

## **RELATIONS BETWEEN THE COMMUNITY AND THE MEMBER COUNTRIES OF COMECON (1)**

### **1. - BACKGROUND :**

#### **\* Negotiations with Comecon :**

The Community has long shown its willingness to establish relations with Comecon itself, alongside the bilateral agreements with the Comecon member countries (2). Negotiations for the conclusion of an agreement between the Community and Comecon began in 1977. These negotiations were broken off in 1980 by mutual agreement. At that point the main stumbling block for the Community was Comecon's insistence on including trade provisions in the agreement and setting up a joint committee responsible for the general supervision of bilateral relations with the member countries of Comecon. This was unacceptable since Comecon does not possess either a common commercial policy or a common commercial policy instrument.

In 1981 Mr Wilhelm Haferkamp, then Member of the Commission with special responsibility for external relations, sent a letter to the President of the Executive Committee of Comecon, Mr Andrei Loukanov, expressing the Community's unconditional readiness to resume the dialogue. This letter remained unanswered.

#### **\* The Community and the Comecon countries**

In 1974 the Community proposed not only to the Comecon member countries but to all state-trading countries that they conclude individual trade agreements. This proposal was ignored by most of the countries approached.

Yet economic links have grown up over the years between the Community and the Comecon countries : five textile agreements have been concluded (with Bulgaria, Czechoslovakia, Hungary, Poland, and Romania), plus voluntary restraint arrangements on steel exports from the same countries, and also specific agreements on agricultural products. A trade agreement covering industrial products and an agreement establishing a joint ministerial committee were concluded with Romania. Talks have been going on with the latter country since 1981 with a view to the conclusion of a more comprehensive cooperation agreement.

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(\*) Known officially as the CMEA - Council for Mutual Economic Assistance.

(\*\*) 10 members : USSR, German Democratic Republic, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Mongolia, Cuba and Viet Nam.

Brussels, 24 June 1988

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**SIGNATURE OF THE JOINT DECLARATION EC / COMECON**  
**- Luxembourg, 25 June 1988 -**

The joint EC-COMECON declaration, which represents a significant step towards normal relations between the Community and Eastern Europe will be signed at Luxembourg on June 25 1988. The declaration will be signed on behalf of the Community by Hans-Dietrich Genscher, Minister of Foreign Affairs of the Federal Republic of Germany, on behalf of the Presidency, and by Mr. Willy De Clercq for the Commission in the presence of President Delors; for COMECON by Mr. Rudolf Rohlicek, Czech Deputy Prime Minister and Mr. Viatcheslav Sytchov, Secretary of COMECON.

The joint declaration is aimed at the establishment of official relations between the EC and COMECON and also at developing cooperation between the parties of which the form and content will be determined later within the context of the respective competence of the two organisations.

## 2. - THE RESUMPTION OF RELATIONS

Relations were resumed between the Community and Comecon as a result of the letter sent by Mr Vyacheslav Sychov, Secretary of Comecon, to the Commission in June 1985, in which Comecon proposed the establishment of relations with the Community and the adoption of an EEC/Comecon general declaration.

July 1985 : Mr Willy De Clercq replied confirming the Commission's readiness to resume the dialogue with Comecon but specifying that the Community would also seek to establish bilateral relations with the individual European member countries of Comecon.

The Commission defined the Community's position regarding Comecon and its member countries in the following terms.

- parallelism i.e. development and normalization of relations with Comecon and at the same time with the member countries of Comecon, priority being given to the latter aspect;
- differentiation, i.e. each state-trading country would be dealt with in accordance with its own characteristics and situation.

September 1985 : Reply from Mr Sychov to Mr De Clercq accepting the parallel approach adopted by the Community.

January 1986 : Mr De Clercq sent a letter to each of the European member countries of Comecon proposing the normalization of their relations with the Community and indicating the Community's interest in negotiating bilateral agreements with each of them.

## 3. - THE SUBSEQUENT DEVELOPMENT OF RELATIONS

### - At bilateral level

Since 1985 substantial progress has been made in the normalization of relations between the Community and its East European neighbours. The Commission has received a positive response from the European member countries of Comecon and contacts are under way with each of those countries.

It is negotiating an agreement with three countries : Romania (trade and cooperation agreement), Czechoslovakia (trade agreement on industrial products), and Hungary (trade and cooperation agreement).

The Commission has also had exploratory contacts with Bulgaria, the German Democratic Republic, Poland and the Soviet Union. Contacts with the last two have focused on establishing official relations with the Community, although in January of this year the Soviet Union expressed interest in a cooperation agreement.

Since the initiating of the CE/CAEM Declaration, 4 Member-countries of CAEM have requested the establishment of official relations with the Community : USSR, Bulgaria, GDR and Czechoslovakia.

**- Relations with Comecon itself**

Discussions were begun in September 1986 with the aim of adopting a joint declaration establishing official relations between the two organizations and providing a framework for future cooperation. The two sides succeeded in solving the problems surrounding the declaration, including the question of the Community territorial application clause, which recognizes West Berlin as part of the Community. The declaration has been initialled in Moscow on 9 June and will be signed in Luxembourg on 25 June.