



European Communities

EUROPEAN PARLIAMENT

SESSION DOCUMENTS

English Edition

A3-0248/90

SECOND INTERIM REPORT

of the Temporary Committee to consider the impact
of the process of German unification on the
European Community

on the Community and German Unification

Rapporteur: Mr Alan John DONNELLY

PE 144.215/fin.
Or. EN

A Series: Reports - B Series: Motions for Resolutions - Oral Questions

★ Consultation procedure regarding a single reading

★★ Consultation procedure (including

★★★

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C Series: Documents received from other Institutions (e.g. Consultations)

Cooperation procedure (including) which requires the votes of a majority of the Members of Parliament

Parliamentary system which requires the votes of the majority of the Members of Parliament

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At its meeting of 12 September 1990 the Temporary Committee to consider the impact of the process of German unification on the European Community, having regard to the Enlarged Bureau decision of 13 March 1990 and the resolution of Parliament of 11 July 1990, decided to draw up a second interim report and confirmed Mr Alan DONNELLY rapporteur.

At its meetings of 3 and 4 October 1990, and 8 October 1990 the committee considered the draft report.

At the latter meeting it adopted the resolution by 13 votes in favour to one against with one abstention.

The following took part in the vote : Mr FERNANDEZ ALBOR, Chairman, Mrs VEIL, 1st Vice-Chairman, Mrs JENSEN, 2nd Vice-Chairman, Mr DONNELLY, Rapporteur, Mr BROK, Mrs CRAMON-DAIBER, Mr DESAMA (for Mr BETTIZA), Mr MEINRAD (for Mr ZELLER), Mr PIQUET, Mr PIRKL, Mrs ROTH-BEHRENDT (for Mr WOLTJER), Mr ROTHLEY (for Mr WETTIG), Mr TINDEMANS, Mr von WECHMAR and Mr WELSH.

The opinions of the Committee on Political Affairs and the Committee on Women's Rights are annexed in Part C of the separate legislative report, A3-0240/90.

The report was tabled on 8 October 1990.

The deadline for tabling amendments is Thursday, 11 October 1990 at 6 p.m.

A
MOTION FOR A RESOLUTION

on the Community and German Unification

The European Parliament,

- having regard to its resolution of 12 July 1990 on the implications of the German unification for the European Community,

- having regard to the second interim report of the Temporary Committee to consider the impact of the process of German unification on the European Community and the opinions of the Committee on Political Affairs and the Committee on Womens' Rights (Doc. A3-0248/90)

GENERAL CONSIDERATIONS

1. Welcomes German unification, which took place on 3 October, as a great historical step, in its own right and as a major contribution towards lessening divisions between Eastern and Western Europe, and towards achievement of the wider objective of European Union. Welcomes the entry into the Community of 16 million citizens from the former GDR, and believes that they will make a substantial contribution to the future development of the Community.

2. Expresses its satisfaction that German unification was preceded by Four-Power agreements and the approval of the CSCE states and that the question of the German-Polish frontier has now been definitively settled;

3. Welcomes the constructive contribution made by all the Community institutions to the rapid completion of unification;

4. Notes the commitments given throughout this process by the German authorities that they consider German unification to be a contribution to the process of European unification; Urges rapid progress towards this latter goal in the forthcoming

intergovernmental conferences on Political, and Economic and Monetary union, in which the united Germany must play a central role; Further insists, in the context of this latter conference, that problems encountered in the course of implementing German Economic and Monetary Union since 1 July 1990 should not be used as an excuse to slow down progress on Economic and Monetary Union.

5. Reaffirms its previously expressed views that a unified Germany must help to serve as a bridge between the Community and the countries of Eastern Europe. Considers that the addition of the former East German territory to the Community is only a first step in the opening up of the Community to its east; Believes that a sustained programme of Community measures is required to help in the reconstruction of the economies of Eastern Europe, which is of particular importance as they make the necessary but painful adjustment from a centrally planned to a market economy, while, at the same time, suffering in particular from the economic repercussions of the Gulf crisis. Considers that such support for the countries of Eastern Europe is essential as closer and closer links are forged between these countries and the Community.
6. Welcomes the fact that the incorporation of the unified Germany within NATO is being paralleled by practical steps to reduce the deployment of troops and weapon systems within Central Europe, and also welcomes the increasing recognition of the importance of the CSCE process: Calls now for further steps to build on these achievements, and for the Italian Presidency of the Council to make further proposals on how to help develop the Community role on security questions.
7. Notes that the failure of the Communist command economy and the collapse of COMECON has led to a disastrous economic situation within the former GDR; Further notes that this has become clearer since German Economic and Monetary Union and has rapidly deteriorated, with severe difficulties in the industrial and agricultural sectors, which has led to major social problems, including a dramatic rise in unemployment, with a loss of confidence in products manufactured within the GDR, and low rates of investment in the GDR economy.

8. Notes that the primary responsibility for redressing the urgent social problems related to this situation will lie with the German authorities, but recognises that all such efforts to increase German social and economic cohesion, and to eliminate the current social and economic disparity between the old and new Laender of the Federal Republic of Germany as rapidly as possible will involve considerable costs as well as private and public investment.
9. Considers, therefore, that additional Community solidarity may be required beyond the measures provided in the Commission's proposed package; Reaffirms its previous view, however, that any such measures should not lead to a shift of priorities away from the Community's existing disadvantaged countries and regions.

THE "PACKAGE"

10. Considers that the speed with which unification has taken place, however necessary in terms of German political priorities and the deterioration of the situation in the former GDR, has made it extremely difficult to ensure adequate preparations for the former GDR's entry into the Community. Believes that this has forced the package of proposals to be drafted before all the necessary information was available, and later has led to emergency measures being required, providing for a great delegation of powers to the German authorities and to the Commission before the Parliament and Council could pronounce on the package.
11. Congratulates, nevertheless, the Commission on having prepared and adopted the package so rapidly and under such difficult circumstances.
12. Welcomes, moreover, the commitments of the Commission and of the German authorities, following the adoption of the emergency measures in September, 1990, to provide it regular information on the implementation of these measures, and also of the Commission to provide it copies of all these measures at the same time that they are sent to Management Committees. Considers that these commitments,

essential in the context of the emergency measures, also constitute an important precedent for the transitional period to come, and indeed for future cooperation between the institutions.

13. Regrets that not all the measures transmitted by the Commission appear to be covered by equivalent measures in the original package. Calls on the Commission to submit the necessary proposals as additions to the package, so that the implementing measures can be adequately covered.
14. Notes that the uncertain evolution of the situation in the former GDR, and the lack of reliable statistics and other information, has meant that the main technique used in the package has been to provide derogations from the application of a considerable number of Community legal acts in the former GDR.
15. Supports this approach as the only one feasible in present circumstances, but believes that it places even greater significance on the way that the derogations are implemented, and on the control mechanisms that are used.
16. Considers, in administering the derogations, which are designed to help the former GDR in the complex adjustment process, that these measures should not be permitted to undermine Community policies and objectives, nor to result in treatment more favourable than that conceded to other disadvantaged areas of the Community; Believes, in particular, that any prolongation of the derogations must be subject to the strictest timetable. Considers that any derogations should under no circumstances apply to new investments.
17. Considers that every effort should be made to ensure that investors from outside Germany, and from the Community in particular, invest in the former GDR, and play a full role in its development. Recalls, in this context, its previous request for an active information campaign by the Commission to assist in the promotion of inward investment. Again insists, moreover, that the competition policy of the Community is enforced to the fullest degree, in order to prevent

former State monopolies from becoming private monopolies, or any discrimination against foreign investors.

18. Notes with concern that advantage has been taken by certain traders, including some from the Community, of the difficult situation within the GDR, during the period from the date of German Economic and Monetary Union until unification. Considers that an example of this is in the beef sector, where GDR products have been bought cheaply and dumped within the rest of the Community, thus contributing to disruption in this market. Approves the declared intention of the Commission and the German authorities to apply severe penalties in such circumstances. Insists that effective measures are taken to prevent any future abuses from now until the end of the derogations, and to prevent dumped or substandard products from circulating within the rest of the Community.
19. Further considers that the widespread use of derogations in the package of proposals will put a considerable burden on the Committees responsible for overseeing them, and will make it difficult to ensure democratic accountability.

Insists, therefore :

- that no 3 A Regulatory Committees are established, and that, in particular, a 2 A Management Committee is used for the draft Council Directive on transitional measures applicable in Germany in the context of the harmonization of technical rules,
 - that all measures without exception submitted to such Committees by the Commission are also transmitted to the European Parliament at the same time, and that the practice agreed by the Commission for the emergency measures is thus extended to the transitional measures as well.
20. Notes that the integration of former GDR territory into the Community will lead to a considerable modification of its former trading patterns, especially with the Soviet Union, and with its former COMECON partners, with potentially major consequences for a number of

economically important sectors in those countries. Further notes that the Commission has attempted to respond to this concern by proposing transitional and other measures in its package of proposals. Calls for a new and more detailed report from the Commission on the impacts of these changes in trading patterns, and of its proposals in the package, with a view to avoiding further destabilisation within these countries, and to determine whether any further measures are needed.

21. Emphasizes the vital importance of an adequate energy policy for the territory of the former GDR. Considers that its development should be based on the principles governing the Community energy policy of the future and not the past. Believes that the great shortcomings in its existing energy sector, and the need for its renewal virtually across the board afford an invaluable opportunity to apply standards and technologies based on the latest findings available in the Community. Believes, finally that among the central elements of such an energy policy are the following:
 - decentralisation
 - preference for renewable energy, through preferential tax treatment
 - full respect of the principles of competition
 - provisions of loans from the EURATOM Treaty for the regulated closure of nuclear power stations.
22. Welcomes the fact that the Commission has responded to Parliament's request for a revision of the financial perspective to accompany its legislative proposals for interim measures. Awaits the rectifying letter for the 1991 budget which it has also called for, and reiterates its previous request that the Commission present a more detailed analysis of the impact of the former GDR's integration into the Community on the Community's receipts and expenditure, an analysis on which the Commission has presumably based its proposals.
23. Believes that the implementation of the package, in particular the administration of the derogations and transitional measures, but also other aspects of Community law not in the package, such as competition policy, will require careful surveillance during the period following adoption of the measures. Calls for the Commission

to report on a regular basis to Parliament's concerned Committees. Undertakes to submit more detailed proposals on the follow-up to the package in its November plenary.

FINAL CONSIDERATIONS

24. Considers that the advancement of the date of German Unification to 3 October 1990 has made it more urgent to tackle the issue of the representation of the 16 million citizens of the former GDR within the European Parliament. Recalls its recommendation that observer status be given to representatives from the former GDR attending the proceedings of Parliament, pending a definitive solution to the question of representation of all Member States within the Parliament. Notes that its Rules Committee has outlined certain modalities of such observer status, but has not pronounced on the number of such observers.
25. Considers that this number should not be determined on the basis of strict proportionality to population and believes that 18 is an appropriate such number. Emphasises, moreover, that this should under no circumstances be considered as a precedent for the longer term decision on the overall balance of representation within the European Parliament.
26. Warmly welcomes observers, elected by the citizens of the GDR but nominated by the Bundestag, to the Parliament on the above basis, and calls for a final decision on the number of such observers before the German elections on 2 December.
27. Instructs its President to forward this resolution to the Commission and Council, and to the governments of the Member States.

