between them and many of their partners in the developing world — a less dynamic pattern than a multilateral system would allow for. None of these limiting factors can be removed by trade or cooperation agreements as such. At best they can mitigate the problems by creating better flows of information and better understanding. The real solution to the incompatibility of systems may be found in economic reform: only a closer approach to the market economy system within the CMEA countries themselves will allow a new dynamism to take the place of stagnation. The conclusion of agreements which go beyond traditional trade instruments to cover the area of commercial and economic cooperation will become more effective only insofar as the independence of action of Eastern enterprises increases with the decentralization of economic decision-making, since an important function of such agreements is the encouragement of cooperation between individual firms and enterprises.

Similarly, the extent to which it will be possible in the long term to extend to Eastern Europe the network of specific agreements which the EC has with its West European neighbours, will very much depend on how far the process of modernization and reform in the East European economies will be able to go. The idea of an EC-CMEA free trade area, put forward by some writers, would also for the foreseeable future come up against the problem of the differences between economic and trade policy systems. It is hard to see how such a free trade area could be put into effect without a complete revamping of the Eastern economic system. The removal of customs barriers would not make trade in a State-trading country any more “free”. Moreover, free trade can only take place between countries with freely convertible currencies (9).

(9) SCHNEIDER, *op. cit.*, section 4.

Despite these limiting factors, the process of negotiation between East European countries and the Community on trade and cooperation matters has become particularly intense over the past two years. In the present stage of East-West economic relations, classical non-preferential trade agreements may not always be enough to achieve an increase in trade levels. Such agreements, exemplified by the EC-Romania industrial products agreement of 1980, have their uses: they can reduce restrictions on trade and provide, through the setting up of Joint Committees, an annual forum for discussing trade and economic problems of all kinds which may arise between the two parties. But to develop trade in the present economic situation needs both creativity and cooperation. The main provider of these essential elements, in the Western system, is to be found at the level of individual firms. Therefore it is in the interest both of the Community and of its Eastern trading partners to move beyond the traditional trade policy fields of tariffs, quantitative restrictions, safeguard clauses etc. and by the negotiation of broad agreements covering commercial and industrial cooperation to seek to ensure favourable conditions for the operation of Community firms in Eastern Europe. In particular, businessmen in Eastern countries still often have difficulty in entering into contact with the end users of their products. Working conditions for firms' offices and visiting representatives in Eastern Europe need to be improved, and the recruitment and employment of locally-engaged staff made easier. Better access to economic information — not only statistics of production, consumption and trade but broad planning figures and information on trade and economic regulations and the organizational set-up of foreign trade organizations — can help facilitate commercial work for the Eastern country as well as for the Western businessman. The advantage of cooperation agreements with the Community as such is that they can result in improved operating conditions for firms of all Member States, not just one of them. Such agreements are of particular value for small and medium-sized firms, which have more difficulty than larger firms in dealing with the peculiar circumstances of trading with Eastern Europe.

The most important landmark to date in the process of developing Community agreements with Eastern Europe is the agreement on trade and commercial and economic cooperation with Hungary, initialled on 30 June and signed on 26 September 1988; the text is annexed to this article. In the field of trade, this provides for the removal of Community quantitative restrictions (QRS), insofar as they are inconsistent with Article XIII of GATT (i.e. "discriminatory" or "specific" QRs). This removal will take place in three stages: the first, during the first year of the validity of the Agreement, will see the liberalization of non-sensitive products which have not been imported from Hungary during the last three years; in the second stage, up to the end of 1992, restrictions will be removed on a large number of imports which are not particularly sensitive; in many cases these have already been liberalized experimentally, or else the quotas allowed under the present « autonomous import arrangements » have not been fully used. Imports of sensitive products will be freed from restrictions

during the third period from 1992-95: up to 1998 (the Agreement is a ten-year one) special safeguard measures will be in force to protect the particularly sensitive sectors of Community industry which might be affected by a rapid increase in imports of the products liberalized in the third stage. Besides agreeing to these safeguard measures, Hungary has also accepted, in the chapter on commercial cooperation, to give non-discriminatory treatment to Community firms in such matters as the issue of licences, the administration of Hungary's global quota on consumer goods, the facilities provided for businessmen who wish to set up representations or agencies in Hungary and the treatment of trading partners in matters of intellectual property. The part of the agreement concerned with economic cooperation mentions such areas as industry, agriculture, science, transport, tourism, the environment and energy: all those are areas where Community specialists who have studied the matter consider that there is an interest for the Community in cooperating with Hungary. The provisions on this cooperation do not enter into details on the exact fields to be covered or methods to be used: these will form the subject of bilateral discussions later, particularly in the Joint Committee set up by the agreement, which can discuss practically any economic subject which concerns the two parties.

The agreement with Hungary, therefore, already shows a substantial section on economic cooperation, and as far as the trade aspect goes, it represents what is in effect the limit of the trading policy possibilities of the EEC vis-à-vis a State-trading country. In negotiating this agreement great attention was paid to the particular situation of Hungary: for example, its status in GATT, where its Protocol of Accession of 1973 recognizes the economic validity of the Hungarian Tariff, and also provides for the removal of discriminatory quantitative restrictions, in principle by 1975; then again, Hungary has gone further than other East European countries in certain aspects of its economic reform movement, e.g. in the banking and fiscal areas, which in turn have acted as an inspiration for reformers in the Soviet Union and elsewhere. This has attracted the interest and goodwill of the EC and its Member State Governments and has also improved the possibilities for cooperation with Hungary by Community firms.

The Community has concluded many cooperation or trade-and-cooperation agreements with non-member countries over the years. Legally, these raise the problem of how far Community cooperation agreements are compatible with existing Member State co-operation agreements and how far the complex of economic, industrial and technical cooperation may be said to fall within the trade policy competences of the Community. Without going into details, current practice points to a "mixed" competence of both Community and Member States. The problem is dealt with in the agreement with Hungary on the basis of the formula originally worked out for the Community's cooperation agreement with Canada in 1976 (10). This provides that the new agreement shall in no way affect the powers of the Member States to undertake bilateral economic cooperation activ-

(10) Official Journal of the European Communities L 260/76.

ities with Hungary and to conclude new economic cooperation agreements with her. Strictly speaking, this provision should be unnecessary: as is specified later in the Agreement, if provisions of existing agreements of Member States are incompatible with or identical with the Community agreement, the latter substitutes for them; while new Member State agreements can, if necessary, be challenged in the European Court on the grounds of incompatibility with the Treaty.

Each bilateral negotiation or discussion with an East European country has its own characteristics and raises its own particular problems. The most advanced negotiation after that with Hungary at the time of writing is that with Czechoslovakia; but this agreement will be considerably different from that with Hungary. For one thing, it will cover only industrial goods, it has no element of economic cooperation, and it is likely to be a relatively short-term agreement. The nub of its trade content is the granting of increased quotas for products of interest to Czechoslovak exporters. After negotiations lasting for just over a year, the last meeting was held in July 1988, and the next and perhaps final round is planned for October.

Besides Hungary and Czechoslovakia the Commission has also received from the Council in 1986 a mandate to negotiate an agreement with Romania. The agreement outlined in this mandate is, again, quite different from those previously described. As Romania has already concluded, in 1980, an agreement on trade in industrial products, the new mandate provides for the existing agreement to be extended to cover agricultural products, and for a chapter on economic cooperation to be added, covering several of the fields mentioned in the Hungarian agreement. However, little progress has been made in negotiating the agreement with Romania, and this for various reasons: the Romanian party wanted concessions from the Community, particularly in the trade field, which the Commission negotiators were not empowered to give; and increasingly erratic Romanian economic policies and political action in recent years — for example, the campaign of « systematization », or the destruction of rural villages and the concentration of the inhabitants in agro-industrial centres — have had a deleterious effect on relations with Romania's Western partners which make it difficult to contemplate improving the already relatively favourable treatment the Community gives to Romanian exports (Romania benefits from access to the EC's Generalized Scheme of Preferences).

With the remaining European CMEA countries, the Community is still at the stage of exploratory conversations. These preliminary contacts are designed to enable the Commission to get an idea of the interests of the country involved and of the possible contents of a future agreement. On the basis of these discussions, which can last for weeks or years, the Commission seeks negotiating directives from the Council; once these are agreed, the Commission can begin negotiations proper. When the negotiations are successfully concluded, the Commission initials the draft agreement and submits it to the Council which, if it is acceptable, concludes the agreement. Of the countries

which have begun exploratory contacts with the Commission, Poland and Bulgaria have advanced the farthest, having had four rounds and three rounds of discussions respectively since 1986. Both countries are interested in trade and cooperation agreements with the EEC, and the Commission is at present at work on drafting mandates for submission to the Council for agreements with these two countries. The German Democratic Republic held its first round of exploratory conversations on 27-28 September 1988. It is interested in the first instance in a pure trade agreement without a cooperation element. In this dialogue a particularly important element is the need to take account of the existing arrangements for trade between the GDR and the Federal Republic of Germany, trade which, under the Protocol on Inner-German Trade annexed to the Treaty of Rome, is excluded from the trade policy powers of the Community (11).

Last but not least there is the USSR, with which a second round of exploratory conversations is planned towards the end of October 1988. The Soviet Union has announced its interest in an agreement going beyond the trade field and covering cooperation in practically all areas of Community competence. Discussions on the content of an agreement between the EEC and the USSR will take place in October 1988. The Commission has to examine carefully in what areas, besides trade, cooperation between the EC and the USSR would be to the advantage of the Community. One such area could be the protection of the environment; a good deal of cooperation with Eastern European countries already takes place under international conventions in such fields as air and water pollution, the protection of the marine environment etc. In the area of fisheries, following the first attempt at negotiating a Soviet-EEC agreement in 1977, there remains an interest on the part of the Community in arriving at an agreement which would give Community fishermen access to certain Soviet fishing zones, for example in the Baltic. In energy policy, there is an obvious interest on the Community side, following the Chernobyl accident, in cooperation in nuclear reactor safety, and this interest is shared by the Soviet authorities. There is already a quadripartite agreement between the Community, the United States, Japan and the Soviet Union on cooperation on research into nuclear fusion as a possible energy resource. Shipping policy in the Community and in the USSR is a matter of common interest, in particular because of the problems posed to Community shipowners by competition by Soviet lines on various oceanic freight routes. No doubt there are various areas of scientific cooperation which can be identified as being of joint interest, although in this area particularly the security interests of the Community and the need for Community firms to protect the confidentiality of their technological processes may set bounds to the possibilities of cooperation. On the one hand, it is up to individual firms, as the actual creators and owners of advanced technology, to take the decisions on how far the purchase of their technological knowhow in a particular project

(11) Protocol on German internal trade and related problems in « Treaties establishing the European Communities », Luxembourg, 1973, p. 431.

is advantageous to them as well as to their Eastern partners. On the other hand, Western Governments are faced with the problem of dual-use technology, which makes it more difficult than in the past to distinguish "strategic" exports from those which are not. The problem of export controls, at present exercised by the Member States after consultations in the Paris-based COCOM framework, will come to the fore also in the context of the creation of the single European market by 1992. Application of the COCOM list inevitably affects trade, and the arguments are growing for some sort of Community approach to this problem.

To sum up, the possibilities of trade and economic cooperation between the Community and East European countries are wide-ranging, and the agreements which are being or will be concluded by the EC with those countries are likely to be of various types with varying mixes of trade and cooperation elements, depending on the interests of the country concerned. With the CMEA, too, the implementation of the provisions of the Joint Declaration on future cooperation will depend on a careful examination of the concrete possibilities of the two organizations. Community officials are not well informed about the activities of the CMEA, and the reverse is also no doubt true. A period of getting to know each other, of exchange of information, will be necessary before fields for future cooperation can be identified. As a result of the first exploratory talks with the CMEA Secretariat, held in February 1975, four possible areas of cooperation were identified and included in the draft agreement of 1976: environment, norms and standards, planning and forecasting, and economic information. But time has moved on, and even in these areas it will be necessary to compare notes again and examine how the activities and powers of the two organizations have increased or changed since 1975. The composition of the CMEA, with its three non-European members (Cuba, Mongolia and Vietnam), as well as its rules of operation, whereby major decisions have to be taken by consensus, and its relatively limited powers and resources as an entity, may set limits to the scope for direct working arrangements between the CMEA Secretariat and the Community. There is a further problem which must be borne in mind when considering the prospects for what East European countries call « pan-European cooperation » and appear to define as cooperation between the CMEA and the EC. There are a number of countries in Europe which belong to neither organization, and with many of which the Community has rather advanced relations of cooperation. In such areas as transport or environment, it is difficult to see how a rational system of Europe-wide cooperation can be worked out while leaving aside, for example, Scandinavia, Austria, Switzerland or Yugoslavia. The conclusion would seem to be that real pan-European cooperation in many areas should rationally be based upon the existing work of the Economic Commission for Europe in Geneva, a regional organ of the UN Economic and Social Council covering Europe and North America, in which both the Community and the CMEA are observers. A wide range of working groups in practically

all areas of economic cooperation exists already in the ECE framework. This is not to play down the interest and importance of cooperation between the EC and the CMEA, but to indicate that exaggerated hopes should not be pinned on such cooperation, which has its inevitable limits.

Another important forum for multilateral discussion and negotiation on economic cooperation is the process started in 1975 on the conclusion of the Conference on Security and Cooperation in Europe (CSCE) and the adoption of its Final Act. It is the second chapter, the so-called « Basket II » of the Final Act, which concerns especially trade and economic matters. The latest stage in the CSCE process is the Vienna Review Meeting, which began in 1986 and is likely to end in the autumn of 1988. In this forum the Community and its Member States have proposed a follow-up conference on East-West economic cooperation, to be held in the FRG. If this conference takes place, the role of the EC is likely to be an important one; in fact it is hard to see, bearing in mind the single market target date of 1992, how the conference can arrive at substantial conclusions without taking full account of the competences of the Community.

The normalization of Community-East European relations and the new, more realistic and outward-looking approach of the USSR and its allies will undoubtedly mean that, both for the Community and for the European Political Cooperation (EPC) of its Member States, East-West relations will play a more important part than in the past. Community and EPC bodies will give more time and attention to relations with their East European neighbours. Insofar as the rejection by the EC's Eastern neighbours of outdated shibboleths leads to greater cooperation and interdependence in Europe, this process will be to the political and security advantage of Western Europe. At present, in accordance with the Single European Act which entered into force on 1 July 1987, cooperation in EPC on security matters is limited to political and economic aspects of security, and the function of cooperation in military aspects of security is reserved to the Western European Union. The question remains whether this abstinence of the EPC in the decisive question of security policy will survive the revision of the Single Act which is to take place in 1992. Despite the failure of President Delors' attempt to persuade the European Council in March 1987 to take up the theme of nuclear disarmament in answer to the Soviet initiative, it is logical that a coherent "Ostpolitik" of the European Community cannot be developed without a security policy element (12).

(12) HORST G. KRENZLER, *Stand und Perspektiven der Beziehungen der EG zu den Ländern Osteuropas*, speech made in Berlin on the occasion of the 15th anniversary of the European Community's Berlin Office, 21 October 1988.

ALLEGATO I

**Joint declaration on the establishment of official relations
between the European Economic Community
and the Council for Mutual Economic Assistance**

THE EUROPEAN ECONOMIC COMMUNITY,
of the one part, and

THE COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE,
of the other part,

having regard to the acts establishing the European Economic Community and the Council for Mutual Economic Assistance, and in particular the Treaty of Rome,

on the basis of the Final Act of the Conference on Security and Cooperation in Europe, and taking account of the results of the subsequent stages of the CSCE process,

desirous of contributing, by the activities they pursue within their fields of competence, to the further development of international economic cooperation, an important factor in economic growth and social progress,

DECLARE AS FOLLOWS:

1. The European Economic Community and the Council for Mutual Economic Assistance establish official relations with each other by adopting this Declaration.

2. The Parties will develop cooperation in areas which fall within their respective spheres of competence and where there is a common interest.

3. The areas, forms and methods of cooperation will be determined by the Parties by means of contacts and discussions between their representatives designated for this purpose.

4. On the basis of the experience gained in developing cooperation between them, the parties will, if necessary, examine the possibility of determining new areas, forms and methods of cooperation.

5. As regards the application of this Declaration to the Community, it shall apply to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty.

6. This Declaration is drawn up in duplicate in the Bulgarian, Czech, Danish, Dutch, English, French, German, Greek, Hungarian, Italian, Mongolian, Polish, Portuguese, Romanian, Russian, Spanish and Vietnamese languages, each text being equally authentic.

Done at Luxembourg, on the twenty-fifth day of June one thousand nine hundred and eighty-eight.

* * * * *

Extracted from:

RF: RI/57

Rivista di studi politici internazionale. Firenze. No. 04
Ottobre-Dicembre 1988. p. 557-586. all.

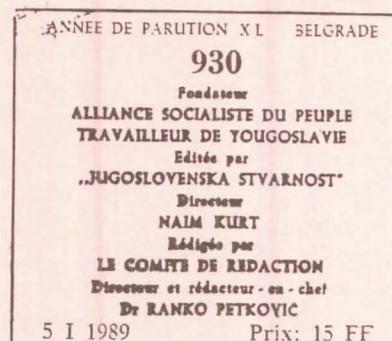
* * * * *

extracted from:

Revue de POLITIQUE INTERNATIONALE

POLITIQUE ● ECONOMIQUE ● DROIT ● SCIENCE ● CULTURE

RF: RF/386



Le rapprochement et les perspectives des relations entre la CEE et le COMECON

M. Nikolaos KAMBALURIS
(Grèce)

LA SIGNATURE, à Bruxelles le 25 juin 1988, de la Déclaration conjointe sur l'établissement des relations officielles entre les Communautés européennes et le Conseil pour l'assistance économique mutuelle (COMECON), représente un événement important dans le cadre du développement des relations entre l'Ouest et l'Est.

Cette reconnaissance officielle de la CEE et du COMECON ouvre les perspectives d'une plus large coopération économique et politique entre l'Ouest et l'Est.

La Déclaration conjointe prévoit que les deux parties développeraient leur coopération dans les secteurs présentant un intérêt commun. Les modalités et les méthodes de coopération seront définies moyennant les contacts et les négociations qui seront menées par les représentants des deux parties. Compte tenu de la coopération non formelle que les deux organisations ont déjà réalisée jusqu'à présent, les deux parties comptent avec la possibilité de définir de secteurs de formes et de méthodes de coopération nouveaux. Enfin, en ce qui concerne les territoires sur lesquels sera appliquée les Accords sur la constitution de la Communauté économique européenne, l'obstacle, Berlin Ouest, considéré par la CEE comme appartenant à son espace géographique, contrairement à la conception du bloc de l'Est, a fini par être surmonté.

COMMENT LE DEGEL A-T-IL COMMENCE?

Le dialogue entre la CEE et le COMECON, mené de 1975 à 1980, a été interrompu, d'un commun accord, au moment où il s'est avéré clairement qu'un accord n'était pas possible. Il a été repris en juillet 1985, lorsque le secrétaire du COMECON, M. Sychov a proposé, par sa lettre

adressée à la Commission, l'établissement des relations officielles entre ces deux organisations.

Les entretiens menés de septembre 1986 à mai 1988 par les fonctionnaires de la Commission des communautés européennes et le Secrétariat du COMECON ont abouti à la signature de la Déclaration conjointe, une fois que l'avis favorable a été donné par le Parlement européen, conformément à l'article 235 des Accords de la CEE. Durant les entretiens menés à Bruxelles, le Commissaire des relations avec l'étranger de la Communauté, M. Willy de Clercq, a souligné, dans le cadre du Conseil des ministres de la Communauté, que le gouvernement à Moscou avait exprimé sa volonté d'organiser ses futures relations avec la CEE sur la perspective d'un accord plus large.

D'un point de vue plus général, a précisé M. de Clercq, un tel accord encouragerait l'ouverture toujours hésitante de l'URSS aux relations économiques extérieures, contribuerait à ce que ce pays s'intègre encore plus intensivement dans l'économie internationale et lui assurerait un niveau supérieur de liens avec la Communauté.

LES NEGOCIATIONS COMMENCENT

M. de Clercq s'est prononcé en faveur d'un élargissement, dès à présent, des échanges avec l'URSS, qui devraient englober les domaines de l'écologie, de l'énergie, de l'énergie nucléaire, des transports et de la pêche dans la Mer baltique. Dans ce cas il s'agirait d'un «accord de coopération commerciale». Mais, en raison de la position de la Grande Bretagne, la déclaration ne fait mention que du «simple accord», laissant aux consultations futures la tâche de définir la nature et les dimensions des accords futurs.

De l'avis de M. Andreotti, avant la fin de l'année et pendant le mandat de la Grèce à la prési-

dence de la Communauté, les ministres des affaires étrangères des pays membres de la Communauté auront l'opportunité de faire une appréciation des résultats de la première phase des entretiens, pour donner ensuite le mandat à la Commission d'aborder officiellement les négociations, en précisant leur contenu de façon plus concrète.

Il serait inutile de souligner que la perspective de cette procédure offre au pays assurant la présidence, en l'occurrence à la Grèce, des possibilités extraordinaires et la flexibilité en ce qui concerne les initiatives qu'il lancera, et dont le but sera en même temps l'élargissement et le développement des affaires entre l'Ouest et l'Est, mais en même temps aussi le développement des relations bilatérales entre la Grèce et l'URSS dans les secteurs correspondants de la future coopération entre la CEE et le COMECON.

LA POSITION DE L'URSS

Historique: la signature des Accords sur la constitution de la CEE (le 27 mars 1957) a provoqué à Moscou une réaction sérieuse et énergique.

L'Institut de l'économie et des relations internationales de l'Académie des sciences de Moscou, a publié, la même année qu'ont été signés les Accords de Rome, 17 études sur le Marché européen commun, sur l'Europe des syndicats et des monopoles, sur l'Europe au service des Etats-Unis, sur «la sainte alliance contre le communisme et les travailleurs».

En août 1962 ce même Institut a fait circuler 32 études sur le thème: l'Orientalisme impérialiste de l'Europe Occidentale. Ces études ont été moins agressives, mais au fond aussi sévères que les précédentes.

En décembre 1959 a été signée, par les pays de l'Est, la Charte du Conseil pour l'assistance économique mutuelle (COMECON), dont le préambule proclamait: «la contribution à un développement plus rationnel des économies nationales et à l'élévation du niveau de vie des populations».

Il y a lieu de remarquer ici que, pour les pays socialistes, la conception selon laquelle le commerce est en soi un stimulant du développement et du bien-être, est relativement nouvelle et qu'elle n'apparaît que récemment dans leur théorie des échanges et des affaires internationales. La suite du texte s'occupe plutôt de la notion du développement que de la qualité de la vie.

Entre 1962 et 1972, alors que le commerce se développait à une cadence très rapide, les transactions de tous les pays d'Europe de l'Est avec la Communauté ont monté de 7,4% à 12,5%. Durant cette période rien de spectaculaire n'est intervenu quant à la position de l'URSS et des autres pays membres du COMECON à l'égard de la CEE.

LES PREMIERS CONTACTS

Pour ces raisons, la déclaration faite par L. Brejnev au XV-ème Congrès des syndicats soviétiques, le 20 mars 1972, que l'URSS devrait prendre en compte l'existence de ce «groupement économique des pays capitalistes», s'est-elle fait un grand écho.

Les premiers contacts ont eu lieu un an plus tard, en été 1973, sous forme de visite rendue par le Secrétaire du COMECON, M. Fadiéev au président en exercice du Conseil des ministres de la CEE, le Danois M. Norgard.

En février 1975, la délégation conduite par le Directeur de la Commission chargée des relations avec l'étranger, M. Wellenstein, qui a rencontré à Moscou les fonctionnaires du Secrétariat du COMECON, s'est limitée aux seuls contrats protocolaires.

Un pas plus décidé a été franchi l'année suivante, le 16 février 1976, lorsque le président en exercice du Comité exécutif du COMECON, M. Weiss, a remis au président du Conseil des ministres de la CEE le projet d'un accord-cadre entre ces deux organisations. La réponse donnée par la Communauté en octobre 1976 précisait que les négociations commerciales entre la CEE et le COMECON n'étaient pas possibles et que dans cette première phase seul un échange d'informations et de données statistiques semblait être possible.

En septembre 1977, une délégation conduite par le président du Comité exécutif du COMECON et par le vice-président du gouvernement roumain, M. Marinescu, a accepté de rencontrer à Bruxelles non seulement le président du Conseil des ministres de la CEE, M. Simonet, mais aussi, et cela pour la première fois, le vice-président de la Commission, responsable des relations avec l'étranger, M. Haferkamp.

En mars 1978 le COMECON revient au même sujet en proposant pour le mai prochain le début des pourparlers officiels en vue de la conclusion d'un accord-cadre dont les bases avaient été proposées en février 1976.

L'INCOMPATIBLE

Cependant, les entretiens menés à Moscou (en mai 1978) et à Bruxelles (en juillet 1978) ont dû se heurter à l'obstacle qui était celui de l'incompatibilité des positions de la CEE et du COMECON quant au caractère de l'accord envisagé. Au fond, deux questions particulières se posaient: celle des compétences, très délicate du point de vue juridique mais facile à résoudre du point de vue politique, et la question fondamentale qui concernait le contenu de l'éventuel accord.

Il est incontestable que les compétences de la Communauté sont très larges, ainsi que les précisent les articles 113 et 235 des Accords de Rome.

Pour ce qui est du COMECON, la question qui se pose est celle de savoir dans quelle mesure

ses compétences sont-elles symétriques. Il n'y a pas de doute que le COMECON soit une organisation intergouvernementale, sans pouvoir supranational. Aucun acte du COMECON ne peut être adopté sans le consensus des pays membres. Contrairement à la Commission de la Communauté européenne, ni le Comité exécutif ni le Secrétariat du COMECON ne peuvent agir au nom des pays membres pour ce qui est des questions relevant de leur décision nationale. Le programme du COMECON, adopté en juillet 1971, envisageant le développement de l'Organisation dans le sens, de l'intégration, stipule (Chapitre 1, article 3) que: «Les pays membres du COMECON coordonneront leur politique économique étrangère dans l'intérêt de la normalisation des relations commerciales internationales, en premier lieu en vue de la suppression de la discrimination sur ce plan».

UN PREMIER RAPPROCHEMENT

La révision de ce texte, formulée en 1974, prévoyait que l'Organisation «appuierait les pays membres dans les préparatifs, les consultations et l'application des mesures communes», qui se rapportent plus spécialement au développement des échanges de biens et de services entre les pays membres, ainsi qu'avec les pays tiers. Le terme nouveau de «consultations» nous rappelle le début de coordination des questions politiques au sein de la CEE.

Les compétences du COMECON peuvent s'étendre à tous les domaines sur lesquels tous les pays membres tombent d'accord, ainsi qu'avec d'autres Etats ou organisations internationales. Par conséquent, le problème des compétences peut être considéré dès lors comme résolu, sans que pour autant il soit reconnu comme tel par la CEE, ce fait étant déploré par les experts des pays de l'Est.

En fait, la position de la CE est réaliste. Celle-ci considère que la COMECON ne connaît pas d'organisme ou de mécanisme de politique commerciale en vue d'une politique commune efficace. Les pays du COMECON ont des positions juridiques différentes à l'égard de la Communauté.

En mai 1978 la CEE et le COMECON ont accepté que tout éventuel futur accord devrait être conforme aux buts objectifs pratiques et aux dispositions constitutionnelles des deux parties.

LE PROJET D'ACCORD

Il est clair que le problème du contenu des entretiens sera plus important que celui des compétences. Le texte de l'accord, proposé par le COMECON n'a jamais été officiellement publié. Le projet d'accord constate l'établissement des relations officielles entre les deux Organisations, sur la base des dispositions de l'Acte final d'Helsinki (article 2), et notamment sur la base du principe

de respect de la souveraineté, de la non-ingérence dans les affaires intérieures et de coopération entre les gouvernements. Dans la suite, le Projet énumère les secteurs de coopération: amélioration des conditions du commerce, organisation de conférences et de colloques, renforcement des échanges dans le domaine agricole etc.

Il a été envisagé, en vue de la mise en oeuvre de l'Accord, de mettre en place une commission mixte qui serait composée de représentants des deux organisations et de pays membres.

Il en découle les remarques suivantes: d'abord, la référence à la CSCE (à l'Acte final d'Helsinki) est importante, bien que la formulation soit différente de celle que l'on pourrait lire dans le «deuxième panier» de l'Acte final. Ce qui caractérise la CSCE, c'est, en premier lieu, une philosophie générale des relations économiques entre les pays appartenant aux systèmes économiques et sociaux différents. Le lien entre le commerce et la coopération accentue la nécessité de développer l'un et l'autre, d'une manière stable mais différenciée, d'une manière qui permette que soient créées toutes les conditions nécessaires pour mieux exploiter les possibilités qui se présenteront au niveau du développement économique des partenaires. On y voit se répéter, avec un accent particulier, tous les secteurs figurant dans l'Acte final: le commerce, la coopération, les statistiques, la coordination, la protection de l'environnement.

Une série de dispositions vont au-delà du contenu de l'Acte final. En effet, il est envisagé d'introduire la clause de la nation privilégiée sans limitations, sans que, pour autant, le terme de «réciprocité» soit mentionné.

«REUNIT ET DIVISE»

En novembre 1978 la Communauté a fait une importante concession, en acceptant, en principe, et pour la première fois, de conclure un accord avec le COMECON. Cependant, dans la réponse donnée par le COMECON le problème de procédure a de nouveau émergé... Il est à noter que les membres fondateurs du COMECON ont été: l'URSS, la Bulgarie, la Tchécoslovaquie, la Hongrie, la Pologne et la Roumanie. L'Allemagne de l'Est et l'Albanie sont devenues membres à part entière du COMECON après la constitution de celui-ci. Mais, l'Albanie ne prend part aux activités du COMECON depuis 1961. La Yougoslavie (1964), la Mongolie (1962), Cuba (1972) et la Viêt-Nam participent à différents degrés aux activités des commissions permanentes du COMECON.

L'importance économique du COMECON est décrite dans une récente étude du «The Economist»: «Le COMECON, soutient-on dans cette étude, est important. Il réunit, et parfois divise, les principaux antagonistes économiques et militaires de l'Occident. Les pays membres du COMECON représentent un dixième de la population mondiale et produisent, sans aucun doute, plus d'un dixième du revenu mondial.»

POSITIONS MUTUELLES

La position de la CEE à l'égard des pays à économie planifiée est déterminée, au fond, par les Accords de Rome, dont les articles 111 et 113 régissent l'activité commerciale de la Communauté à l'égard des pays tiers.

Les pays socialistes n'ont pas de «*politique occidentale commune*». L'existence du COMECON en soi influence le commerce entre l'Est et l'Ouest. Bien entendu, il s'agit d'une influence directe, sporadique, qui ne repose sur aucune base institutionnalisée ou organisée. Mais pourtant un dialogue à partir des positions claires s'est engagé entre les deux organisations d'intégration.

Des contrats et des arrangements spéciaux ont été conclus aussi avec des pays de l'Est. La Communauté a négocié au nom et pour le compte de ses membres avec les pays de l'Est, dans le cadre du GATT.

REGLEMENTATIONS UNILATERALES

Au cours de la période transitoire, qui s'est écoulée le 31 décembre 1969, les pays membres de la CEE, conformément à l'article 111 des Accords de Rome, ont gardé le droit exclusif de négocier les accords commerciaux avec les pays tiers, dans le cadre et dans les limites des consultations préalables avec la Commission et avec les autres pays membres.

Après 1970, aux termes de l'article 113, les compétences des Etats devaient, en principe, être transférées au niveau de la Communauté, de même que les négociations en vue de la conclusion d'arrangements autonomes, unilatéraux, avec les pays tiers. Au cours de 1974, la Communauté a pris l'initiative d'appliquer la procédure, déjà négociée, d'établissement des relations avec les pays de l'Est et de prise de dispositions en vue de l'assurance de sa politique commerciale autonome.

En mai 1974 le Conseil a fait savoir que la Communauté était prête à aborder les pourparlers avec les pays de l'Est qui le souhaitent. En novembre de cette année-là, un texte, sous forme d'une sorte de mémoire de la Commission a été envoyé à tous les pays du COMECON. Le texte contenait une proposition du plan des pourparlers entre la Communauté et chaque pays de l'Est en particulier. *Le plan fixait le principe de réciprocité concernant les avantages et les obligations, conformément à la même formule qui a été intégrée ensuite dans le «deuxième panier» de l'Acte final d'Helsinki.* Dans ce texte, les parties contractantes sont tombées d'accord pour appliquer la clause de la nation la plus privilégiée en matière des tarifs et des taxes. Pour ce qui est des contingents, il fallait rechercher les voies et les moyens de libéralisation des importations. La Commission précisait qu'en ce qui concerne les échanges de produits agricoles, les principes et les mécanismes de la politique agricole commune ne pourraient pas

faire l'objet des pourparlers, au niveau bilatéral, il a été prévu la clause d'esquive pour les produits délicats, inspirée par l'article XIX du GATT, relatif aux paiements et aux crédits. Le plan prévoit que ces questions seront réglées ponctuellement, cas par cas. Enfin, une commission mixte serait mise en place en vue de la mise en oeuvre de l'Accord.

Comparé aux accords commerciaux bilatéraux, que les pays de la CEE avaient conclus avec les pays de l'Est durant la période précédente, ce plan, au fond, n'était pas différent. Cependant, les accords précédents contenaient dans une plus large mesure des objectifs concrets du développement des échanges commerciaux. *La clause de la nation la plus privilégiée représentait un principe général, une loi.* Pour ce qui est des limitations des contingents, les procédures précédentes avaient été plus favorables pour les pays de l'Est. Parfois, les lettres ajoutées à ces accords, promettaient aux signataires, c'est à dire aux pays de l'Est, la suppression des limitations spéciales concernant les contingents de produits.

Par conséquent, il serait possible de supposer qu'indépendamment du refus de principe de négocier avec la EE, les pays de l'Est avaient la possibilité de considérer le projet d'accord comme moins favorable pour eux, en comparaison avec les accords commerciaux précédents, et cela vaut surtout pour les pays qui ne sont pas membres du GATT.

«SANS ECART»

En raison de l'absence d'un accord entre la CEE et les pays de l'Est, la politique autonome des la CEE en matière de commerce «est aujourd'hui encore en vigueur».

La politique agricole commune, en principe, ne concerne que les échanges commerciaux, stricto sensu. La coopération économique demeure, comme cela a déjà été mentionné, dans les compétences des Etats.

Pour régler et coordonner l'application de la coopération économique, le Conseil de la CEE a défini, par son arrêté du 22 juillet 1974, la procédure des consultations. Les pays membres informent les autres pays membres et la Commission sur les textes des accords de coopération qu'ils ont paraphés avec les pays tiers. En général, ils informent la Commission sur les plans des négociations, sur les accords de coopération, ainsi que des mesures envisagées dans le cadre des accords, qui pourraient éventuellement affecter les échanges commerciaux. L'objectif de cette mesure est d'empêcher toute tentative de l'écarter de la politique commune en matière de commerce. En même temps, moyennant les pourparlers qui pourraient avoir lieu à la demande d'un Etat ou à l'initiative de la Commission, la Communauté assure l'information susceptible de faciliter la coordination des actions des pays membres. Dans

l'impossibilité de dégager un paquet complet de mesures de sa politique commerciale, la CEE a réussi à se charger de mener les pourparlers avec certains pays de l'Est sur certaines questions spéciales. Quoique les pays de l'Est ne reconnaissent pas la Communauté, des pourparlers sur les *règlements techniques* ont été menés avant même que la période de transition ne se soit écoulée.

ROUMANIE: LA PREMIERE

La Roumanie a été la première à accepter la signature, en novembre 1976, un accord bilatéral sur la vente de produits textiles. L'accord a été renouvelé en 1977. Les tentatives de passer des accords commerciaux bilatéraux avec deux autres pays, la Hongrie et la Pologne, ne se sont pas soldées par les résultats souhaités, principalement en raison des difficultés d'ordre politique, concernant notamment la question de la *clause territoriale*. Tout accord conclu par la Communauté avec les pays tiers porte sur l'ensemble des territoires d'application des Accords de Rome (article 227), qui comprend également Berlin-Ouest, sur la base d'une déclaration du gouvernement ouest-allemand, jointe aux Accords de Rome. Cependant, c'est notoire, ceci n'est pas accepté par les pays socialistes qui ne reconnaissent pas l'appartenance de Berlin-Ouest à l'Allemagne Fédérale. Toutefois, la Hongrie (vers la fin 1978) et la Pologne (en décembre 1979) ont signé un accord sur les produits textiles, avec une réserve concernant la question du territoire. Cette formule a été reprise ensuite par la Bulgarie. Les difficultés au sujet de cette clause territoriale se sont manifestées aussi pendant les pourparlers sur la pêche, une fois que les Neuf ont décidé, vers la fin 1976, d'étendre la zone de pêche le long de leurs côtes, à 200 lieues. En décembre 1976 le Conseil a unilatéralement exclu la Roumanie et la Bulgarie des eaux territoriales de la Communauté, car ces Etats riverains de la Mer Noire ne pouvaient pas offrir une garantie financière aux pêcheurs de la Communauté.

Le Conseil a fait connaître à la RDA, à la Pologne et à l'URSS les contingents de pêche au cours des premiers mois de 1977, en conviant en même temps ces pays à aborder avec la Communauté les pourparlers en vue d'un accord sur la pêche. Au cours du mois de mars 1977 ces trois pays se sont présentés à Bruxelles, mais ont refusé de reconnaître la compétence de la Communauté, n'acceptant que la présence des délégués de la Commission, qui était responsable des questions relevant des domaines de l'agriculture et de la pêche.

Les pourparlers ont fini dans l'impasse et c'est là qu'a éclaté une crise sérieuse (en octobre 1977). Le résultat en a été que les chalutiers soviétiques étaient complètement exclus des eaux de la Communauté, en réponse aux mesures d'interdiction que l'URSS a appliquées contre les pêcheurs de la Communauté dans la Mer de Barents.

Un accord technique sur l'acier a été signé le 12 avril 1978 entre la Communauté et la Tchécoslovaquie.

La Roumanie est l'unique pays de l'Est à avoir emprunté la voie de reconnaissance de la Communauté. Après la signature des accords sur les produits textiles et l'acier, la deuxième étape a commencé en 1979 par les pourparlers en vue d'un accord général de commerce de produits industriels et de la mise en place d'une commission mixte entre la CEE et la Roumanie. Par sa position à la Conférence d'Helsinki et à Belgrade, la Roumanie a essayé de se distancier du COMECON dans sa politique étrangère.

LA PARTICIPATION DES ETATS-UNIS

Les relations entre l'Est et l'Ouest sont influencées notamment, depuis la fin de la dernière guerre, par l'instauration, sur une initiative des Etats-Unis, d'un groupe de consultation, Coordinating Com (COCOM), qui n'a pas de status officiel et dont le siège est à Paris. Les membres du COCOM, qui a commencé à fonctionner le 1-er janvier 1950, sont les pays de l'OTAN, à l'exception de l'Islande. A ses travaux prend part aussi le Japon, et depuis récemment l'Espagne. Cependant, aucun lien organique n'existe entre l'OTAN et le COCOM.

Pour assurer une base légale au travail de coordination avec ses alliés, les Etats-Unis ont voté en 1951 une loi dite «Battle Act», qui précise que tout pays exportant aux pays communistes des biens d'importance stratégique sera privé de l'aide militaire et économique de Washington. L'objectif premier du COCOM est de dresser les listes des biens se trouvant sous l'embargo. Les décisions du groupe sont prises par consensus. Les représentants des gouvernements se mettent d'accord sur une liste minimum, qui représente pour chaque pays membre *une sorte de recommandation*. Chaque pays a le droit, conformément à sa législation, d'élargir cette liste, tel est le cas des Etats-Unis, mais aucun n'a le droit de la réduire, les listes sont revues tous les deux ans. Les critères d'inscription des produits dans les listes du COCOM sont différents. Il y a, en effet, trois catégories de produits: les produits sous l'embargo strict, les produits qui peuvent être exportés en quantités limitées et les produits soumis au contrôle. En 1952 la liste du COCOM comprenait la quasi moitié des produits destinés aux échanges internationaux. A l'heure actuelle, trois critères de base sont pris en considération pour l'inscription des produits sur la liste d'embargo. Il s'agit de produits à caractère militaire (armements, équipement militaire ou les produits destinés à la fabrication d'armements), la technologie (toutes les technologies de pointe) et les produits rares, dont l'offre sur le marché est limitée par rapport au potentiel militaire des pays communistes. La limitation des produits dont l'exportation est interdite a été différente, et toujours en fonction de la détérioration des relations inter-

nationales ou de leur amélioration, et notamment des relations entre les USA et l'URSS.

LES REACTIONS

L'application des mesures du COCOM a provoqué de violentes réactions. Même les industriels américains contestaient les mesures d'interdiction, qui ont coûté cher l'économie américaine. Quoique dans la pratique l'administration américaine donne très souvent son accord pour les différentes dérogations de ces règles, la procédure est assez longue, et les organismes de commerce extérieur, face au manque de clarté, aux hésitations et à l'incertitude préfèrent orienter les commandes de leurs clients dans un sens différent.

L'inflexibilité des interdictions américaines est intimement liée aux orientations politiques du moment. L'application de ces interdictions a connu assez d'inconséquences, de rigueur et de lenteur bureaucratique. En dépit de ces problèmes, certains produits modernes, chaque fois qu'ils ne figuraient pas sur les listes sous l'embargo, passaient pour anachroniques, vétustes, vieilliss.

La question a été souvent posée de savoir si ces règlements sont efficaces et dans quelle mesure ils rendent difficiles les préparatifs militaires de l'URSS. L'histoire a montré que toute politique d'embargo contribue au renforcement du potentiel productif du pays visé par l'embargo, en poussant ce pays vers l'autarcie.

Compte tenu de l'état des faits et des résultats réalisés jusqu'à présent par l'application des mesures citées la question qui s'impose est celle de savoir si le COCOM est peut-être inutile, voire nuisible, certains milieux américains constatent que cette pratique est à son déclin. Et cela pour deux raisons: a) à cause de son inefficacité à l'égard de l'URSS. Les experts américains ont calculé que l'exportation de la technologie américaine représente 0,03% du produit national de l'URSS, b) parce que les alliés américains se montrent de plus en plus réticents à ces mesures.

En ce qui concerne concrètement l'URSS, qui a des affinités envers la technologie des Etats-Unis, l'existence du COCOM représente très souvent une occasion exceptionnelle pour les sociétés européennes de s'assurer des commandes, au détriment, bien entendu, de l'industrie américaine.

La mentalité anticommuniste des leaders américains a été, probablement, le facteur principal de la compétitivité européenne, notamment à l'occasion de la conclusion d'un nombre important d'accords avec l'Est. Quant à l'existence éventuelle, à l'Est, d'une organisation analogue au COCOM, nous devons reconnaître qu'elle n'a jamais été remarquée, pas plus que les représailles soviétiques au moment où a commencé le processus d'exportation de technologie de l'Est vers l'Ouest. Durant la guerre de Viêt-Nam, les Soviétiques n'ont jamais cessé de vendre aux Américains la platine, le paladium, le titane, le chrome et d'autres métaux précieux d'importance stratégique incontestable.

LA PIERESTROIKA

Tant pour le passé. La Piérestroïka et la nouvelle politique économique soviétique ont contribué au changement de bien des choses. Dans son livre «La Piérestroïka», Gorbatchev précise: «Toutes ces 'sanctions', les 'embargos' de la part des Etats-Unis ont clarifié pas mal de questions. Nous avons tiré un enseignement du refus des Etats-Unis et des autres pays occidentaux de vendre la technologie de pointe à l'URSS. Peut-être précisément pour cette raison pouvons-nous remarquer aujourd'hui dans notre pays une véritable floraison dans les secteurs de l'informatique, de la technologie des ordinateurs et dans les autres secteurs de la science et de la technologie». («La Piérestroïka», pp. 161—162).

Le conseiller spécial de Gorbatchev, l'académicien Aganbeghian, précise dans son ouvrage «La Piérestroïka dans l'économie», dans le chapitre intitulé «Que faut-il changer en URSS jusqu'à l'an 2000»: «Les accords d'Helsinki ont commencé à encourager les relations économiques internationales mutuellement utiles contre toutes les mesures de discrimination dans le commerce extérieur. Malheureusement, les accords du «deuxième panier» sont systématiquement violés, principalement à cause de la position des Etats-Unis. Une organisation spéciale a été mise en place, qui impose les différentes limitations et contrôle les produits que les pays capitalistes exportent vers l'URSS. Récemment on a découvert une suite d'exemples de mesures discriminatoires unilatérales, prises principalement par les Etats-Unis, mais aussi par certains autres pays capitalistes, dans le domaine du commerce extérieur avec l'Union Soviétique». Il est bien clair que l'académicien A.G. Aganbeghian a eu à l'esprit les limitations imposées par le COCOM.

LA POSITION DE LA CEE

Cette question a été exhaustivement traitée aussi par le Parlement européen, en février 1987, sur la base d'un rapport détaillé du député belge. Tout en refusant d'appliquer l'embargo sur l'exportation du blé, les Etats-Unis demandaient à leurs alliés de renforcer le contrôle du commerce avec l'URSS. Il ne faudrait pas perdre de vue le fait que les Etats-Unis et les pays européens s'accusent mutuellement de protectionnisme et que dans ce secteur, le danger est réel. Certes, il arrive que les pays européens craignent que certaines interventions des Etats-Unis ont pour but tout simplement de protéger les intérêts purement nationaux. Nous devons souligner ici qu'aucun pays de la CEE n'a jamais demandé la suppression du COCOM, ni exprimé la volonté de quitter ce forum. L'adhésion de l'Espagne à cette organisation est une preuve de l'état d'esprit existant, favorable au maintien de ce contrôle, avec quelques améliorations.

Il a été proposé, en effet, que le problème soit résolu par la constitution d'un nouvel organisme

juridique, qui serait différent du COCOM. Par exemple, il a été proposé la conclusion d'un accord international aux règles et aux lois de fonctionnement fermes, avec les droits et les obligations clairement définis pour tous les adhérents.

*
* * *

L'Accord de Bruxelles du 25 juin 1988 sur la reconnaissance officielle de la Communauté européenne par l'Union Soviétique, représente, tout simplement, un *accord-cadre*. Il n'y a pas de doute qu'il y aura lieu de procéder à de nouvelles négociations, longues, pour en définir le contenu.

Le hasard a voulu que durant cette même période la Bulgarie assure la présidence au COMECON. Ce fait a contribué à l'organisation de la prochaine visite en Grèce du Président Jivkov, en vue des pourparlers avec le premier ministre grec, qui est en même temps le président en exercice du Conseil des Communautés européennes.

Cette rencontre attire une attention particulière, d'une part à cause des relations intimes qui existent aujourd'hui entre les deux pays voisins, et d'autre part, à cause d'une certaine différenciation qui se manifeste au niveau des relations entre Sofia et Moscou, quant à l'application fidèle de la Piérestroïka en Bulgarie. Il semble qu'en dépit des déclarations officielles des responsables bulgares sur l'ajustement de l'économie nationale au programme des réformes de Gorbatchev, aucun progrès n'ait été enregistré et que même un soupçon d'ajustement n'ait été tenté. Le limogeage, en juillet dernier, de Tchoudomir Alexandrov, considéré comme héritier de Jivkov, et qui s'était prononcé ouvertement en faveur de la Piérestroïka, sous prétexte que son beau-père aurait persécuté les communistes sous l'occupation allemande, incite à poser pas mal de

questions, dont celle de savoir si la Bulgarie finira par présider au COMECON dans le stricte respect des principes de la Piérestroïka.

Pour ces raisons la position de la Grèce dans le rôle de président en exercice sera très délicate lorsqu'il faudra prendre des positions de compromis.

EVOLUTION POSSIBLE

D'un point de vue général, des perspectives favorables se dessinent à l'horizon, ne serait-ce que pour l'URSS. Dans sa récente déclaration faite devant les communistes italiens, Gorbatchev a précisé que «la position de l'URSS et du Parti soviétique à l'égard de l'Europe est déterminée par le fait que nous nous considérons avant tout comme Européens».

Aujourd'hui la division de l'Europe en deux parties est considérée comme une catastrophe historique. On croit aussi que *cette division a eu pour les pays de l'Europe de l'Est de sérieuses conséquences qui ont exercé une influence sur leur affaiblissement*. Cependant, une attention particulière est attirée sur le fait que le sort politique, voire personnel, de Gorbatchev dépendra de sa réforme économique.

Enfin, les pays européens ont besoin de savoir dans quel sens évoluera l'économie soviétique, qui éprouve une faim intense de technologie, de crédits et d'ouverture sur le plan commercial. Gorbatchev, empruntera-t-il la voie de conclusion d'arrangements plus larges avec les Etats-Unis et le Japon, dans une perspective de voir la côte occidentale du Pacifique rejoindre, dans le sens économique, la côte correspondante de l'Union Soviétique? Ou bien Gorbatchev se tournera fermement vers l'Europe, pour construire ce bâtiment qui s'étendra de l'Atlantique à l'Oural. Cette seconde voie nous paraît plus probable.

* * * * *

extracted from:

Soviet & Eastern European Foreign Trade

A JOURNAL OF TRANSLATIONS

SUMMER 1988

RF: RA/77

SOPHIE VERNY (FRANCE)

The EEC and CMEA*

The Problem of Mutual Recognition

Mikhail Gorbachev has multiplied his appeals for a rapprochement between the CMEA and the EEC in recent months. Has this been to keep each of the CMEA member countries from developing too close and too diffuse ties with the EEC, or is it instead a way to falsely reassure Eastern Europe? On January 31, 1986, the EEC finally agreed to discuss the establishment of official relations with the CMEA and to resume the dialogue that was interrupted in 1980. However, at the Twenty-seventh Congress of the CPSU in February 1986, Gorbachev at no point took up the problem of relations with the EEC. Why this silence after so many gestures of goodwill? Whatever the answer, negotiations ought to be resumed in order to arrive at a joint declaration (desired by the USSR) of real scope (desired by the EEC). The author summarizes the different stages of the negotiations since 1974 and the positions presently held by the principals.

The history of relations between the EEC, created in 1957, and the CMEA, created in 1949, is divided into five major phases corresponding to relations between the two Europes. The first, from 1958 to 1964, was marked by a series of confrontations and deep ideological disagreements.

Whenever the USSR shifts course, a change in the CMEA attitude toward the EEC may be observed as well. Between 1965 and 1972, this took the form of a rapprochement between the two institutions. Official exchanges and the declarations of Soviet leaders of the period resulted in the opening of a long period of dialogue punctuated by prolonged silences.

*French text © 1986 by Documentation française. "CEE-CAEM: Le problème de la reconnaissance mutuelle," *Le Courrier des Pays de l'Est*, no. 305 (April 1986). Translated with permission. Translated by Michel Vale.

From 1975 to 1977, the two communities evinced the incompatibility of the two organizations. From 1978 to 1980, the dialogue ended in a confirmation of disagreement on the nature and the extent of a possible convention.

Since 1984, a new course of simple recognition has been under way. The following presents a calendar of negotiations and respective positions, with special stress on the latest meetings and declarations. For some months now true progress has been perceptible in negotiations, which today gives reason to hope for the signing of an agreement between the EEC and the CMEA.

The calendar of negotiations

Since 1972, the Soviet leaders, doubtlessly concerned about the economic and political progress being made by the EEC, have made many statements reviving the Khrushchevian idea of negotiations between the CMEA and the EEC.

On August 27, 1973, at Copenhagen, N. Fadeev, secretary general of the CMEA, had an informal meeting with the president of the EEC Council of the Ministers. He expressed the desire to strengthen detente and cooperation and proposed a study of the framework and content of possible discussions. From February 4 to 6, 1975, N. Wellenstein headed a Community delegation to Moscow. The first discreet contacts were followed by a series of exchanges of opinion among experts, permitting a comparison of the function and the areas of authority of the two communities.

The formal inauguration of an EEC-CMEA dialogue dates from mid-February 1976, when M. Weiss, chairman of the Executive Committee of the CMEA, submitted to F. Thorne, acting chairman of the Council of Ministers of the EEC, a draft outline of an agreement within the framework of a prolongation of the Final Act of the Conference on Security and Cooperation in Europe signed at Helsinki in 1975.

The CMEA questioned the provisions of the Final Act, which it deemed unsatisfactory, and sought to renegotiate those that it considered unfavorable toward the socialist countries. This draft outline of an agreement contained a number of propositions, in particular in the area of trade between the two institutions, as well as on diverse aspects of economic cooperation. The CMEA wanted to establish bilateral and multilateral cross relations with the EEC and among members of each community, to diversify trade in order to reduce imbalances in East-West trade, and to obtain most favored nation status.

In an exchange of letters between March and November 1976, the Council of the Community did not rule out the possibility of a skeleton agreement between the EEC and the CMEA, but it displayed caution with regard to the allocation of competence between the skeleton agreement and bilateral trade agreements. Thus, it proposed that economic, industrial, and financial cooperation retain a bilateral character between the members of the two communities. A general model for a bilateral trade agreement was presented in November 1976. The conclusion of a trade agreement in November 1976 between the EEC and Romania was in line with the designs of the EEC.

True dialogue did not actually begin until May 29-30, 1978, at Moscow, with a meeting between N. Fadeev and W. Haferkamp, vice-chairman of the EEC and chargé of foreign relations. Even though the two parties remained entrenched in their positions, they showed a desire to arrive at an agreement and drew up a procedure for discussions. A group of experts was commissioned to define more concretely the area of application and the modalities of an agreement between the EEC and the CMEA on July 25-28, 1978, at Brussels.

Despite the slow progress of the efforts, two summit meetings were held, one at Brussels in November 1978, and the other at Moscow on November 26–28, 1979. In November 1978, Mr. Haferkamp accepted the amendments of the November 1974 EEC proposal as well as the trade principles figuring in the Helsinki Final Act.

Throughout this period, negotiations basically brought to light the extent of differences over the functions and the authority of each of these institutions vis-à-vis their member countries in the area of EEC–CMEA relations, over the role of a joint commission that would supervise exchanges, over the extension of most favored nation status to the CMEA, and finally over the CMEA's refusal to accept that the EEC was competent to negotiate on behalf of West Berlin.

The functions and competence of each community

The EEC deemed the 1976 CMEA draft unacceptable and incompatible with the institutional rules of the Community. For the EEC, the fundamental differences that exist between the two blocs must be defined and mutually acknowledged; to continue negotiations, the functions, structures, institutional rules, and composition of each community (the latter point refers to the participation of West Berlin in the EEC) must be taken into account. Thus, mutual recognition is necessary.

Originally, the CMEA was merely a body for international cooperation in which there were no provisions for international trade activities. The CMEA later undertook measures in 1974 to acquire this competence. It amended the 1959 charter with an article that stipulated that "international agreements may be concluded with the member countries of the Council, third countries, and international organizations."¹ But, although the CMEA thus acquired a legal capacity to conclude international agreements and its organs were enabled to sign them, it did not have the capacity to do so on behalf of its member nations. The CMEA is not able to engage in trade as an institution as can the EEC, because it does not have the same status.

The member countries of the CMEA do not have a common policy on foreign trade or foreign tariffs. They are in principle free to negotiate trade agreements separately with the EEC, while since 1975 the EEC member countries cannot conclude separate trade agreements with third countries without the intermediacy of Brussels. This is why the EEC proposed that it conclude agreements with each of the CMEA countries. It justified this position by the absence of a supernational authority within the CMEA similar to the EEC Commission or of an organization authorized to deal with trade policy.

If the CMEA were to deal on an equal footing with an organization that has powers it does not itself have, this would give the CMEA, if not supplementary powers, at least an international recognition that would not correspond to the juridical realities of its charter.

The field of activity of EEC–CMEA relations

The draft skeleton agreement proposed by the CMEA, like the Final Act signed at Helsinki, provided for bilateral and multilateral agreements not only in trade and economic cooperation but also in matters of standardization, environmental protection, economic and statistical information, and long-term prospects. But, as we have seen, inter-institutional trade relations clashed with the fundamentally different conceptions entertained by the two sides. This is why the Community agreed to discuss only problems such as the exchange of economic data and conjunctural forecasts, environmental questions, or transport questions, as well as ways to promote economic and commercial cooperation.

The creation of a joint commission

The CMEA desires the creation of a joint commission that would examine bilateral trade agreements between the EEC and the individual CMEA member countries and would supervise the effective application of the EEC-CMEA agreement. The EEC once again pointed out the impossibility of concluding an agreement of this type between the two institutions. As regards bilateral agreements, its reply was that no state external to the agreement may intervene to supervise bilateral relations. The EEC countries could only accept that the CMEA exercise control through a commission on bilateral relations between the EEC and the socialist countries. For the EEC, to acknowledge such authority on the part of the CMEA over European East-West affairs would entail recognition of Soviet control over the CMEA countries. For the USSR, the EEC's refusal in this area is tantamount to a desire to divide the CMEA members to the benefit of "ill-willed" European interests.²

The most favored nation clause

The CMEA, which would like to obtain a more privileged status, also called for inclusion of a most favored nation clause and a nondiscrimination clause, as well as for the removal of quantitative restrictions, quotas, and other limitations on trade. The most favored nation clause would give the CMEA member countries the right to demand Community concessions equivalent to those that the Community offers to other Western countries outside the EEC. The EEC refused to grant these in a blanket fashion, but it was willing to negotiate concessions with each of the member countries.

In the face of these profound differences, the EEC proposed that the negotiations no longer take place at an official and political level, but among experts. The summit (decided in November 1979 at Moscow during the Haferkamp-Fadeev meeting) that was to have taken place in April 1980 was postponed in response to the Soviet invasion of Afghanistan, and talks were broken off for several months.

Negotiations resumed in Geneva in July 1980. New discussions brought up the possibility of concluding a general blanket agreement between the two organizations and of agreeing on a more acceptable version of the skeleton agreement draft. The Community, desirous of getting out of the legal labyrinth, made some concessions. It proposed a new version of the preamble to the agreement that would underscore the importance of trade exchanges between the two parties. The EEC would be willing to study a narrower technical agreement bearing on the exchange of information between the two institutions in the more limited sectors of economic forecasting and statistics, and also in the areas of environment and standardization. For the CMEA, this meant minimizing the scope of the agreement. At the same time, the Community did not alter its initial position, namely, that trade agreements could only be negotiated with the CMEA countries individually. It thus excluded all that had to do with trade and all economic relations from cooperation and from the scope of action of the agreement.

The CMEA also did not budge from its positions. It once again called for conditions favorable to trade and economic cooperation, the most favored nation clause, and the abolition of discriminatory measures that blocked European imports from the Eastern countries for a number of products such as steel, laminated materials, textiles, shoes, glass, ready-to-wear clothing, electric motors, and farm products.

The EEC refused to meet the CMEA demands, citing the lack of any guarantee and reciprocity of concessions. The EEC wished to apply the principle of "effective reciprocity," whereby a liberalization of European imports from the CMEA countries should be matched by a concrete undertaking of the Eastern countries to augment their imports from the EEC.³

The CMEA underscored the contradictions in the EEC's [external relations], which has maintained relations with the League of Arab Nations since 1974; signed the Lomé Convention in 1975 with forty-six African countries; signed agreements with Caribbean countries and with the Pacific nations (ACP); abolished in 1977 the last customs tariffs with the AELE; in 1979 signed an agreement with the fifty-seven ACP countries renewing the Lomé convention,⁴ as well as an accord with ASEAN, the Association of Southeast Asian Nations; and is engaged in the preparation of a similar agreement with the countries of the Andean Pact.

Finally, given the negligible progress made during these talks in Geneva in July 1980, the CMEA countries consented to sign an agreement with the EEC without the direct participation of the countries affiliated with the Community. They accepted the principle that the CMEA and the EEC, within the confines of their powers, could conclude an agreement with any interested country that was a member of the other organization.

The meeting that was to have taken place in January 1981 at Geneva was cancelled, the CMEA deeming that the EEC had not made enough concessions.

In March 1981, the vice-president of the EEC Commission, W. Haferkamp, sent a letter of M. Lukanov, chairman of the Executive Committee of the CMEA, asking for some change in the CMEA's position. This letter was not answered.

On June 23-24, 1981, the European Commission on Foreign Relations met at Brussels and approved the idea of a skeleton agreement which, although it would exclude control of the EEC's trade relations with each of the CMEA countries, would nonetheless help to facilitate East-West exchanges, which had become bogged down for economic and political reasons. Agreements such as the one concluded by the EEC in 1980 with Romania helped to give consideration to the specific needs of each member country of the CMEA, adapting to their diversity while responding to the complementary needs of the Community. A press communiqué of the European Parliament of June 29, 1981, mentions that the Commission of Foreign Relations adopted Mr. de Clercq's report on the skeleton agreement and on specific problems of trade between the EEC and the CMEA countries, in particular, compensation transactions for which it was necessary to establish a kind of code of conduct, and dumping practices, which needed to be combatted more efficiently. Finally, the report studied the harmful repercussions of the energy crisis on relations between the EEC and the CMEA countries. Increased cooperation in the energy sector was envisaged.

The dialogue had been stopped dead in its tracks since 1980. Four years were to pass before negotiations were resumed. The signal was given at the June 1984 Moscow summit of party leaders of the CMEA member countries. One of the declarations of the economic conference⁵ confirms the "willingness to conclude an appropriate agreement between the CMEA and the EEC and to contribute to the ongoing development of trade and economic relations that exist between the member countries of these organizations." This declaration was formulated a few days before the NATO countries announced new trade restrictions on the Eastern countries, but it nevertheless demonstrated that the Soviet attitude toward European institutions had changed. The

Soviets had for a long time denied the existence of the EEC, and had even challenged the EEC representation at the Madrid conference, although they had *de facto* accepted a committee of representatives at the Helsinki conference and at the Belgrade conference. Today, even if they do not proclaim *de jure* their recognition of the European institution, they do accept it *de facto*.

In early November 1984, the CMEA attempted to resume the dialogue between the CMEA and the EEC with a meeting at Brussels between Mr. Khristov, the Bulgarian Minister of Foreign Trade, and W. Haferkamp, vice-chairman of the European Commission.

On May 20, 1985, at Moscow, Gorbachev declared himself favorable to the establishment of relations between the EEC and the CMEA. "The CMEA is willing to find a common language with the EEC," he said during a talk with E. Cervetti, member of the leadership of the Italian Communist Party and chairman of the Communist Group in the European Parliament. "The EEC should make itself open to trade with the East." The USSR was favorable to an "amelioration" of relations between the EEC and the CMEA, and Gorbachev declared: "I would like to see the establishment of relations between them."⁶

On May 25, 1985, at Warsaw, an important meeting took place between Bettino Craxi, the Italian prime minister, and General Jaruzelski. Italy at that time chaired the EEC.

On May 30, 1985, receiving Craxi, Gorbachev said: "To the extent that the countries of the Community function as a political entity," the USSR is willing to "explore with them in a common language specific international problems."

On June 14, 1985, the CMEA submitted an official request at Brussels for expanded cooperation with the EEC during an interview between Craxi and François Mitterand. The Polish Ambassador to the EEC submitted a letter by V. Sychev, secretary general of the CMEA, to Jacques Delors, acting president of the Commission.

Sychev proposed the establishment of direct relations between the EEC and the CMEA and suggested the adoption of a "general declaration" in the following terms⁷:

In the complicated international situation in which we find ourselves, it is important to explore every possibility, to strengthen and to multiply all that is positive and that has been achieved in the development of pan-European cooperation since the signing of the Final Act of the Conference on European Security and Cooperation ten years ago. The CMEA and the EEC, which play a major role in the system of global economic relations, could make a broad contribution to this effort. Considering what has preceded, and taking into account the contacts that took place in October 1984 between the minister of foreign trade of the People's Republic of Bulgaria, Mr. Khristov, and the chairman of the Commission of the European Community, Mr. Haferkamp, we deem it useful to begin joint talks between our two organizations as soon as possible. The purpose of these talks would be to sign documents of a general nature, e.g., a joint declaration providing for the establishment of official relations between the CMEA and the EEC that would take into account the powers of the two organizations. The CMEA is willing to present a draft declaration to the EEC. The aim of this new initiative would be to carry negotiations to a fruitful conclusion. The establishment of official relations could, in our opinion, promote the development of cooperation between the two organizations and the member countries and would be a constructive step toward European and world cooperation, as well as a strengthening of peace. The CMEA is willing to designate a top-level delegation to conduct talks and proposes that they be opened at Moscow at a date convenient to the two parties.⁸

On June 18–19, 1985, the session of the EEC Council of Ministers decided to reply positively to this letter from the Executive Committee of the CMEA. The EEC supported the principle according to which negotiations should be undertaken within the spirit and as a continuation of the Helsinki accords.⁹ But the EEC requested time to study more carefully the proposals of the Eastern nations.

On June 20–25, 1985, Stefan Olszowski, Poland's minister of foreign affairs, met at Rome with Giulio Andreotti, acting president of the Community Council, and [Prime Minister] Craxi, who at that time was finishing his mandate as president of the EEC, to discuss relations between the two communities. "We are interested in intensifying trade relations between our two blocs (. . .). To do this we are willing to make concessions and to begin negotiations without any preliminary conditions," declared the Polish partner.¹⁰

On June 24–27, 1985, at Warsaw, the fortieth session of the CMEA once again stressed the necessity of establishing official relations between the CMEA and the EEC.¹¹ Mr. Tikhonov, chairman of the Council of Ministers of the Soviet Union, spoke for the USSR, and insisted on the necessity of establishing relations of equality between the two organizations in accordance with the spirit of Helsinki. "We are convinced that such cooperation would be of mutual interest and would contribute to an improvement of the atmosphere in Europe and in the entire world."¹²

Before replying to the CMEA letter, the European Community undertook a careful analysis of Sychev's proposals on July 29 at Brussels. It concluded that before thinking about resuming high-level talks, the CMEA should be requested to answer a number of questions. The committee asked by letter that it be given the draft of the joint declaration. The EEC did not oppose the adoption of a declaration, which would be easier to negotiate than a true cooperation agreement, but before committing itself it would have to have a more precise idea of the parties involved, the meaning of "official relations" envisioned, and the areas which these relations would concern. Secondly, the Commission asked the CMEA to confirm that a possible EEC-CMEA accord would not prejudice the ability of the Eastern countries to conclude separate agreements with the Community.

On the occasion of the summit at Helsinki on July 30–August 1, 1985, in honor of the tenth anniversary of the signing of the Helsinki accords, Mr. Shevarnadze, the Soviet minister of foreign affairs, devoted a large part of his talk to the desirable expansion of relations in Europe in economics and commerce: "As regards cooperation between nations in commerce, economics, industry, science, technology, and environmental protection, we are a long way from utilizing the full potential of the Act. The socialist countries are favorable to the expansion of this cooperation (. . .) in relations between nations, and it is time to put an end to the practice of sanctions and embargoes of all types, discrimination, and arbitrary rejection of concluded arrangements. In other words, the time has come to review carefully the entire range of problems in what we call the Second Basket" (on economic cooperation).¹³

On September 30, 1985, Sychev presented clarifications on current and future relations of the Ten with each of the countries of the East, and on the content of the draft of the envisaged declaration in a letter addressed to the European commissioner of foreign relations, Willy de Clercq and then to G. de Muysier, Luxembourg's ambassador in Moscow (at that time Luxembourg occupied the chairmanship of the Council). The CMEA guaranteed that the conclusion of an accord would not be an obstacle to bilateral relations of the EEC with each of the Eastern countries.

On October 23, 1985, the spokesmen of the European Commission and the EEC Council of Ministers stated their skepticism with regard to the latest replies of the CMEA. Mr. de Clercq stressed that the establishment of such relations with the CMEA should not alter tangibly the basic position of the EEC. He once more stated the determination of the EEC to negotiate "between partners and not between blocs."¹⁴

On December 17, 1985, the ministers of foreign affairs of the twelve nations of the expanded European Community¹⁵ stated at Brussels their support for a "broad and deepened cooperation with all the countries of Eastern Europe."¹⁶ After three months of reflection and hesitations, the EEC again studied for one last time at Brussels on January 9-10, 1986, a letter prepared by de Clercq and addressed to the CMEA.¹⁷

On January 31, 1986, the European Community finally agreed to establish official relations with the CMEA. The EEC Commission sent a letter in the name of the Twelve to CMEA Secretary General Sychev via the Romanian ambassador in Belgium. The EEC "confirms its readiness to resume the dialogue" it interrupted in 1980. It "shares with Mr. Sychev the goal of establishing official relations with his organization."

At the same time, the EEC proposed in letters addressed to each of the seven European countries of the CMEA a "normalization of relations" with the EEC. The EEC confirmed that its relations with every East European country were top priority. The problem of West Berlin was not touched upon in these letters.¹⁸

On February 25, 1986, Sychev declared in Moscow that the establishment of "diversified" diplomatic relations between the EEC and the CMEA was a "mutual interest" and a "great step forward."¹⁹ Finally, on May 2, 1986, the EEC announced the receipt of a letter from Sychev which de Clercq's spokesman referred to as "positive."

Recent positions and interests of the parties involved

The presentation of a schedule for negotiations made it possible to isolate institutional incompatibilities, and in particular, incompatibilities in areas of competence that have impeded negotiations between the CMEA and the EEC. We shall now undertake to analyze the respective political and economic interests that explain the positions of each of the two parties and why talks could end with a joint declaration rather than an agreement on cooperation.

For the USSR, the goals of negotiation are more political and strategic than economic. The opening toward the EEC announced by the CMEA Secretariat seems to have been a turning point in the EEC-CMEA dialogue. The Soviets, who until now had been reticent about recognizing a supernational organization such as the EEC, have now taken a radical turn. This abrupt change of attitude set in several weeks before Gorbachev's arrival in Paris in October 1985 and five months before the resumption of the Geneva negotiations on arms limitations. How is this new CMEA step to be interpreted?²⁰ The CMEA seems to be desirous of establishing guidelines that would protect the member countries from a policy of economic sanctions to safeguard against any new Western trade restrictions on grain or technology exports. If the relations between the two "common markets" became more formal, it would be easier, the CMEA thinks, to oppose any restrictive decisions made by COCOM.²¹ To this are added more economic reasons that are also important but that have so far not been decisive.

The USSR and the member countries of the CMEA would like to find markets where they can sell their goods in larger quantities and under better conditions. At the commercial level, the EEC is the third largest provider of farm products to the USSR after the United States and Canada, and the USSR has already accepted a number of loans in ECUs [European currency units—*Ed.*].²²

By strengthening its ties with the EEC, the CMEA perhaps hopes to have an easier hand in its divisive tactics with regard to the Atlantic alliance, playing the EEC off against the United States. Is it a way to show the Americans that the USSR can obtain what it needs elsewhere? Indeed, the USSR has softened its tone vis-à-vis the EEC since Europe in 1981 opposed the American embargo on the sale of petroleum and gas technology.

Probably, the USSR may also hope to discourage the various CMEA countries from going it alone in their relations with the West and to control them through the establishment a joint commission or some other community instrument. The USSR is indeed concerned about the tendencies, which T. Schreiber calls "autonomist,"²³ of certain socialist countries that have been enticed by direct contacts with the EEC.

Moreover, would not the USSR itself be interested in signing agreements with the EEC that would give it, like the other signatory countries, a share in the market which, though perhaps minimal, would nevertheless be stable.

For the other Eastern countries economic interests are most important, but these are subject to political constraints. In contrast to the USSR, the small countries of Eastern Europe are more concerned with the trade policies of the Community. Much smaller than the USSR and geographically closer to the Community, they export a larger part of their production to the EEC than to the other Western countries. Their exports are essentially made up of farm products and low-technology manufactured articles, which come up against the communitarian protectionism deriving from the Common Agricultural Policy and Joint Trade Policy.

So far only Romania has concluded, in January 1981, a blanket agreement on industrial and agricultural trade with the EEC, and the Romanians would like to extend it to other sectors. The other countries, with the exception of the USSR and the GDR, have negotiated arrangements less restrictive than quotas and better price conditions for their exports, but at the cost of commitments that oblige them to self-impose reductions in their sales to the EEC countries of textiles and steel, yet without conceding *de jure* recognition of the EEC. Besides, the Community has adopted some import quotas which in certain cases apply to Eastern Europe for products such as wheat, butter, pork, and horse-meat. . . . For the East European countries that export such products, a due and proper agreement would guarantee them a specific volume of exports to the EEC.

For the EEC, the stakes in an agreement with the CMEA are essentially political. The EEC has always expressed its reluctance and even its opposition to negotiate in the commercial domain with the CMEA, wishing to avoid encouraging an affirmation of Soviet guardianship over the foreign trade of the Eastern countries. Although the EEC would not be favorable to a negotiation that would embrace trade relations, it has nonetheless made concessions by proposing to include in some future agreement with the CMEA a reference to the economic principles of the Helsinki Final Act. Nevertheless, it intends to maintain a priority on its bilateral relations with each of the CMEA member countries. This is what was stressed in the report by V. Bettiza which was discussed in the European Parliament. The question of bilateral

trade relations has always been the central point in the EEC's positions since the beginning of the dialogue. Trade relations in particular and economic relations in general cannot be regulated by a bloc-to-bloc agreement, since the CMEA has no powers in this domain and there is no joint CMEA trade policy.

The text presented by Bettiza proposed strengthening the agreement that links the Community with Romania and exploring all possibilities for bilateral agreements with Hungary, Poland, and other interested countries. According to this report, the following must be done:

- see to it that these countries adapt their products to the international market and do not content themselves solely with offering what they produce;

- examine their solvency in trade contracts;

- reinforce the special ties which exist between the EEC and the German Democratic Republic;

- endeavor to favor contacts and information exchanges between the "two Europes," whose joint cultural legacy is immense.

While Hungary has been the party to a keystone agreement in East-West relations, the report also stresses the industrial progress of the GDR and its "fidelity to Moscow," as well as the special condition of Czechoslovakia since 1968. It described "maintaining assistance to Poland."²⁴ But the EEC would not refuse prudent cooperation with the CMEA in well-defined areas.

The EEC-CMEA dialogue has until quite recently come up against basic disagreements that prevented concrete measures and decisions from being reached. For years, neither of the two parties altered its initial positions. After the Soviet invasion of Afghanistan it was quite clear that the two positions were not reconcilable. The talks were therefore interrupted in 1980 to put an end to this dialogue of the deaf. Divergences remained in the desire of the CMEA to include trade clauses in the agreement, and in the desire of the EEC to negotiate its bilateral agreements with each of the CMEA member countries.

After four years of silence, the CMEA showed a perceptible desire to resume the dialogue, and, with the arrival of Gorbachev in the Kremlin in 1985, to reach a conclusion as well. The USSR seems to be willing to find a common language with the EEC on concrete problems. Is the dialogue now close to a true dénouement? Can we today envisage any mutual recognition between the two groups, the establishment of formal relations, and the achievement of an agreement?

Some positive points allow us a certain optimism, at least as regards mutual recognition. The Community experts think that the term "political body" used by Gorbachev to define the EEC leaves room to believe that Moscow would be disposed to recognizing it. This point was confirmed in the letter from Sychev, CMEA secretary general, in his reference to recognition of the EEC as such that derives from the proposal to establish "official relations."²⁵ This letter contains other satisfying elements: the talks would be limited to the adoption of a general EEC-CMEA declaration. The indication that agreements in the future would take into account differences in the "powers of the two organizations" would seem to mean that the CMEA would respect the position of the Community, which can only accept an agreement covering the domain of commerce.

Finally, the reference to the "member countries" is also a satisfying

element if it means that any EEC-CMEA agreement would not replace bilateral agreements. In any event, the fact that the CMEA replied so rapidly to the EEC questions was considered to be an effort to arrive at an agreement. Finally, the EEC intends to remain prudent. It would like to avoid a declaration that is devoid of real scope and could be exploited politically. It desires that a normalization of relations should end in an agreement that would truly take into account the powers and structures of the two organizations. As Willy de Clercq stated on October 23, 1985, before the European Parliament,²⁶ "Our basic objectives are to normalize relations of the Community with the member countries of the CMEA and to promote economic relations with each of the countries taking into account their situation and their special interests and consequently to avoid a 'bloc-to-bloc' approach."

Notes

1. Article II, paragraph 2, line (b) of the Charter of the Council for Mutual Economic Assistance "L'intégration économique à l'Est: le CAEM," *Notes et Etudes Documentaires*, nos. 4268-4269-4270, March 8, 1976, p. 110.

2. *Agence de Presse Novosti*, September 30, 1980.

3. J. Zabza, "L'importance des rapports entre la CEE et le CAEM pour le développement économique de l'Europe," *Commerce extérieur tchécoslovaque*, July 1982.

4. Cf. C. Lennuier and R. Lignières, Chronological Table, pp. 12-15, column "Relations extérieures de la CEE" in "La Communauté Economique Européenne," 2 vols., Paris: Profil, Hatier, 1981-1982.

5. Declaration of the CMEA member countries "Le maintien de la paix et al coopération économique internationale," *Commerce extérieur de l'URSS*, 1984, no. 7, p. 7.

6. "Moscou favorable à l'établissement de rapports CEE-COMECON," *L'Echo de la bourse*, June 21, 1985.

7. Nonofficial translation of the letter published in Russian.

8. D'après EUROPE—"CEE/COMECON: la Commission européenne est chargée d'explorer la portée de l'initiative du COMECON," July 21, 1985.

9. "Les relations du CAEM et de la CEE," *BIKI* (Bulletin d'informations commerciales étrangères), July 25, 1985 (TASS).

10. "CEE/COMECON: les Polonais veulent contraindre Rome à coopérer," *La Tribune de l'Economie*, July 21, 1985.

11. "Le COMECON confirme: coopération avec la CEE," B.M., *Le Figaro*, June 28, 1985.

12. *Les Nouvelles de Moscou*, July 29, 1985; "Communiqué sur la 40ème session du CAEM," *Pravda*, June 29, 1985.

13. "Le 10ème anniversaire des Accords d'Helsinki," *Le Monde*, August 10, 1985.

14. *Financial Times*, October 24, 1985.

15. The Ten plus Spain and Portugal.

16. *Le Soir*, December 18, 1985.

17. *La Tribune de l'Economie*, January 8, 1986.

18. These letters have not yet been published. Information acquired from AFP, January 31, 1986.

19. *L'Echo de la bourse*, February 27, 1986.

20. "Le COMECON confirme: coopération avec la CEE," *Le Figaro*, June 28, 1985.

21. Consultative Coordinating Committee of NATO for export control. Cf. "Le COCOM et les restrictions aux exportations de haute technologie vers les pays de l'Est," *Le Courrier des Pays de l'Est*, no. 301 (December 1985), pp. 52-70.

22. J. and C. Neme, "L'avenir de l'Ecu dans les relations CEE-Pays de l'Est," *Le Courrier des Pays de l'Est*, no. 303 (February 1986), pp. 28-36.

23. T. Schreiber, "Les relations entre le CAEM et la CEE," *Le Courrier des Pays de l'Est*, no. 296, (June 1985).

24. *Relations extérieures*, no. 1169 (October 23, 1985).

25. M. Paolini, "Le COMECON veut coopérer officiellement avec la CEE," *La Tribune de l'Economie*, July 18, 1985; "Europe," no. 4114 (new series), July 21, 1985.

26. "Europe," no. 4191 (new series) (October 25 1985). Information à la presse, Brussels, October 24, 1985.

Table 1

CMEA Share¹ in the Trade of EEC² Countries in 1984 (in %)

	EEC exports	EEC imports
EEC (total)	2.9	4.5
Belgium-Luxembourg	1.8	4.2
France	3.2	3.3
Italy	3.4	7.2
Netherlands	1.2	5.1
FRG (excluding FRG-GDR trade)	4.1	5.3
Denmark	1.9	4.9
Great Britain	1.8	2.4
Ireland	0.5	1.4
Greece	5.7	8.4

Notes:¹CMEA = USSR and the six European countries of the CMEA.²Excluding GDR, part G trade.

Source: Calculations carried out on the basis of Table 1.

Table 2

EEC Trade with the European CMEA Countries in 1984 (in millions of ECUs)

Exports f.o.b. Imports c.a.f.	CMEA (7 countries)	Bulgaria	Hungary	Poland	GDR	Romania	Czecho- slovakia	USSR
EEC Exports	21,217.0	1,190.4	2,159.5	2,380.4	855.9	1,017.2	1,626.2	11,986.0
EEC Imports	34,854.9	514.5	1,864.8	3,290.4	1,636.1	3,003.6	2,115.3	22,429.9
EEC Balance	-13,637.9	675.9	294.7	-910.0	-780.2	-1,986.0	-489.1	-10,443.0
Belgium- Luxembourg Exports	1,200.3	59.4	98.4	109.6	92.2	60.5	73.1	707.0
Belgium- Luxembourg Imports	2,969.9	23.3	42.5	154.1	167.9	41.4	69.3	2,471.4
Belgium- Luxembourg Balance	-1,769.6	36.1	55.9	-44.5	-75.7	19.1	3.8	-1,764.4
France Exports	3,756.3	133.1	184.7	348.2	263.9	196.3	144.8	2,485.3
France Imports	4,338.8	69.3	197.3	416.4	330.7	351.6	192.9	2,780.7
France Balance	-582.5	63.8	-12.6	-68.2	-66.8	-155.3	-48.1	-295.4
Italy Exports	3,151.6	176.3	260.7	256.4	168.2	120.3	152.5	2,017.1
Italy Imports	7,729.0	102.0	386.5	446.3	145.5	1,235.9	274.7	5,138.0
Italy Balance	-4,577.4	74.3	-125.8	-189.9	22.7	-1,115.6	-122.2	-3,120.9
Netherlands Exports	1,078.7	54.2	141.8	214.9	115.2	58.0	106.0	388.5
Netherlands Imports	4,162.7	28.4	102.1	265.4	199.9	230.1	159.4	3,177.4
Netherlands Balance	-3,084.0	25.8	39.7	-50.5	-84.7	-172.1	-53.4	-2,788.9
FRG Exports	9,033.3	603.4	1,052.8	1,052.8	—	398.2	941.8	4,810.6
FRG Imports	10,218.6	192.6	916.2	1,227.3	—	651.5	1,053.4	6,177.3
FRG Balance	1,185.3	410.8	309.6	-174.5	—	-253.3	-111.6	-1,366.7
Denmark Exports	385.0	15.9	41.8	80.8	43.4	7.7	44.2	151.1
Denmark Imports	1,038.7	4.0	47.4	227.9	229.0	25.7	86.6	418.0
Denmark Balance	-653.7	11.9	-5.6	-147.1	-185.6	-18.0	-42.4	-266.9
Great Britain Exports	2,199.1	93.1	167.1	287.0	151.3	126.2	130.8	1,243.7
Great Britain Imports	3,195.1	31.5	129.5	442.9	434.6	386.9	211.8	1,558.1
Great Britain Balance	-996.0	61.6	37.6	-155.9	-283.3	-260.7	-81.0	-314.4
Ireland Exports	62.3	2.5	8.5	13.3	3.5	1.9	4.2	28.3
Ireland Imports	166.8	0.9	3.6	69.2	11.8	6.8	13.1	61.4
Ireland Balance	-104.5	1.6	4.9	-55.9	-8.3	-4.9	-8.9	-33.1
Greece Exports	350.3	52.5	30.6	17.4	18.2	48.4	28.8	154.4
Greece Imports	1,035.2	62.6	39.7	40.9	116.7	73.6	54.1	647.6
Greece Balance	-684.9	-10.1	-9.1	-23.5	-93.5	-25.2	-25.3	-493.2

Source: Analytic Tables of Foreign Trade, Nimexe, 1984 (Z), Eurostat.

Table 3

Share of Each CMEA Country in EEC Trade¹ with the CMEA Countries² in 1984 (in %)

		USSR	Bulgaria	Hungary	Poland	GDR	Romania	Czecho- slovakia
The Ten	Exports	56.5	5.6	10.2	11.2	4.0	4.8	7.7
	Imports	64.4	1.5	5.3	9.4	4.7	8.6	6.1
of whom:								
Belgium-Luxembourg	Exports	59.0	4.9	8.2	9.1	7.7	5.0	6.1
	Imports	83.2	0.8	1.4	5.2	5.7	1.4	2.3
France	Exports	66.2	3.5	4.9	9.3	7.0	5.2	3.9
	Imports	64.1	1.6	4.6	9.6	7.6	8.1	4.4
Italy	Exports	64.0	5.6	8.3	8.1	5.3	3.8	4.9
	Imports	66.5	1.3	5.0	5.8	1.9	16.0	3.5
Netherlands	Exports	36.0	5.0	13.2	19.9	10.7	5.4	9.8
	Imports	76.3	0.7	2.5	6.4	4.8	5.5	3.8
FRG (excluding FRG-GDR trade)	Exports	53.3	6.7	13.6	11.6	—	4.4	10.4
	Imports	60.4	1.9	9.0	12.0	—	6.4	10.3
Denmark	Exports	39.2	4.1	10.9	21.0	11.3	2.0	11.5
	Imports	40.2	0.4	4.6	21.9	22.1	2.5	8.3
Great Britain	Exports	56.6	4.2	7.6	13.1	6.9	5.7	5.9
	Imports	48.8	1.0	4.0	13.9	13.6	12.1	6.6
Ireland	Exports	45.5	4.0	13.7	21.4	5.6	3.1	6.7
	Imports	36.8	0.5	2.2	41.5	7.1	4.1	7.8
Greece	Exports	44.1	15.0	8.7	5.0	5.2	13.8	8.2
	Imports	62.6	6.1	3.8	3.9	11.3	7.1	5.2

Notes:

¹Excluding FRG-GDR trade.²CMEA: USSR + the six European countries of the CMEA.

Source: Calculations carried out on the basis of Table 1.

Table 4 Share of Each EEC Country in EEC Trade¹ with the CMEA Countries² in 1984 (in %)

	CMEA (7 countries)	USSR	Bulgaria	Hungary	Poland	GDR	Romania	Czecho- slovakia
Belgium-Luxembourg								
Exports	5.6	5.9	5.0	4.6	4.6	10.8	5.9	4.5
Imports	8.5	11.0	4.5	2.3	4.7	10.3	1.4	3.3
France								
Exports	17.7	20.7	11.2	8.5	14.6	30.8	19.3	8.9
Imports	12.4	12.4	13.5	10.6	12.6	20.2	11.7	9.1
Italy								
Exports	14.9	16.8	14.8	12.1	10.8	19.6	11.8	9.4
Imports	22.2	22.9	19.8	20.7	13.6	8.9	41.1	13.0
Netherlands								
Exports	5.1	3.2	4.6	6.6	9.0	13.5	5.7	6.5
Imports	11.9	14.2	5.5	5.5	8.1	12.2	7.7	7.5
FRG								
Exports	42.6	40.2	50.7	56.8	44.2	—	39.1	57.9
Imports	29.3	27.5	37.4	49.1	37.3	—	21.7	49.8
Denmark								
Exports	1.8	1.3	1.3	1.9	3.4	5.1	0.8	2.7
Imports	3.0	1.9	0.8	2.6	6.9	14.0	0.9	4.1
Great Britain								
Exports	10.4	10.4	7.8	7.7	12.1	17.7	12.4	8.0
Imports	9.2	6.9	6.1	6.9	13.5	26.6	12.9	10.0
Ireland								
Exports	0.3	0.2	0.2	0.4	0.6	0.4	0.2	0.3
Imports	0.5	0.3	0.2	0.2	2.1	0.7	0.2	0.6
Greece								
Exports	1.6	1.3	4.4	1.4	0.7	2.1	4.8	1.8
Imports	3.0	2.9	12.2	2.1	1.2	7.1	2.4	2.6

Notes:

¹Excluding FRG-GDR trade.²The USSR and six European countries of the CMEA.

Source: Same as Table 1.

extracted from:

RF: 89A/311

WILTON PARK PAPERS

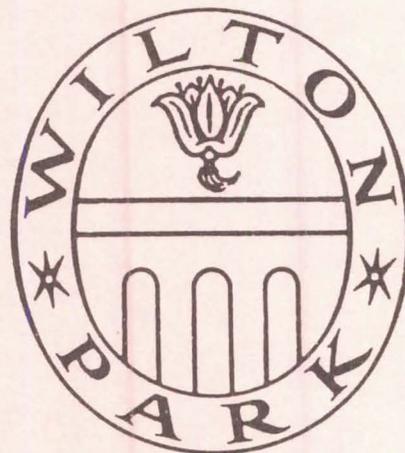
8

ON

WILTON PARK CONFERENCE NO. 322: 5-10 JUNE 1988

C O N F E R E N C E R E P O R T

EUROPE INTO THE 1990s:
AN END TO THE POST-WAR ERA?



CONTENTS

	<u>Page</u>
I INTRODUCTION	1
II THE PROGRESS OF GLASNOST AND PERESTROIKA IN THE SOVIET UNION	1
Support for and Opposition to Gorbachev	2
Economic Reform	3
Political Reform	4
III THE SOVIET UNION AND EASTERN EUROPE	5
IV THE NATO ALLIANCE	7
V THE SUPER-POWERS AND EUROPEAN SECURITY	9
VI ARMS CONTROL	11
VII HUMAN RIGHTS IN EAST-WEST RELATIONS	12
VIII EAST-WEST ECONOMIC RELATIONS	13
IX THE GERMAN QUESTION	15
X THE FUTURE OF EUROPE	17
A Plan for the Future of Europe	19
XI CONCLUSIONS	20
PROGRAMME OF SESSIONS	23
LIST OF PARTICIPANTS	24

I INTRODUCTION

This report summarises the proceedings of the first Wilton Park conference to be held outside the United Kingdom. The choice of Finland as the location for a conference on the future of Europe was based on two factors: first, neutral Finland is an established venue for the discussion of East-West issues, and secondly, Wilton Park enjoys the support of an enthusiastic Finnish Wilton Park Committee without which the conference at Haikko Manor, Porvoo, would not have been possible.

The conference addressed the question: "are we finally seeing an end to the post-war era and the beginning of a new European modus vivendi?" It took place in June three weeks before the historic Communist Party Special XIX Conference which was a triumph for General-Secretary Gorbachev's radical reform of the Soviet system. The XIX Conference appeared to confirm the optimism of Wilton Park participants regarding East-West relations, although this optimism is dependent on the success of the Soviet reform process.

The Porvoo conference agreed that open discussion between East and West could not have been achieved even two years ago. The climate of international relations has changed dramatically largely due to the "new political thinking" of a new post-war Soviet generation, which favours democratisation in a land which previously knew only autocracy, and the tragedies of invasion and forced industrialisation. A wind of change is blowing across Europe which leads some to talk of entering a "post-post war" era. Others argue that, although the atmosphere of East-West relations has improved remarkably, the post-war era will not end until the centre-piece of the post-war settlement, a divided Germany, is re-unified or the question is resolved in some other way.

II THE PROGRESS OF GLASNOST AND PERESTROIKA IN THE SOVIET UNION

Economic and political restructuring of the Soviet system, perestroika, was introduced to arrest the decline of the Soviet economy and society and the widening economic and technological gap between the Soviet Union and the West. Ossification of the Soviet political system, lack of incentive, economic inefficiency, drunkenness, inadequate supply of consumer goods and corruption of Party officials are symptoms of a system in need of radical reform. Faced with low or even negative economic growth, Gorbachev is attempting such far-reaching economic, social and political reforms that a redefinition of socialism is necessary. Gorbachev initiated his reform programme with due reference to Lenin in order to reduce ideological and political opposition. Lenin's principles remain fundamental and sacrosanct in the Soviet system although new interpretations are being adopted. Stalinism has been condemned as a deviation from Leninist socialism, and Gorbachev claims to be reforming Stalinism and the ensuing stagnation of the Brezhnev years. Reform is thus equated with more, not less, socialism.

Internal reform is also vital for the Soviet Union to maintain its influence abroad. As Gorbachev stated at the XIX Conference: "In a Soviet Union where the economy works and the Communist Party's role is cut down to size, socialism might again have a model to offer the world".

Support for and Opposition to Gorbachev

The Spring 1988 article in Sovetskaya Rossiya criticising the pace of reform was a tactical error by the conservatives and obliged Yegor Ligachev to deny his image as a conservative at the XIX Conference. There has been disagreement as to how deep the rivalry between Gorbachev and Ligachev actually is. Those maintaining that differences on ideology and over the pace and substance of reform are evidence of a disguised power-struggle appear to have been proved correct by Gorbachev's removal of Ligachev from the number two position in the Politburo to the less important and more risky agriculture portfolio.

It is difficult to ascertain who supports Gorbachev. So far, he has successfully by-passed bureaucratic and conservative opposition in the Party with glasnost, a US presidential-style use of the media, the first Special Party Conference for forty years and the September 1988 emergency meeting of the Central Committee Plenum. He cannot have the unqualified support of the bureaucracy and the military he is trying to trim, since both groups fear the loss of their jobs and privileges. However, Gorbachev knows that the military, which has so far been exempted from the broader implications of perestroika, must be allocated enough resources to maintain the Soviet super-power status of the Soviet Union.

Support for Gorbachev appears to come mainly from the intelligentsia, and even this may be withdrawn if results are not forthcoming. Faced with minimal support, Gorbachev's revolution 'from the top' intended glasnost to encourage public debate and hence build grass-roots support for perestroika. Glasnost does not operate outside the constraints of the socialist system: there are no laws on the freedom of conscience, the press and unofficial associations. Before the XIX Conference the limits of glasnost excluded public criticism of the Politburo and the conduct of foreign affairs. The Conference took the limits of glasnost beyond what was expected, with unprecedented public condemnation of the intervention in Afghanistan and criticism of Politburo and senior Central Committee members. However, glasnost may still be lost on a population still unaccustomed to freedom of expression.

It has, however, been influential among the non-Russian nationalities which resent Russian domination. The nationalities issue is the most sensitive unintentionally generated by glasnost; the demand of Nagorno-Karabakh to secede from Azerbaijan has been the most violent example. Nevertheless, the Soviet leadership sees perestroika as an attempt to re-unify the peoples of the USSR.

Soviet workers are now faced with heavier work demands, increased supervision, stricter quality control, and less job security, implied by the new Law on State Enterprise. Eighteen million people are expected to be made redundant by 1999. Substantial consumer price rises are in prospect and the political consequences of such rises in Poland are well known. Soviet citizens usually adopt a cautious view of reform proposals and good intentions of their leaders. Previous reforms in the USSR have failed, and economic reforms have come to be regarded as minor adjustments. In spite of a widespread acceptance of perestroika's critique of the shortcomings of the Soviet system, most citizens have a vested interest in the status quo, preferring assured awfulness to the economic and political uncertainty created by perestroika. Already Gorbachev is having to defend perestroika from criticisms that it has made the economic situation worse. There is no focus of opposition to Gorbachev but fear and uncertainty may be enough to defeat perestroika.

Economic Reform

The reform process started with the elaboration of perestroika in 1986 and the problems of implementation are only now becoming visible. Perestroika acknowledges that central planning cannot meet the needs of the modern economy and aims to transfer economic decision-making away from bodies like Gosplan which failed to balance supply and demand for both raw materials and finished products. Many East European countries also recognise the need for fundamental economic change including the wide use of market mechanisms within the socialist economic system; Poland found that it was not enough to modernise by importing modern technology and capital from the West without reforming the economic planning system.

The economic blueprint and its details are vague. Some believe Gorbachev is tackling reform as well as can be expected. Others see perestroika as a disorderly

trial-and-error process with reforms being implemented in the wrong order: industry before agriculture, acceleration before reconstruction, growth before quality. The 1988 Law on State Enterprise couples the decentralisation of planning with encouragement of enterprise initiative and the elimination of subsidies to three-fifths of state enterprises. Results so far in sectors which have adopted full economic accountability, such as machine-building and light industry, have been disappointing. Many enterprises are still producing 100 per cent of their goods for state orders and large distortions are occurring due to the interaction of heavily subsidised with unsubsidised enterprises. Ten per cent of state enterprises make losses totalling twelve billion Roubles a year, and are de facto insolvent, but they cannot close because there is no bankruptcy law. The Law on Cooperatives has also not been fully thought through.

However, economic reform involves more than structural reform. The Soviet Union is a huge market with pent-up excess demand for consumer products, and the ultimate test of perestroika will be the improvement in the supply and quality of consumer goods. Price reform and currency convertibility are required but have not been pursued because they could be politically explosive. It is indeed uncertain whether fundamental price reform, or only price revision, is envisaged.

The greatest challenge to perestroika has been its lack of implementation in spite of public debate and political decisions. Although both the majority of conservative delegates and the pro-reform minority rallied unanimously behind Gorbachev at the XIX Conference, will the bureaucrats implement their decisions? Results in the next two to three years will probably be crucial.

VII HUMAN RIGHTS IN EAST-WEST RELATIONS

The movement towards international recognition of human rights emerged from the outrages of World War II. There are different philosophical and ideological foundations for human rights, and no single socialist or Western concept defines their essence. There are, however, some universal and indivisible principles of civil, political, economic, social and cultural rights for all peoples and nations. A global approach to human rights is demanded, and there can be no agreement that, for example, Western Europe specialise in civil and political rights and Eastern Europe in socio-economic rights.

In socialist countries human rights have been traditionally 'class oriented' with priority given to economic and social rights over civil and political rights. Laws already exist to protect human rights but legal procedures for their defence, and remedies for their violation, have been neglected. There has been insistence on non-interference from outside states and a reluctance to accept norms of international law in domestic law. The barring of international jurisdiction and procedures (inter-state complaints and individual communications) demonstrates a reluctance to accept international supervision of performance.

However, there is a growing awareness in Eastern Europe of the need to alter the balance between public and individual interests. The need to extend individual freedoms, the importance of legal remedies for human rights violations, the equal importance of civil and political rights with economic and social rights are increasingly recognised. Eastern Europeans are also beginning to recognise that human rights have been internationalised and are not a matter exclusively for national jurisdiction, and may come to accept international codes and the role of non-governmental organisations to protect, promote and implement human rights. Economic and social rights may cease to be given priority over political and civil rights. If these trends prevail, how would the nature of Eastern Europe's political systems be affected? It is important to note that the Soviet Union states that human rights can be only exercised within a socialist system which is itself not negotiable.

Changes are also evident in Western attitudes. Western opinion may come to recognise that democracy and human rights can be safeguarded in a society governed by one party, provided guarantees are established, and measures are implemented to reduce the abuse of power inherent in a one-party state. Western Europeans usually accept the concept of socio-economic rights, but the US still rejects it. The West may also need to recognise collective rights alongside individual rights, and in so doing reject a strictly individualistic approach. It may also need to be recognised that State power is not the only menace to human rights; transnational corporations, for example, may also exercise too much power over individuals. However, Socialist bloc criticism of economic rights in the West is muted by lower levels of economic performance in the East: a job cannot be created at the stroke of a pen, whereas political and civil rights can be assured in this way.

The realism of a global approach to human rights is still debated. Some argue that acceptance of the right of individuals to redress in international law is the acid test of states' adherence to human rights. They point out that the US view is inconsistent as it emphasises its commitment to human rights but at the same time rejects international jurisdiction. Others note that East-West relations are almost exclusively inter-state because some states reject international controls and freedoms.

International monitoring arrangements for human rights exist in the Council of Europe and the European Community. Arrangements in Eastern Europe are informal and uninstitutionalised, and are strongly determined by the dominant political and ideological stance of the Soviet Union. In the future, a strengthened CSCE and bloc-to-bloc Pan-European arrangements may be established. Admission of East European states to the Council of Europe is, at best, a long-term possibility.

East-West co-operation over human rights is a long-term task and its implementation requires a thorough re-examination and reconciliation of concepts and policies in East and West. The indivisibility and interdependence of all rights must be recognised, and the abuse of human rights for political purposes and propaganda must be abandoned. The links between respect for human rights, peace and development should be recognised in the foreign policies of East and West towards each other and towards developing countries. Double-standards and a selective approach, citing abuses in one region and not others, must be rejected.

VIII EAST-WEST ECONOMIC RELATIONS

Expansion of East-West economic relations cannot by itself promote improvements in the political climate. The widening East-West economic gap does not bode well for future co-operation, and it could become insurmountable by the year 2000. The East badly needs full normalisation of commercial and financial relations with the West and improved access to Western markets, technology, capital and management expertise.

The 1970s were years of constructive East-West trade and co-operation but with détente in ruins in the late 1970s economic relations declined. Better conditions for economic relations have re-emerged with the improvement in US-Soviet relations since 1985. Eastern Europe accounts for only one per cent of both OECD and US trade but East-West trade is much more important for the East. The West imports principally raw materials, low technology manufactures and agricultural goods from the East. The Western export market for Eastern Bloc goods continues to be limited by the poor quality of Eastern manufactured goods. For example, Finland runs a large trade surplus with the Soviet Union, and has difficulty in diversifying the composition of its imports from that country. A significant increase in East-West trade would require the East to change from labour-intensive to capital and technology-intensive production.

In the 1970s, it was hoped that imports of high technology financed by Western credits would compensate for poor economic performance, but it is now clear that only substantial structural economic and industrial reforms, and a new foreign trade orientation, will increase the competitiveness of Eastern Europe's exports. There is little optimism in the West about the prospects for the success of Eastern bloc reforms. Western business will not be interested in opportunities unless extensive changes are implemented including: removal of bureaucratic obstacles, more freedom to remit profits, ending restrictions of Western equity in joint ventures to minority holdings, implementing price reforms, and devolving centralised decision-making to autonomous enterprises. While joint ventures are seen as an important means for improving economic performance, their promise is also limited by the strict conditions imposed by Western industrialists. More attractive economic conditions in other parts of the world reduce the attraction of the Socialist bloc. It remains to be seen whether special economic zones, which are operating successfully in China, will succeed in the Soviet Union. In addition, East European reform would have been better implemented before the Newly Industrialised Countries (NICs) became major exporters.

The West can support economic reform in the Eastern bloc through a variety of means; it could put Eastern Europe higher in the queue for trade preferences. East European and Soviet applications to the GATT and the IMF provide the West with opportunities for multilateral economic leverage to encourage reforms in pricing, economic policy and currency convertibility. The implementation of reform should also be a prerequisite to further lending to Eastern Europe. The East-West economic gap can only be closed by internal efforts and not by reliance on external borrowing as in the 1970s.

East-West economic links are slowly improving. The German Democratic Republic retains its special access to the EC which provides a unique bridge in East-West economic relations. The Soviet Union finally recognised the EC in 1986, and the June 1988 CMEA-EC agreement helps to provide an umbrella for promoting bilateral trade relations. But issues of market access and quotas remain outstanding. The CMEA should ultimately aim at an agreement similar to EFTA's free trade agreement with the EC, and an all-European forum which could help to reduce systemic differences and promote trade. Eastern bloc economic growth also needs greater multilateral integration within the CMEA.

In spite of much progress, Western policies often appear to be designed to hamper such a change. The Co-ordinating Committee for Multilateral Export Controls (COCOM) is a significant obstacle. The Committee restricts exports of militarily useful technology to the East on security grounds. However, COCOM is often accused of using security arguments as a cover for applying economic pressure. Western Europe and Japan have both complained that the COCOM list of prohibited exports is too long because it applies to many products with no military application. The US is accused of blocking progress in the CSCE by maintaining the length of the COCOM list.

Eastern optimism regarding enlarged East-West trade, Western investment, an all-European division of labour in agriculture and industry, and industrial co-operation, is not shared by the West. Eastern Europe believes the EC should regard it as a natural trading partner due to its geographical proximity and other advantages. However, any suggestion of a 'Marshall Aid' plan for revitalising the economies of Eastern Europe is rejected by the Eastern bloc, and is received with little enthusiasm in the West.

IX THE GERMAN QUESTION

There is general agreement that the German Question remains central to the future shape of Europe, and that German re-unification is unlikely for the foreseeable future. However, there is also disagreement as to whether the desire for national unity is still strong in both Germanies.

The concept of a 'Common European Home' embracing both Eastern and Western Europe has been revived by Gorbachev. Relations between the two German states may become a bridge between the two parts of Europe. The Federal Republic regards a 'Common European Home' as a lasting solution to the German Question, although major stumbling blocks include the mutual recognition of the German parliaments, and the omission of the US, which rejects the concept. However, many in the West believe that if there is to be a common home, it will be built by individuals, and not by states engaged in formal agreements to improve an adversarial relationship.

X THE FUTURE OF EUROPE

Many in the East and West agree that we are entering a more co-operative phase in European history; the super-powers have lost their predominance, the two blocs are no longer monolithic, and the military element in East-West relations is declining. The rigid zero-sum bipolarity of the post-War era is nearing an end. In these circumstances alternative views can exist about the 'end of the post-war era':

the post-War era has already ended;

the post-War era cannot be brought to an end because of the continuing division of Germany and the reluctance of the super-powers to make a new settlement;

the post-War era could end with an agreed and implemented plan for the withdrawal of all super-power forces;

the post-War era will evolve and gradually fade away;

the post-War era is a single continuum and by definition will end only when the next war begins!

Glasnost is contributing to East-West confidence-building. 'New thinking' in the Soviet Union, which appears to be more and more radical, is a disguised acceptance of changed power realities and security imperatives. New thinking brings four key changes:

the use of ideology in foreign policy is largely eradicated and pragmatism prevails;

the territorial imperatives of Soviet security have changed;

security doctrines have changed from being based on military strength to an emphasis on finding political solutions;

the leading role of the Party is now interpreted in the context of socialist pluralism, and the one-party state is therefore regarded as a transitional stage to a fuller democracy, though it is emphasised that the Soviet Union is not becoming a liberal democracy.

Many argue that the success of Soviet reform is crucial to Europe's future; the perception of the Soviet threat has changed more rapidly in the past two years than in the previous forty years. Current reforms in the Eastern bloc provide the greatest opportunity to improve East-West relations since the Second World War. This is an opportunity which the West must not waste, even if it cannot hope to influence the internal reform process beyond making welcoming statements and encouraging the growth of trade.

Other Western reactions are more muted, seeing the developments in Eastern Europe as welcome but no reason for euphoria. Fundamental reform of the socialist system is not yet contemplated. Results of the limited reform programmes in the Soviet Union and Eastern Europe are uncertain, and serious setbacks are inevitable. Similarly, East European conservatives point out that the success of perestroika is uncertain and use Gorbachev's Prague thesis of different national roads to Socialism to support their own inaction. These negative responses are reinforced by the fact that East European and Soviet nomenklaturas have a firm stake in the status quo and fear the erosion of their status and privileges.

Arguably five possible options exist regarding Germany's future:

- a military crisis in Central Europe leading to a war in which no-one survives;
- a united socialist Germany, which is unrealistic;
- a united capitalist Germany, which is also unrealistic;
- a neutral German confederation, equally unrealistic;
- and a continuation of the modus vivendi, which is most likely.

In principle, no nation can accept its own division. The Federal Republic considers the Democratic Republic as another state within the German nation, and the Federal Republic's Constitution envisages eventual re-unification. The Federal Republic believes acceptance of permanent division would provoke extreme left or right wing nationalist reactions in both states, and that such a renunciation on its part would not be credible.

In contrast, the Democratic Republic wishes to remain sovereign and will not accept being part of a re-unified German state. The Democratic Republic maintains that each German state must recognise the other, and that there must be mutual respect for the other's development. The Democratic Republic does not share the Federal Republic's 'nationalism'. After 40 years the Democratic Republic is not a nation but a state whose German population are citizens of the Democratic Republic. The GDR stresses that Germany was unified for only 74 years during which the Reich played a damaging role in Europe; the status quo is not unbearable nor is there urgency for change. The Democratic Republic is content with equal political status with the Federal Republic, but it wants to narrow the economic gap.

However, in spite of these differences the Federal Republic and the Democratic Republic have developed a modus vivendi based on the 1972 Treaty on Intra-German Relations, and pursue initiatives for increased collaboration. The two German states are on the front-line between the blocs and are both particularly aware of the military and environmental threats in Central Europe. The Jakes initiative, a joint declaration of the governments of Czechoslovakia and the Democratic Republic of Germany and the Federal Republic's Social Democratic Party, calls for a nuclear and chemical weapon-free zone in Central Europe. The Democratic Republic places great stress on the removal of nuclear weapons and accepts asymmetrical reductions as appropriate. The Honecker visit to the Federal Republic in 1987 indicated that peaceful cohabitation was possible.

Events in Germany have strongly affected East-West relations. Any solution to the German problem must take into account not only the self-determination of the German people but also the legitimate geostrategic interests of all powers in the area. Neighbouring states in both East and West find the status quo in Germany politically convenient although they recognise the inherent problems. The Soviet Union opposes a unified Germany because of past experiences and an unwillingness to accept a strong power in Central Europe. Re-unification would also imply the loss of the Soviet Union's strategic position in the Democratic Republic. France and Poland also oppose any move towards German re-unification.

Current diplomatic efforts concentrate on the possible and seek to alleviate the consequences of division. The Federal Republic seeks practical improvements which benefit the people in both German states. Borders should be made less impermeable through greater freedom of movement, and the extension of civil liberties. Already communications have been improved and there has been a dramatic expansion of cross-border travel and contacts, especially from East to West. However, in spite of these achievements the differences, belonging to opposing alliances and having different political and economic systems, remain significant.

Changes in the West, particularly the progress of the EC's 1992 Programme, mean that East European countries will have to make a double adjustment within the next ten years; adapting to perestroika in the Soviet Union, and gearing their economies to the EC market. The EC countries themselves will inevitably limit their concern with East-West economic issues as they struggle to adjust their own economies to the 1992 process.

The European neutrals face other problems. They will have difficulty reconciling the lure of economic benefits of EC membership with the political requirements of neutrality. For example, Austria fears economic isolation and must either abandon some of its neutrality, or the EC must play down European Political Co-operation in order to entice it into membership. Ireland, whose treaty of accession excludes military security, may be a model for neutral states seeking EC membership. Although concerned not to be barred from the full advantages of the EC market, the neutrals are confident that their economies have much to offer, and that they can negotiate from strength.

A Plan for the Future of Europe

A speculative but comprehensive plan for a future realignment of the two converging European systems was presented to the conference; Soviet new thinking provides a dramatically new European environment in which speculation about possible futures is more justified than at any time since the 1975 Helsinki Final Act. The plan envisages the alliances retaining their commitments to treat any aggression against allies as threats to their own vital interests. However, the US would accept a diminution of its global role, and US troops would leave in an orderly fashion. A more integrated Western Europe after '1992' would be in a better position to assume its own defence. The Soviet Union would also redefine its security interests and allow reforms in Eastern Europe to develop without intervention by Soviet troops; these would be redeployed inside the Soviet Union. Poland and Czechoslovakia would cultivate a special relationship with the Soviet Union.

An agreement on the German question could take the form of an 'Austrian' solution for the German Democratic Republic. It would retain its right to self-determination and its population would be free to decide their form of government. Neutrality should not be imposed, and the Democratic Republic should be free to remain a member of the Warsaw Pact. Both Germanies would renounce reunification and the building and use of nuclear weapons.

The withdrawal of Soviet and American troops to their home countries would remove the driving force behind the costly conventional arms race in Europe. The Soviet Union would be able to transfer substantial resources to the civilian sector of its economy while retaining its super-power status with the majority of its nuclear arsenal intact. US public opinion would welcome a European settlement, not least because the US budget and trade deficits would be alleviated.

The attempted implementation of such a plan would be dependent upon Gorbachev's continuation in power and the speed with which new thinking is developing and being implemented in the Soviet Union. Although Gorbachev's position is not entirely secure, it was agreed he would probably remain in power.

XI CONCLUSIONS

The conference was in broad agreement that current events in the Soviet Union would determine the future shape of Europe, and that continued improvement in East-West relations depends on the progress of perestroika. The principal conclusions expressed in the conference were:

1. Both super-powers are now, more than ever before, concentrating on serious domestic problems. The Soviet Union, faced with a deteriorating economy and resurgent nationalism, is aiming to reduce East-West tensions. A new US Administration, faced with trade and federal budget deficits, will re-assess its resources and expenditures. The US military will be a major target for cuts, and although US forces in Europe are likely to remain, there will be pressure on Western Europe to carry a greater share of the defence burden.

2. Although Gorbachev has been successful in consolidating his power, the level of domestic support for him is difficult to assess. Although one should never place too much emphasis on the importance of one man, reform would lose momentum if Gorbachev were removed.
3. Through glasnost, the Soviet Union is moving towards 'socialist pluralism'. However, there are limits to the reform of the Party-state; the Communist Party will not relinquish its control of the state and the Soviet Union will not become a liberal democracy. Resurgent nationalisms are the most important unintended by-products of glasnost.
4. The Soviet Union does not want to open a 'second front' in Eastern Europe but it would be forced to intervene militarily should satellite Communist Parties lose control of economic and political order, or should a withdrawal from the Warsaw Pact appear imminent. The priority must be to preserve Soviet security interests in its decaying empire, even though such an intervention would end perestroika. By improving confidence in East European-Soviet relations, and by recognising the acceptability of different paths to socialism, the faltering legitimacy of satellite régimes and Soviet security are being propped up.
5. The West must welcome and encourage the Soviet reform process although it may in the long run foster an economically stronger rival. Convergence of the Soviet Union's economic and political systems with those of the West would make it a more integrated and less threatening, even if less predictable, global actor.
6. East and West disagree about how genuine is Soviet 'new thinking'. The Soviet Union has initiated military withdrawals and adopted new negotiation positions on Third World trouble spots; accepted asymmetrical cuts and on-site inspection for the first time in the INF Treaty; withdrawn its insistence that an INF Treaty be linked to an agreement on SDI. But there has been no significant restructuring of Soviet forces in Europe; Soviet forces remain more than reasonably sufficient; military deployments still feature high-speed offensive capabilities; and defence spending has not been cut.
7. Both East and West recognise that maximising the numbers of weapons held does not enhance security, and that arms control cannot bear the entire burden of East-West relations since it is not a substitute for overall co-operation. The economic problems of the two super-powers will provide an impetus for further arms control agreements.
8. Although the East appears to be more sanguine, Western businessmen are pessimistic about the prospects for trade and economic co-operation with Eastern Europe unless substantial economic reforms are implemented. East European governments would reject any 'Marshall Plan' for economic assistance.
9. Human rights will remain a barrier to the improvement of East-West relations. Inter alia, the denial of Eastern Europeans' rights to travel and emigrate has delayed progress in other CSCE 'baskets'. Eastern-bloc governments insist that human rights can only be exercised within a socialist system the existence of which is not negotiable.
10. The division of Germany will continue for the foreseeable future. The Democratic Republic's rejection of the Federal Republic's long-term goal of re-unification mirrors the fact that the German Question cannot be separated from the wider issues of East-West relations in Europe.
11. The conference discounted the suggestion that glasnost and perestroika could destabilise both Communism and East-West relations, and expressed broad optimism that a continuation of reforms would contribute to further improvement in East-West relations. However, it was recognised that if the Soviet reform process falters, or if events in Eastern Europe should lead to the Soviet Union intervening militarily, the resulting conservative or military backlash and the inevitable removal from power of Gorbachev would cause heightened tension and instability in East-West relations.

* * * * *

Wilton Park Papers published in 1988:

- | | |
|--|------------|
| 1. Terrorism and the Media | 88A/1749 |
| 2. South and Southern Africa: Prospects for ending
Apartheid and restoring regional Stability | 88A/1748 |
| 3. The Uruguay GATT Round: Freeing World Trade in
manufacturing, agriculture, services and investment | 88A/1753 |
| 4. NATO after zero: Implications of Arms Control Agreements
for Trans-Atlantic and Intra-European Relations | 88A/1741 |
| 5. National Defence Policies of the NATO Allies: Internal
tensions and out-of-area problems | (on order) |
| 6. Southern Europe in transition: Roles in NATO and inter-
gration into the European Community | (on order) |
| 7. Middle Eastern dilemmas: US and European policies on
oil, the Gulf War and the evolution of the Arab World | (on order) |
| 8. Europe into the 1990s: An end to the post-war era? | 89A/311 |
- Dangers to democracy in Latin America
 - China's open door: Relations with Asia, the US and Europe
 - The impact of Soviet reforms on Eastern Europe
 - India and the Sub-Continent
 - Disadvantage and division in the Enterprise Culture

Upcoming 1989 reports that will be received by the Library:

- Fighting the drug problem: National experiences and scope for
international co-operation
- Public opinion and NATO
- Reform in the Soviet Union
- Progress of the 1992 Programme and Third Country implications
- The further agenda for Arms Control: Conventional and
strategic balances
- The World debt problem: Banking and Government strategies
- The New US Administration
- South-East Asia: Economic and political development
- Sub-Saharan Africa: Population growth, desertification and famine
- The United States and its Southern neighbours
- Nordic unity, neutrality and relations with the NATO and the EC
- Israel 40 years on: Internal tensions and regional conflict
- The GATT Round and prospects for World Trade
- Japan, the US and Europe: Prospects for tripartite relations
- Socialist reforms and East-West relations

EUROPE 18 AVR. 1989
 AGENCE INTERNATIONALE
 D'INFORMATION POUR LA PRESSE
 Agence Europe S.A. fondée le 2 décembre 1952

Président Administrateur-Délégué: Lodovico RICCARDI

LUXEMBOURG - BRUXELLES



BUREAU SOCIAL ET SERVICE ABONNEMENTS
 2014 LUXEMBOURG - 32 rue Philippe II
 Téléphone 200.32 - Télex 3431 - Boite Postale 428

DIRECTION ET RÉDACTION
 1210 BRUXELLES - 10, Bd Saint-Lazare
 Tél. 219.02.58 - Télex 21108 - Téléfax 217.65.97

BUREAU DE PARIS - 9, rue du Helder - 75009 Paris
 Tél. 42.47.13.41 Télex 280.400.71 Téléfax 42.46.37.15

N° 4997 (n.s.)

Monday/Tuesday
 17/18 April 1989
 37th year

BULLETIN
 QUOTIDIEN EUROPE

La reproduction ou diffusion, même partielle, du présent bulletin, est strictement interdite, sauf accord préalable.

EDITORIAL

From the new Yalta to the Radical Party Congress in Budapest

The evolution of some situations and events may be so quick that certain "doctrines" may become obsolete before being fully formulated. It seems that this might be the case for the conclusions reached by Dr. Kissinger concerning the key problems raised by relations with Eastern European countries within the framework of perestroika, which has spread to the Communist world as a whole. As we remarked earlier (see our Editorial of 23 February), these conclusions were hastily called by some observers the outline of a "new Yalta" to be negotiated between Moscow and Washington, the objective of which would be to "freeze" in some way relations between the two parts of Europe in order not to disrupt the process unfolding in the USSR (which has inevitable repercussions in these countries), and not to cause tensions whose consequences might prove catastrophic for all. Secretary of State James Baker recently torpedoed this plan with rather harsh words; but last week, addressing the Trilateral Commission meeting in Paris, Dr. Kissinger reacted and underlined mostly that what he advocates is precisely designed to avoid a situation whose only outcome would be a new Yalta. He further developed his arguments in an article to which we might return. The fact is that Kissinger, if he is not the most "pro-European" of American politicians (and political scientists), is without a doubt aware of European realities and their more distant roots. His vision might be overly influenced by the myth of the balance of powers or that of the European concert (in fact a cacophony) born from the Treaty of Vienna, but its merit is not to underestimate the complexity of certain problems and the added instability that might result from a simple gesture. However, since what is happening in certain of these countries is not a semblance of reform, but a real leap, the problem is that "you cannot leap slowly" and that "what we have to fear most is not the success but the failure of the leap" (Timothy Garton Ash in "The Independent" of 14 April 1989).

The problem is thus an urgent one, but where are the structures capable of dealing with it rapidly and efficiently? In theory, the organised part of Western Europe, namely the Community, should be the most appropriate interlocutor. Delors already said so in Rhodes in December and the matter was discussed again within the Council (this weekend in Granada). Mr. Delors returned to this subject on 8 April before the Trilateral, recalling that the Community's objective is to favour peaceful change in these countries and to resist the temptation of destabilizing them, which would result in a renewed cold war (this is what Kissinger fears). The Commission President believes that "a long requested sign was given to Hungary, Poland and Czechoslovakia", which turn to the Community "because we are not only relatively prosperous countries but also a Community of law where every member country has its say. Unfortunately, certain member countries interpret this "say" in such a manner that any rapidity, efficiency and coherence in action is impossible.

In this difficult context, the replacement of the European security system based on the military factor by a system based on consensus and mutual interests can only be achieved within the framework of a political project based on popular consensus, as was the case for the creation of the Community. From this point of view, the fact that Hungary accepted to host the congress of a "European" party (the Radical Party) in Budapest (from 22 to 26 April), is a historical event.

When Hungarian philosopher Gaspar Miklos Damas states ("The Spectator") that "what is happening in Hungary is not a reform but a revolution", he is right: the Radical Party is a transnational and "revolutionary" party in the most concrete sense of the word, since it "imposed" the recognition of certain fundamental rights through popular mobilisation using referenda. Moreover, its concept of Europe is much more elevated than the tribal feud between neo-liberals and neo-statists.

The Budapest meeting is a political fact whose importance is much greater than the contestation of the Comecon or the dismantling of the electrified fences at the border with Austria...

Emanuele Gazzo

DON'T MISS :

*** In Granada : Strategy towards the East (Romania condemned) - pp. 3/4

*** Monetary Union : Delors Report : Flexibility but start on 1 July 1990 - pp.6/7

Vice Président Délégué: Emanuele Gazzo - Rédacteur en chef: Ferdinando Riccardi - Rédacteurs en chef adjoints: Marina Gazzo et Jacques Loutsch

Imprimé à 1210 Bruxelles, 10^e Bd Saint-Lazare, par l'Imprimerie de l'Europe S.A.

Copyright AGENCE EUROPE ©

COMECON FOREIGN TRADE DATA 1986

RF: AN/737 SL

Edited by the Vienna Institute for Comparative Economic
Studies (Wiener Institut für Internationale Wirtschafts-
vergleiche)

M
MACMILLAN
PRESS
1988

CONTENTS

Preface	7
Hints for the user of COMECON FOREIGN TRADE DATA 1986	8
Summary of Tables and Graphs	9
List of Tables and Graphs	11
Register of Sources	31
Introductory remarks	33
Tables	35
Index	529

Preface

In publishing the fourth edition of COMECON FOREIGN TRADE DATA, The Vienna Institute for Comparative Economic Studies continues its by now firmly established series of pocket books of statistical data relevant to the foreign economic relations of the European member countries of the 'Council for Mutual Economic Assistance' — Bulgaria, CSSR, GDR, Hungary, Poland, Romania and the USSR — and, in addition, of Yugoslavia. The acronym "COMECON" is generally accepted in Western publications; "CMEA", however, is the official abbreviation of the (English) term.

Generally, COMECON FOREIGN TRADE DATA presents information selected from official statistics. After a short introductory Part 0 with comprehensive indicators of CMEA countries' foreign trade, data from official publications of the CMEA countries and Yugoslavia are used in Part I. Four of these countries (Bulgaria, GDR, Romania, USSR), however, do not report their trade with the West and with other regions of the world in a breakdown by commodity groups. Some of these gaps can be filled by reference to other statistical sources, and these were used in compiling Parts II and III.

For users from Western countries, Part II is probably the most relevant. East-West trade, trade of the Industrialized West (15 countries) and trade of eight individual industrialized countries with the individual Eastern countries are shown in a breakdown by SITC one-digit commodity groups. This part is based solely on Western statistics, collected by the Statistical Office of the United Nations, by OECD, and by individual national Statistical Offices. Part III is based solely on UN statistics.

Finally, Part IV, which is devoted to currency, balance of payments, and indebtedness, relies — with the exception of the official exchange rate quotations and the balances of payments as published by Hungary, Poland, Romania and Yugoslavia — on estimates by Western scholars and institutions.

It would not have been possible to produce this pocket book without the cooperation of other institutions. I. P. Sharp Associates provided most tables of Parts II and III. We are most grateful to the WSR (Wirtschafts- und Sozialwissenschaftliches Rechenzentrum, Wien) where the WIIW Databank maintained by the Vienna Institute for Comparative Economic Studies is stored. An interested user may access the WIIW Databank directly at WSR or through I. P. Sharp Timesharing Services network.

The camera-ready copy of the book was composed typeset by WIIW.

The book was prepared and edited by the statistical department of the Institute. Please address comments and questions to Dipl. Ing. Havlik, WIIW, A-1103 Vienna. P. O. B. 87.

Gerhard Fink

* * * * *

COMECON DATA 1987

RF: AN/452 SL

Edited by the Vienna Institute for Comparative Economic Studies (Wiener Institut für Internationale Wirtschaftsvergleiche)

M
MACMILLAN
PRESS

1988

COMECON DATA 1987

The highly specialised information contained in this statistical handbook reaches an interested public in its fifth updated edition. To the academic, political and economic analysts in need of measurable facts underlying the daily flood of controversial news and views that dominate the strained interplay of forces on the world political stage, the sober statistical data presented here will offer solid information in depth.

The data originate from three distinct groups of sources: (i) official statistical yearbooks and periodicals published by the member-countries of COMECON and the statistical yearbook of the CMEA secretariat (supplemented by publications of Yugoslavia, an associate but not a member of that body); (ii) data published by international organisations—the United Nations, ECE, OECD, IMF, the World Bank, etc.; (iii) Western sources.

Uniquely *Comecon Data 1987* gives ready and systematic access to the data widely scattered in all those original sources published in a multitude of different languages.

Comparability with previous editions—*Comecon Data 1979, 1981, 1983 and 1985*—is preserved by the sequence and numbering of the table-headings. Quick reference is facilitated through the detailed list of tables and alphabetical index.

CONTENTS

Preface	7
Hints for the user of "COMECON DATA"	8
Summary of Tables and Graphs	9
List of Tables and Graphs	10
Register of Sources	30
Tables	32
Index	467

Journal officiel

des Communautés européennes

Édition de langue française **Législation**

J.O. L 88 - 31/03/89

89/215/CEE:

- ★ Décision du Conseil, du 13 mars 1989, concernant la conclusion de l'accord entre la Communauté économique européenne et la République socialiste tchécoslovaque sur le commerce des produits industriels et de l'accord sous forme d'échange de lettres entre la Communauté économique européenne et la République socialiste tchécoslovaque concernant un nouveau régime d'importation à titre expérimental (*Testausschreibung*) 1
- Accord entre la Communauté économique européenne et la République socialiste tchécoslovaque sur le commerce des produits industriels 2
- Échange de lettres relatif à la nomenclature combinée 13
- Accord sous forme d'échange de lettres entre la Communauté économique européenne et la République socialiste tchécoslovaque concernant un nouveau régime d'importation à titre expérimental (*Testausschreibung*) 14
- ★ Information concernant la date d'entrée en vigueur de l'accord entre la Communauté économique européenne et la République socialiste tchécoslovaque sur le commerce pour les produits industriels 16

J.O. L 327 - 30/11/88

88/595/CEE:

- ★ Décision du Conseil, du 21 novembre 1988, concernant la conclusion de l'accord entre la Communauté économique européenne et la République populaire hongroise concernant le commerce et la coopération commerciale et économique 1
- Accord entre la Communauté économique européenne et la République populaire hongroise concernant le commerce et la coopération commerciale et économique 2

J.O. L 157 - 24/06/88

88/345/CEE :

- ★ Décision du Conseil, du 22 juin 1988, concernant la conclusion de la déclaration conjointe sur l'établissement de relations officielles entre la Communauté économique européenne et le Conseil d'assistance économique mutuelle 34
- Déclaration conjointe sur l'établissement de relations officielles entre la Communauté économique européenne et le Conseil d'assistance économique mutuelle 35

Official Journal

of the European Communities

English edition

Legislation

O.J. L 88 - 31/03/89

89/215/EEC:

- ★ Council Decision of 13 March 1989 relating to the conclusion of an Agreement between the European Economic Community and the Czechoslovak Socialist Republic on trade in industrial products and of an Agreement in the form of an Exchange of Letters between the European Economic Community and the Czechoslovak Socialist Republic concerning 'Testausschreibung' 1
- Agreement between the European Economic Community and the Czechoslovak Socialist Republic on trade in industrial products 2
- Exchange of letters concerning the combined nomenclature 13
- Agreement in the form of an Exchange of Letters between the European Economic Community and the Czechoslovak Socialist Republic concerning 'Testausschreibung' 14
- ★ Information on the date of entry into force of the Agreement between the European Economic Community and the Czechoslovak Socialist Republic on trade in industrial products 16

O.J. L 327 - 30/11/88

88/595/EEC:

- ★ Council Decision of 21 November 1988 concerning the conclusion of an Agreement between the European Economic Community and the Hungarian People's Republic on trade and commercial and economic cooperation 1
- Agreement between the European Economic Community and the Hungarian People's Republic on trade and commercial and economic cooperation 2

O.J. L 157 - 24/06/88

88/345/EEC:

- ★ Council Decision of 22 June 1988 on the conclusion of the Joint Declaration on the establishment of official relations between the European Economic Community and the Council for Mutual Economic Assistance 34
- Joint declaration on the establishment of official relations between the European Economic Community and the Council for Mutual Economic Assistance 35

SELECT BIBLIOGRAPHY - BIBLIOGRAPHIE SELECTIVE

RF: RF/00408
Bulletin europeen. Tribune libre. Roma: Nagard.
Vol. 30. 1979 - (mens.)

RF: RF/00386
ESOPE (Etudes sociales, politiques, economiques) /
SEDDDES. Paris: ESOPE
No. 385. 1977- (mens.)

RF: RF/00336
Revue d'etudes comparatives est-ouest. Economie, plani-
fication et organisation. Revue de l'Est. Paris: Centre
national de la recherche scientifique. Table ann.
Vol. 6. 1975 - (4/an)

770

RF: RD/00237
West-Ost Journal. Internationale unabhaengige wirt-
schaftspolitische Zeitschrift / Donaueuropaeisches In-
stitut. Wien: Jupiter.
Vol. 7. 1974 - (6/an)

RF: RI/00212
Est-Ovest / Istituto di studi e documentazione sull'Est
Europeo. Trieste: ISDEE. Table ann.
Vol. 1. 1970 = No. 1 - (4/an)

RF: 88/00204 PE (also in other EC languages)
Rapport sur les relations entre la Communaute europeen-
ne et les Etats non europeens membres du CAEM / CE.
Parlement europeen. Commission des relations economi-
ques. Rapporteur: Horst-Joachim Seeler. Luxembourg: PE
1988. 23 p. (PE 123.426/def.).
=Documents PE 1988/0204 A2+

RF: 88A/01232
Confronting the German question. Germans on the East-
West divide / Renata Fritsch-Bournazel: with a forew.
by Roger Morgan. Oxford (etc.): Berg 1988. 150 p.
Titre orig.: Das Land in der Mitte: die Deutschen im
europaeischen Kraeftefeld

RF: 88B/00473
East/West: the future of trade and economic relations
= Est/Ovest: l'avenir des relations economiques et com-
merciales = Est/Ovest: l'avvenire delle relazioni eco-
nomiche et commerciali = Ost/West: die Zukunft der
Wirtschafts- und Handelsbeziehungen. Compte rendu des
discours et des debats des 26-27 octobre 1988. Palais
des Congres. Bruxelles / Conference organisee par le
Club de Bruxelles. Bruxelles 1988. 33 p.

- RF# RA/00414 Y88
Perestroika and market socialism: the effects of communism's slow thaw on East-West economic relations / W. Gary Vause.
=Northwestern Journal of international law & business. 1988. 09/02, pp. 213-276+

- RF# RD/00180 Y88
Politik und Wirtschaft zwischen Ost und West. Zum 70. Geburtstag von Otto Wolff von Amerongen / Oskar Anweiler, Richard Loewenthal (e.a.).
=Osteuropa. 1988. 38/7-8. pp. 509-780+

- RF# RA/00077 Y88
The EEC and CMEA. The problem of mutual recognition / Sophie Verny
=Soviet and Eastern European foreign trade. 1988. 24/02, pp. 6-25+

- RF# RF/00409 Y88
Desequilibre, endettement et ajustement au sein du CAEM: quelles relations entre l'URSS et ses partenaires europeens? / Harriet Matejka (avec annexes)
=Etudes internationales. 1988. 19/02, pp. 293-300+

- RF# B8A/00813
Arms control, the FRG, and the future of East-West relations / ed. by Wolfram F. Hanrieder. Boulder, Colo. (etc.): Westview 1987. XI, 138 p.
=Westview special studies in national security and defense policy

- RF# RD/00113 Y88
Schwierige Dialog zwischen der EWG und den europaeischen RGW-Laendern / Beatrice Repetzki (avec resumes en allemand et en anglais)
=Osteuropa. 1988. 33/03, pp. 219-236+

- RF# B8A/00454
Germany between East and West / ed. by Edwina Moreton; Royal Institute of International Affairs, Cambridge (etc.): Cambridge Univ. Press 1987. 185 p.

- RF# RF/00416 Y87
La reforme economique du COMECON dans ses rapports avec la Communaute europeenne / John Thomson.
=Cadmos. 1987. 10/40, pp. 108-131+

- RF# RD/00253 Y87
Europaeische Gemeinschaft und COMECON: Vom Nutzen eines Dialogs / Axel N. Zarges.
=Libertas. 1987/01, pp. 29-52+

- RF# RF/00336 Y87
Competition et cooperation: la science et la technologie dans les relations Est-Ouest / Mihaly Simai.
=Revue d'etudes comparatives Est-Ouest. 1987. 18/02.

RF: RF/00336 Y87
 Politique économique et planification dans le CAEM /
 Laszlo Csaba.
 =Revue d'études comparatives Est-Ouest. 1987. 18/02.
 pp. 23-55+

RF: EUB/02462
 Can joint ventures in Hungary serve as a "bridge" to
 the CMEA market? / Paul Marer. Florence: EUI 1987.
 28 p., 3 p. Bibliogr. pp. 1-3
 =EUI Working Papers. 276+

RF: RF/00194 Y87
 Les organisations économiques internationales à caracté-
 re non-gouvernemental constituées dans le cadre du
 CAEM / Dragos-Alexandru Sitaru.
 =Revue roumaine d'études internationales. 1987. 21/05.
 pp. 451-474+

RF: RA/00252 Y87
 EEC - CMEA/Eastern Europe: legal aspects on trade and
 co-operation / Goeran Lysen.
 =Legal issues of European integration. 1987/01.
 pp. 83-110+

RF: EUB/02465
 Aux origines de la reprise des relations entre Rome
 et Moscou. Idealisme maximaliste et réalisme bolche-
 vique la mission Bombacci - Cabrini à Copenhague en
 avril 1920 / Serge Noiret. Florence: EUI 1987. 50 p.
 Bibliogr.
 =EUI Working Papers. 272+

RF: AN/00616 Y86
 The European Community's relations with the state-tra-
 ding countries of Europe 1984-1986 / John Maslen
 =Yearbook of European law. 1986, 06, pp. 335-356+

* * * * *

Ce BIBLIO-FLASH a été élaboré avec la collaboration de Christiane Engelbrecht,
 stagiaire à la Bibliothèque du 1 mars au 31 juillet 1989.