



TOGETHER IN EUROPE



EC NEWSLETTER FOR CENTRAL AND EASTERN EUROPE

RELATIONS WITH THE COMMUNITY

ACCESSION STRATEGY FOR ASSOCIATED COUNTRIES

The meeting in Luxembourg on 31 October between the EU Council of Foreign Ministers and their counterparts from the Associated Countries of central and eastern Europe was singularly characterized as a "historical" meeting. Formally it was the first meeting under the framework of strategy of accession as expressed in the conclusions of the Copenhagen and Corfu European Councils. It was also the first meeting which was held in advance of the EC Council meeting, so that the normal meeting could take into account the proposals and attitudes expressed.

The two and half hour debate was substantial. A significant convergence of views has been reached and this may permit the Council to finalize, by the end of November, the final document on the Strategy to Prepare the Countries of central and eastern Europe for Accession for the Essen European Council in December.

There is certain disappointment that there is not yet a formal decision on a joint meeting at Essen between the European Council and the Heads of State and Government of the associated countries. Mr. Kinkel confirmed that there was an agreement in principle to hold such meeting, but no formal decision.

Sources in the German Presidency suggested to us, that a fair amount of exchange of views among the Member Countries still needs to be made before the strategy plan would be ready for approval and for presentation to the heads of state of the associated countries. Perhaps one or two informal Council meetings would be necessary in late November or early December.

The discussion concentrated on five points:

1. Approximation of associated countries legislation to that of the EU, so that the associated countries could participate in the EU's Internal market.

2. Cooperation in Justice and Home Affairs.

3. Future developments in Phare Assistance.

4. Regional cooperation in central and eastern Europe.

5. Cooperation in training and culture.

Mr. Alain Juppé, French Foreign Minister, opened the discussion on point 1, alignment with the Internal Market. Mr. Juppé concentrated on the White Book on the approximation of legislation which will be presented during the French Presidency

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in 1995. The minister said that the Europe Agreements already contain some provisions and obligations in this sense, but the task of alignment is considerably more important. The minister recalled that the EU member countries had to undergo a fundamental transformation of their economic regulations and structures in the wake of the White Paper on the Completion of the Internal market presented in 1985. "The accession presumes that your countries can take all of the *acquis communautaire* on board" said the Minister.

Following the meeting Minister Kinkel said the EU welcomed the suggestion made by the associated countries to set up a **special task force on approximation of legislation**. Sir Leon Brittan said on behalf of the Commission that the Commission envisages creating a special unit to provide necessary technical assistance. We believe that expert level discussion with the associated countries on the White Paper could be held as early as November 21.

Regional Cooperation: Mr. Kinkel emphasized that this does not mean that the EU shall deal with the associated countries as a "block". This cooperation means the cooperation among the associated countries towards achieving a free trade area. This, for example, concerns rules of origin, development and liberalization of transport, competition policy etc. It is clear that if the associated countries implemented common rules of origin it would fundamentally facilitate regional cooperation and favor inflow of direct investment. The aim, according to Kinkel, is to ensure the region's economic improvement and thus its political stability. Regional cooperation needs to be considered as proper preparation for accession and for operating in the multilateral framework.

Justice and Internal matters: President of the Council said it is necessary that the "Berlin Declaration" (cf No. 54 p. 4) is rapidly put into practice. The minister emphasized the importance that close cooperation in the fight against drug trafficking, car theft, trafficking of nuclear substances, illegal immigration etc. has gained in Germany, which expects that the associated countries will do more

to tackle these problems.

Financial Cooperation: The discussion on future of Phare Assistance underlined the need to foresee more long-term and effective planning. All recognize that Phare is important, but needs to be made more effective and more oriented towards investment. The associated countries want to drop the 15% ceiling for Phare resources which could be used for financing investments.

Human dimension: Culture and education are the essential elements for rapprochement between the EU and the Associated Countries. The President of the Council emphasized that culture was, during the cold war period, the principal bridge among the European people. The emphasis on this human dimension is an integral part of the pre-accession strategy. The member states will have to do more in this field than the Union, and this fits well into the principle of subsidiarity.

Following the morning meeting and a working lunch during which 22 foreign ministers discussed current international policy, Polish Minister Olechowski and Hungarian foreign minister Mr. Kovac each held separate press conferences. Mr. Olechowski stressed that Poland aims to join the EU as soon as possible and underlined the importance of a timetable for membership. This will be an important stimulus to speed approximation of legislation to the requirements of the EU internal market. Accession shall be a subject of individual negotiations, even if coordination is possible. Minister Kovac hoped that accession negotiations would start immediately after the 1996 Intergovernmental Conference. The Minister accepted it is impossible to expect a concrete timetable before the 1996 Intergovernmental Conference. Answering questions, Mr. Kovac said that each country seeking accession needs to be treated on its own merits.

Sir Leon Brittan expressed his personal satisfaction with the progress in preparing the Strategy for Accession for which he was mostly responsible and said that the meeting produced a "quantum leap". ■

POLISH VIEW ON DRAFT STRATEGY

Since early July "Together in Europe" has reported on the paper being prepared for the Essen Summit "The Europe Agreements and Beyond: A strategy to prepare the countries of central and eastern Europe for accession". The associated countries have taken a number of opportunities to express their attitudes to the draft strategy. But it seems that most detailed and comprehensive attitude was expressed by Poland. Poland handed its memorandum "Poland's Expectations Regarding Accelerating Integration with the EU" to the EU on 2 August. This was followed on 24 October by extensive "Comments and Suggestions" prepared by the Polish Foreign Affairs Ministry.

Poland welcomes with satisfaction the effort to prepare a Strategy for Accession, but notes that the basic shortcoming of the Strategy paper is the lack of a time horizon for implementing the strategy. The strategy should contain specific proposals for already promoting, greater access to the EU market.

1. Structured relationship with the institutions of the EU: Poland welcomes the proposals for individual meetings and suggests the possibility to extend the dialogue to all fields of cooperation, including agriculture and the labour market.

2. Cooperation in the fields of Justice and Home Affairs: The associated countries need to be involved as quickly as possible so that in the future they avoid the need to adjust to decisions defined without their participation.

3. Intra-regional cooperation: Poland will participate in implementation of proposals, but stresses that support to cooperation among the associated countries should be extended to other fields relevant to their relationship with the EU (transport, energy, environment, nuclear safety, regional development etc.). Furthermore, a creation of a fund to promote cooperation among the associated countries would have considerable significance, but it is necessary to know if there is really a possibility to increase funds over present Phare.

Legal and Institutional Framework:

1. Approximation of laws: This is a crucial task and Poland will participate in discussions. But a calendar for acquiring membership would help, and Poland also suggests creating a special unit within the Commission to cooperate with associated countries in this field.

2. Competition Policy, state aids: Poland has, to a large extent, adopted the competition policy

rules in effect in the EU. State aid to the economy is being modified and by 1995 the system of state aid will be aligned with that of the Community.

Enhancing trade opportunities:

Poland suggests at the present stage to set up an early warning system on the application of market protection measures and practice holding preliminary consultations with the associated countries during the investigation of complaints by the Commission. Concerning the cumulation of origin Poland notes that a decision was taken already one year ago at the Copenhagen Summit, but that it has not yet been put into practice. On a proposal from the Commission to create the same base for all the associated countries, Poland notes that the involvement of Poland and the Visegrad Group in the implementation of the Europe Agreement is already considerable. "It is therefore necessary to exercise due care that the proposed solution does not cause adjustment to the level of the weakest partner, thereby lowering their preparation for membership to the Union".

Macro-economic policy and structural change:

Poland attaches great importance to dialogue in the ECOFIN framework. It is clear that inward investment flows are of vital importance for the transformation of the associated countries. Poland feels a certain lack of initiative on the EU side to support SMEs in the associated countries and above all Poland considers that a clear prospect of membership in the EU will boost interest in investing in Poland. The very acceptance by the EU of a strategy to prepare for accession will encourage investment flows. Poland notes that it is urgent to elaborate new ways of financing infrastructure projects in central

Europe, and overall Poland welcomes the proposed integration of the associated countries into a single European transport area. In the field of agriculture Poland understands that the transformation process in the associated countries must be accelerated, and notes that moderate protection of the agricultural market, in accordance with GATT rules is necessary. But a joint review of the options should go far beyond the framework of harmonizing the Association Agreements with the Uruguay Round and should produce a comprehensive strategy for integrating the agricultural sector of associated countries with the Union and taking into account the changes in CAP. Poland considers that tariff quotas do not provide a basis for rapid progress in integrating agriculture. It considers support to the adaptation process by increased capital flows "which are just as important an integrating element as the market" is necessary. Polish comments also point to abolishing EU export subsidies for agricultural products exported to associated countries, to recognising quality evaluation certificates etc.

Phare programme:

Comments draw attention to necessary changes towards the elaboration of a long-term financial protocol to enhance implementation of the provisions of the Europe Agreement and to increase the share of investment support in total aid. Polish comments also suggested the possibility of waiving the requirement of government guarantees to cover 100% of repayment of the loan plus interest in the utilisation of infrastructure loans. The possibility of applying to the associated countries rules in granting macro-economic aid to member states may be considered. ■

COMMISSION OUTLINES GLOBAL POLICY FOR THE BALTICS

On 26 October, the European Commission requested that the Council approves directives for negotiation of full Europe Agreements with the three Baltic Countries. The negotiations will start before the end of year. Readers will recall that free-trade agreements between the EU and three Baltic states will enter into force on 1 January 1995.

The Commission, however, additionally seeks the development of a more comprehensive approach to the Baltic countries: the development of ties shall also strengthen the economic and political cohesion of the whole Baltic region which also includes Poland, Scandinavia and Russia.

This proposal is in the form of a policy paper which underlines the importance of the Baltic Sea region to EU and Europe as such, enumerates the initiatives so far initiated and the scope of relations and finally outlines the main policies which besides free trade and the Europe Agreements could contribute further to the strengthening of regional integration.

- The whole Baltic Sea region is a proper economic zone, and at the same time major commercial gateway to Russia. It has a population of some 50 million people of which 11 million are already nationals of EU and if the proposed enlargement is carried out, a further 18 million will enter the European Union.

In the region, Finland is acceding to the EU and forthcoming referenda will show if Norway and Sweden will become members. Relations with Estonia, Latvia and Lithuania will soon be upgraded into full scale Europe Agreements. The EU has a Europe Agreement with Poland whose goal is accession and it has a Partnership Agreement with Russia.

The policy paper says that to secure the region and strengthen regional integration it is necessary to develop efforts on both a political and economic front.

There is a perception of a certain security vacuum in the region, and the Commission's policy paper considers that this could be reduced by mutual interaction between NATO's Partnership for Peace, the CSCE, the EU's Stability Pact initiative, and the Council of the Baltic Sea States.

The paper states that security in the Baltics would be significantly upgraded by a proper policy of integration of minorities-notably Russian speaking residents of the three Baltic states, as well as by expanded political dialogue.

Economic Cooperation could be encouraged between the three Baltic States, Poland and Russia. The development of cooperation shall go hand in hand with trade liberalization resulting from building up free trade areas on the basis of Europe Agreements. The Commission says that Phare and Tacis could support this effort towards strengthened regional economic cooperation by helping local authorities to handle trade flows, and by developing export, credit and insurance facilities focused on improving regional trade.

Phare has already provided assistance to the three Baltic countries. It supports improvement of infrastructure and tries to attract investment into the region. The Commission considers that this could be extended to the whole Baltic Region and encourage transnational projects in telecommunications, nuclear safety, energy efficiency, linking electricity grids etc. The Commission says PHARE assistance towards elimination of border crossing obstacles is essential (the paper mentions Via Baltica and the Helsinki-St. Petersburg corridor).

The EU's various financial instruments already support regional development of the whole Baltic region (this excludes bilateral aid from Germany, Denmark and the Nordic countries):

- EU structural funds committed Ecu235m.
- Phare committed Ecu1.5bn (Poland, three Baltic states)
- Tacis committed Ecu78m towards north-west part of Russia.

Council fails to approve mandate:

The Council was unable during the session on October 31 to approve negotiating directives for the Commission in view of starting the negotiations with the three Baltic States on Europe Agreements.

The spokesman for the Council said that a number of foreign ministers made comments on the draft directives presented by the Commission and the Council returned the matter back to COREPER with the request to continue discussions among the member countries with a view to reaching speedy approval of the negotiating mandate and "if possible before the end of this year". The mood at the end of the Council meeting however was that the Council would be able to approve the negotiating directives during its next formal meeting at the end of November. ■

NEGOTIATIONS WITH SLOVENIA STILL BLOCKED, CROATIA

There was a hope on the eve of the Council meeting of October 31, that several encouraging signs would allow the unblocking of the possibility of approving a negotiating brief for the Commission to open negotiations with Slovenia on a Europe Agreement. However, the Council was informed by Mr. A. Martino, Italian Minister of Foreign Affairs, that Italy is not yet ready to withdraw its reserve. Mr. Marino informed the meeting on the current state of bilateral discussions between Italy and Slovenia and expressed hope that these discussions would soon be concluded. Italy says it still not sure about the position of Slovenia's Government on a number of bilateral

problems and especially concerning the questions of buying property in Slovenia.

In late October the planned meeting between Mr. Berlusconi and Mr. Drnovsek, Slovenia's Prime Minister was postponed, because Slovenia expressed reservation with regard to a 10-point draft agreement which was negotiated earlier by respective foreign ministers. Readers will recall that in early October foreign minister Mr. Martino spoke about "double progress": Slovenia agreed in principle to amend its Constitution to make possible the purchase of land and dwellings by foreigners. The meeting between the two premier ministers has been agreed upon. Mr. Martino also said in early October that Slovenia is on

the way to agreeing with Italian claims to certain assets which should be returned to their former Italian owners.

Croatia:

The Council heard on October 31 communication from the Commission (Commissioner Van den Broek) on results of his fact finding mission to Slovenia (see details in No 56). The Council then requested that the Commission prepares a draft proposal which would aim to:

- possibly include Croatia into the Phare Programme.
- possibly to start negotiations with Croatia on a Cooperation and Trade Agreement. ■

EUROPEAN TRAINING FOUNDATION

The European Training Foundation based in Turin will soon submit its first work programme (for 1995) for approval to the European Commission. The Foundation's Consultative Forum has already accepted the main lines of activity and approved the plan under which five working groups will be established to evaluate the priorities which will be dealt with during the next meeting in June 1995. The foundation will set up an observatory which will be looking into needs and priorities in training in the partner countries. It will aim at the establishment of proper networks and organization of meetings between the member countries. It will support implementation of cooperation programmes for training systems in individual countries and finally it will give support to the TEMPUS Programme for higher education.

The Foundation's Advisory Forum consists of some 100 experts from 40 countries ie 12 members of the Union, four acceding countries and 24 beneficiary countries. The director of the Foundation is Mr. Peter de Rooij.

It is expected that the Foundation will have quite a significant budget at its disposal. It will handle the budget of TEMPUS (some Ecu120m annually and increased when ex-USSR countries are fully integrated into the programme). It will also administer education and training programmes within Phare and Tacis, so that the Foundation will handle an annual budget of some Ecu300m. Its own operation budget for 1995 is some Ecu17m of which Ecu11m will cover operational costs. The Foundation has already recruited 60 employees and will have a staff of 150 by the end of 1996. The Foundation's Board consists of representatives of individual EU member countries and two officials of the European Commission. ■

ROMANIA-EU JOINT COMMITTEE

The meeting of the EU-Romania Joint Committee set up under the provisions of the Interim Agreement was held in Brussels on October 20-21. This was the second meeting of this type. The meeting carried out a review of implementation of Interim Agreement and of the work of several subcommittees established for specific purposes (agriculture, steel products, approximation of legislation, customs cooperation, transport, environment, research). There was a thorough discussion of the situation in textile products and their future development.

Both parties expressed hope of speedy ratification of the Europe Agreement. EU delegation was headed by Mr. Krenzler, Director General of DGI of the Commission. The Romanian delegation was headed by Mr. C. Ionesco, Minister of Trade. ■

DEFINITIVE ANTI-DUMPING DUTY ON METAL-CALCIUM-APPEAL TO COURT

The Council approved in October **definitive anti-dumping duties on imports of metal-calcium from Russia and China**. There are reasons to believe that a French importer is going to appeal Council's decision at the Court of First Instance. Actually the French importer already complained to the Commission in July this year following the introduction of provisional duty. The arguments in defence of the decision are interesting - based on the idea of parallel imports - and we trust they will be studied in central and eastern Europe.

The Commission introduced relatively high provisional anti-dumping duties in April. In the case of imports from Russia it was Ecu2,120 and in the case of imports from China it was Ecu2,074. The concerned importer, the French company INDUSTRIE DES POUDRES SPERIKUES (IPS) claims that the case is in fact an abuse of a **dominant position by PECHINEY ELECTROMETALLURGIE**. In fact it was PECHINEY who was behind the anti-dumping complaint.

The Council's decision said that the Community industry suffered injury. This in fact means that only the EU manufacturer PECHINEY had to lower its prices, its production declined, it lost its market share and became unprofitable. On the other hand, the Council said that the EU users (steel industry, lead industry and others) will not suffer injury from the introduction of definitive duty, because the rise in costs of production of, for example, one ton of steel would only be 0.2%, a negligible figure.

IPS, which is processing calcium in the form of calcium granules (its own process) claims that the reason why it was importing large quantities from Russia and China was that PECHINEY simply refused to supply them. This is actually the second case. The first started more than five years ago, when the Commission, acting on a complaint from

PECHINEY introduced provisional anti-dumping duties on imports from Russia and China and these were confirmed by the Council which introduced definitive duty in 1989. IPS then appealed and claimed that Pechiney was refusing to supply it with metal calcium, so that IPS had no other choice but to look for supplies elsewhere. Thus, it was claimed, it was PECHINEY who was largely responsible for the injury caused. In appeal the European Court of Justice followed this argument and stated that the Community did not correctly determine the injury caused. The French council on competition said in 1992, just before the European Court of Justice invalidated Council's definitive duty, that PECHINEY used its dominant position on the market to prevent its only competitor from developing its production which was based on an important innovation. The French Council on Competition fined PECHINEY FF 1.8m for abuse of its dominant position.

This year the Commission said that continuation of the situation was dangerous, because if no anti-dumping measures were introduced the danger was that the only EU manufacturer (PECHINEY ELECTROMETALLURGIE-PEM) would find itself in a difficult situation of being eliminated. Thus anti-dumping measures protect an effective competition on the market (but the Commission said it will re-examine the situation in six-months or one year). It was said that IMS had technical difficulties using metal provided by PECHINEY, but PECHINEY has made efforts to manufacture products which would be suitable to IMS. The Council also refused this year the claim from IPS that its supplies would be threatened by the action and the Council said that IPS can still get the products from Russia and China at non-dumped prices.

IPS claims that this year's case is the same case as before and that PECHINEY abuses its dominant

position and violates Article 86 of the EC Treaty. They also say that when the Council decision was made, a majority of Member States were against the decision to introduce definitive anti-dumping duty, but that they retreated under the pressure from the French Delegation. In spite of the July complaint, the Commission and the Council refused to take it into account and it will be interesting to see the ruling of the Court of First Instance.

Calcium metal is mainly used by the steel industry, the lead industry and the ferro-alloy industry.

Urea-ammonium nitrate dumping:

The Council decided to prolong by two months (until the end of 1994) provisional anti-dumping measures on imports of a mixture of urea and ammonium nitrate imported from Bulgaria and Poland. ■

AGRICULTURAL COUNCIL APPROVES SOME IMPROVEMENTS IN TRADE WITH HUNGARY, POLAND

*The Agricultural Council held on October 24-25 approved a decision taking form of an exchange of letters with Hungary and concerning some changes of annexes to the Europe Agreement (agricultural concessions). There shall be more flexibility in **quota management and reduction of import duties** for certain products imported from Hungary. In exchange, Hungary will facilitate imports of certain types of Community pigmeat.*

*The Commission signed on September 29 an agreement with Poland which opens **zero duty tariff quota** for certain **glass products** (tariff sub-heading 70.13.99.90) originating in Poland. The zero duty tariff quota amounts to Ecu1.13m for 1994, but the global quota for the main heading (70.13) has not been changed.*

Aid to Moldova:

The Council approved during the same meeting the delivery of agricultural products free of charge to the population of Moldova. This decision was made under the framework of an earlier decision which allowed food aid worth Ecu204m to the population of Georgia, Armenia, Azerbaijan, Kyrgyzstan and Tajikistan. ■

STABILITY PACT

The EU Council heard on October 31 the Presidency's intermediary report on the Stability Pact and took a note of the German Presidency intention to include the Stability Pact on the agenda for the Essen Summit.

The regional "round tables" have already been held: "Baltics" on September 21, and "central and eastern Europe" on September 22. The second round is scheduled for the beginning of November. The CEEC's roundtable progressed in discussions with a view to concluding agreements with Hungary, Romania and Slovakia.

A number of cooperation projects have been proposed as accompanying measures, but it seems that a problem of funds is emerging: Phare financing means are insufficient and some countries suggested the necessity of providing additional funds for the Stability Pact in excess of the current Phare framework (Phare Democracy Programme, cross-border cooperation, language training etc.). ■

DEVELOPMENTS WITHIN THE EC

NEW EUROPEAN COMMISSION

"I am the first president of a Commission with parliamentary legitimacy...It will be a political Commission, and no one will be able to say that we are technocrats: we are close to the people". This was Jacques Santer's comment in presenting his future European Commission to the press on October 29 in Luxembourg. The Commission's president designate and present Prime Minister of Luxembourg was also proud to announce that after a discussion of several hours at Senningen castle, in Luxembourg, he had been able to keep the deadline he had committed himself to with the European Parliament (a distribution of the portfolios before the end of October), in order to allow parliamentary hearings with the Commissioners. We had no "night of the long knives", noted Mr Santer, who saw the press only half an hour later than scheduled (while, for example, at the time of Roy Jenkins' Commission, it had been indeed a long night, until five in the morning, before the distribution of portfolios was announced). This time, the task was made more difficult by the fact that the President designate decided to carve up responsibilities among 21 Commissioners instead of 17, and that he had to give satisfactory jobs to people who had been, with very few exceptions, ministers or members of Parliament. I "ardently hope" that all four applicant countries will join, and I don't want to contemplate any other possibility, said Mr Santer when asked about the two countries where accession to the European Union is most uncertain, Norway and Sweden. Thus, he pointed out that, if Norway joins,

Thorvald Stoltenberg would get a portfolio which is extremely important for his country (fisheries), while Swedish Anita Gradin would have significant responsibilities, such as immigration, anti-fraud (and also relations with the Ombudsman, a new institution for the European Union but an old and important one for Sweden).

No "lightweights" here :

This "political" Commission will indeed be run by experienced personnel. Jacques Santer, has been Luxembourg's Prime Minister for ten years, and one of its new members will be a former Prime Minister, French Edith Cresson. Many "old" Commissioners have been ministers (Sir Leon Brittan from Britain, Dutch Hans van den Broek, Manuel Marin and Marcelino Oreja from Spain, Joao de Deus Pinheiro from Portugal, Pdraig Flynn from Ireland), and this is also the case of most of the "new" ones. Thorvald Stoltenberg was minister of foreign affairs of Norway for many years, Anita Gradin was Sweden's minister for immigration affairs and equal of opportunities before becoming minister for foreign trade, Franz Fischler is since 1989 minister for agriculture in Austria, Ritt Bjerregaard has been minister of education and then of social affairs in Denmark, and Erkki Liikanen, now Finnish ambassador to the Union (and, as such, one of the negotiators of the accession treaty) was a very young finance minister at the end of the eighties. Other Commissioners have never been ministers but have considerable authority, such as Neil Kinnock, who was leader of the British

Labour Party from 1983 to 1992, or Monika Wulf-Mathies, leader of the powerful German Public Transport Union since 1982. Greek Commissioner Christos Papoutsis (who, born in 1953, will be the youngest member of the Commission) has been a member of the European Parliament since 1984, and Italian Emma Bonino has also been member of the European Parliament and of the Italian Parliament (in Italy, she is very well known for her battles for civil rights and against hunger in the world and the death penalty). The other new Italian Commissioner, Mario Monti of the prestigious Bocconi university in Milan, is a very respected economist (and the immediately told the press that he sees his role as a Commissioner only in real independence from the national government), French Yves-Thibault de Silguy is not a politician either but has considerable European experience (he was, until his appointment to Brussels Balladur's adviser for European affairs, and, was at the beginning of the eighties, an adviser of the then vice-president of the European Commission in charge of monetary and economic affairs Mr Ortoli) .

Announcing his new team, Mr Santer said that he was particularly delighted that, for the first time, there were five women Commissioners, and, asked about the political colouring of the new Commission, he admitted that it will have more "socialist or social democratic Members than liberal or christian democrats, given the political situation in Member States" (several of the "new" Commissioners are socialists or social democrats).

Commission increasing its role:

It could be suggested that the new "Santer" Commission, which will be in place till the end of this Century, is likely to play a stronger role than any other so far. The coming five years will be a period of unprecedented quality changes within the European Union. The Commission's right of initiative puts it into a central position.

Jacques Santer, who is seen by most as a weak President, at least if compared to Jacques Delors, introduced an innovation which seems to show that he has the intention to have a firm grip on the new, larger Commission. Thus, three important areas of responsibility - common foreign and security policy, monetary affairs and institutional questions (in view of the Intergovernmental Conference of 1996) will be run by three different Commissioners, but "in agreement" with the President himself. Mr Santer pointed out that President Delors already shares responsibility for monetary affairs with Mr Christophersen, and noted that coordination will be all the more necessary in a Commission of 21 rather than 17, the also stressed the importance of "collegiality" within the European Commission, which is something he has frequently done lately. Mr Santer, who, as he admitted himself, has consulted "a lot of people" before presenting "his" Commission, obviously wants this new Commission, which is facing important deadlines such as the 1996 Conference, to work well and in a coherent way. And he also wants to be sure of the backing of the European Parliament, which treated him rather roughly in the plenary of last July, but with which he is determined to have open and good relations. That is why he whole-heartedly accepted Parliament's demand to hold "hearing" committees (which will

take place within the next weeks) and why he could also accept a postponement by a month or so of the parliamentary vote on the whole new Commission, in order to allow parliamentarians of the new Member States to participate in this vote (the new MEPs would be first designated by the national Parliaments, and "European" elections will be held in these countries within two years at the latest). Parliament's President Klaus Hänsch wished to make this gesture towards the potential new Member States, and Mr Santer showed understanding and sympathy for such an initiative.

External Relations gain importance:

Another "sizeable" innovation (as Mr Santer himself called it) is the reorganization of external relations in the new Commission. The present system, with one Commissioner in charge of "political" external relations (Hans van den Broek) and another one in charge of "economic and commercial" relations (Sir Leon Brittan), with, moreover, one Commissioner (Manuel Marin) responsible for relations with the developing world "have not worked and could not have worked", admitted Jacques Santer. Indeed, structure tends to lead to frictions and misunderstandings among Commissioners, as soon as one of them has the feeling that the other interferes with his work. Thus, in order to avoid this problem that the Delors Commission had, Jacques Santer chose the "geographical" option, with a series of Commissioners in charge of relations with several groups of countries seen as a whole, both in political and economic terms. Sir Leon Brittan will be in charge of relations with the industrialized world (also in the Far East), Hans van den Broek of rela-

tions with Central and Eastern European countries and the former USSR (Sir Leon would have liked to keep this portfolio, and briefly considered quitting the Commission because it was given to somebody else) and also with Turkey, Malta, Cyprus (many of these countries have or will apply as full Members of the Union, and it makes sense that Mr van den Broek, who was in charge of the last enlargement, should get the job), Manuel Marin of relations with Latin America, the Mediterranean, the Middle East and Asia (except for industrialized countries) and Joao de Deus Pinheiro of relations with Africa, the Caribbean and the Pacific (the 70 countries which signed the Lomé Convention with the European Union) and South Africa.

EP committees hearings: a new procedure

The new "hearing" procedure that will be applied to the Santer Commission is not foreseen in the Treaty, but Jacques Santer immediately showed his willingness to accept it. The "hearings", inspired by the procedure followed in the American Congress for important nominations in the Administration, was suggested in the Froment-Meurice Report approved by the European Parliament last May (and, at that time, Jacques Delors seemed rather sceptical about it). The Commissioners will now be heard by the different committees which are competent for their respective portfolios: thus, for example, Ms Bjerregaard will appear before the environment committee, Ms Cresson will be heard by the research and energy committee, which will also hear Mr Papoutsis, and so on. The hearings will be rather general:

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 the new Commissioners will be asked about their ideas about some fundamental political issues and, of course, about their perception of European integration, and also, though not in many details, about the policy sector that they will be in charge of. Personal questions should be limited to the essential, though, of course, Commissioners will be asked about any "vested interests" that they may have. If a major problem emerges about one or other Commissioners during the hearings (which, in principle, should be public), the President of the Parliament would have to consider how to deal with the situation. Anyway, as Santer himself said, these hearings should not lead to the voting down of single Commissioners, since the Commission is a "collegial" institution. Thus, Parliament will express its opinion on the whole Commission in the plenary, probably in January 1995, having heard the programme that Jacques Santer will have prepared by then.

The portfolios attributed to each Commissioner

Here is how the portfolios are to be distributed in the Santer Commission.

Jacques Santer: General Secretariat, Legal Department, Security Bureau, Planning Cell, General Inspection of Services, Joint Interpreting and Conference Service (SCIC), Spokesperson Service, Monetary Affairs (with Mr. de Silguy), Common Foreign and Security Policy (with Mr. van den Broek), Institutional Issues and Intergovernmental Conference (with Mr. Oreja).

Manuel Marin: External Relations with the Southern Mediterra-

nean, Middle East, Latin America, Asia (excluding Japan, China, South Korea, Hong Kong, Macao, Taiwan).

Martin Bangemann: Industrial Affairs, Information and Telecommunications Technologies.

Sir Leon Brittan: External Relations with North America, Australia, New Zealand, Japan, China, South Korea, Hong Kong, Macao, Taiwan. Common Trade Policy. Relations with the WTO (World Trade Organization).

Karel van Miert: Competition.

Hans van den Broek: External Relations with Central and Eastern European Countries (CEEC) and countries from the former Soviet Union, Turkey, Cyprus, Malta and other European Countries. Cfsp (in agreement with the President). External Services.

Joao de Deus Pinheiro: External Relations with Africa, the Caribbean, Pacific (ACP), South Africa, Lome Convention.

Padraig Flynn: Employment and Social Affairs. Relations with the Economic and Social Committee.

Marcelino Oreja: Relations with the European Parliament. Relations with Member States (in matters of transparency, communication and information). Culture and Audiovisual, Publications Office, Institutional questions and preparing the 1996 Intergovernmental Conference (in agreement with the President).

Edith Cresson: Science, Research and Development. Common Research Centre. Human Resources, Education, Training

and Youth.

Ritt Bjerregaard: Environment, Nuclear Security.

Monika Wulf-Mathies: Regional Policy. Relations with the Committee of the Regions. Cohesion Fund (in agreement with Mr. Kinnock and Mrs. Bjerregaard).

Neil Kinnock: Transport (including the Trans-European Transport Network).

Mario Monti: Internal Market. Financial Services. Customs and Indirect Taxation. Direct Taxation.

Emma Bonino: Consumer Policy. The European Community's Humanitarian Office (ECHO).

Yves-Thibault de Silguy: Economic and Financial Affairs. Monetary Affairs (in agreement with the President). Credits and Investments. Statistical Office.

Christos Papoutsis: Energy and Euratom's Supply Agency. Small and Medium-Sized Enterprises (SMEs). Tourism.

Thorvald Stoltenberg: Fisheries.

Anita Gradin: Questions linked to Immigration and Internal and Legal Affairs. Relations with the Ombudsman. Financial Control and Anti-Fraud.

Franz Fischler: Agriculture and Rural Development.

Erkki Liikanen: Budget, Personnel and Administration. Translation and Computer Technology.

Below we list some biographical details on the *new* European Commissioners recently appointed.

Jacques Santer (aged 57), from April 1987 to May 1990 was Chairman of the European People's Party (comprises Christian Democrats from all the Member States). Since July 1989 he was Prime Minister, Minister of State for the Treasury, Minister for Cultural Affairs in Luxembourg. From January-June 1991 he held the post of President-in-Office of the European Council for a second term. Also a former governor of the IMF and the EBRD.

Ritt Bjerregaard (53), is a former Danish minister. Up until 1992, she was chairman of the Parliamentary Group of the Social Democratic Party, and since 1990, she has been a member of the Parliamentary Assembly of the Council of Europe. She also holds the roles of Vice-President of the Parliamentary Assembly of the CSCE, and Socialist International Women.

Emma Bonino (46), former member of the European Parliament, and President of the Radical Party. Heavily involved in Humanitarian & food aid, in Italy and world-wide.

Edith Cresson (60), is a former MEP, held ministerial posts in France notably Minister for European Affairs in 1988-90. In 1991 she became Prime Minister. She is also

Chairwoman of the Institute of European Studies, a position she has held since 1992.

Neil Kinnock (52), is a former leader of the British Labour Party, a position he resigned from following defeat at the British elections of 1992. No formal experience in terms of positions held in either European Affairs or Transport.

Mario Monti (51), has been involved in economics and finance during his career as a University professor. Formerly rector of Bocconi University, he became president of the University in 1994 and is also the economic commentator for "Corriere della Sera".

Christos Papoutsis (41), economist and MEP since 1994, and Vice-President of the Socialist Group of the EP since 1987.

Yves-Thibault de Silguy (46) is a former adviser to Jacques Chirac on European affairs and international economic and financial affairs. More recently, he has advised the office of Edouard Balladur on European affairs.

Monika Wulf-Mathies (52), member of the Social Democratic Party. She joined the ÖTV (German Public Services Trade Union) in

1971, and has been chairperson of the organisation since 1982.

Franz Fischler (48), has been involved in agricultural issues in Austria. In 1985 he was appointed Director of the Tyrol Chamber of Agriculture, and in 1989 he became Federal Minister for Agriculture & Forestry.

Anita Gradin (61), has held ministerial positions in Sweden from 1982-1991. She was the minister responsible for foreign trade up until 1991. Since then she has acted as Swedish Ambassador to Austria and Slovenia and the UN in Vienna.

Erkki Antero Liikanen (44), for Member of Parliament in Finland. Minister of Finance for three years up to 1990. Since then he has been head of the Finnish Mission to the EU.

Thorvald Stoltenberg (63), has held numerous positions in Norwegian government, including Foreign Affairs. In this post he launched the initiative for cooperation in the Barents Sea. Up to January 1994, he was Special Representative of the UN in the Former Yugoslavia, responsible for all peace-keeping, -making, and humanitarian actions. ■

BRIEF NEWS

EP NAMES MEMBERS OF 1996 REFLECTION GROUP

The European People's Party Group in the European Parliament appointed Mr. Elmar Brok (German Christian Democrat) as one of the EU representatives in the Reflection Group. The Socialist Group has yet to decide who to nominate between Ms Elisabeth

Guigou and British EP member for the Labour Party, Mr. David Martin.

Readers will recall that the Reflection Group will start to work in June 1995 to prepare the 1996 Intergovernmental Conference. Brok is believed to be a close associate of Chancellor Kohl, Guigou was French Minister for European Affairs and was directly involved in the negotiations of the Market Treaty, while Martin is known for his work on institutional matters.

The Member Countries have so far been rather slow in nominating their representatives to the Reflection Group. The Reflection Group will be chaired by a Spaniard, as it will be Spain which takes over from France the EU rotating Presidency on July 1 1995. Informed sources believe that Spain would nominate Mr. Carlos Westendorp, State Secretary for European Affairs and former Spanish Permanent

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(see page 11)

Representative to the Community in Brussels. It is believed in Brussels that Portugal is nominating to the Reflection Group, Mr. Andre G. Pereira, a former foreign minister and professor of international law.

INFORMATION SOCIETY GREEN PAPER

In late October the Commission sent to both the Council and the European Parliament the first part of the GREEN PAPER on liberalizing telecommunication infrastructure.

Timetable for liberalization:

The Commission proposes that from 1995 operators of specific networks (cable TV, networks operated for own use such as railways etc.) make their infrastructure available for the provision of those telecommunications services which have been already liberalized. January 1 1998 is the target date for public voice telephone liberalization. A possibility is included for those member countries who are behind in the development of infrastructures. The EU Council will have to approve this timetable during its meeting on 17 November. The Commission will transfer to the Council and to the EU the second part of the Green Paper before the end of the year. The second part deals with modalities for liberalizing infrastructures. Commissioner Karel van Miert (responsible for competition policy) said that strategic alliances between enterprises helping them to reach critical size for competitiveness in the global market are necessary, but they must not foster a monopolistic situation. To van Miert, the liberalization is a prerequisite for strategic alliances. The Commissioner, who will continue to be in charge of competition policy in the new Commission,

underlined that correct application of the EU competition rules will be the priority.

AID FOR LEUNA REFINERY APPROVED

The European Commission approved in late October an increase in aid for the Leuna refinery (former east Germany). The original aid for Mitteldeutsche Erdol-Raffinerie GmbH (jointly owned by Elf Aquitaine, Buna and Russian ROSNEFT) was DM400m. The state aid can now be increased to DM440m because of more costly safety and environmental protection requirements. The Commission found the increase in the State Aid to be compatible with the Common Market. The intensity of aid will be below the limit of 35% normally accepted by the Commission in cases of combined aid (regional and other aids) for new construction in regions which are disadvantaged.

EU POLICY TOWARDS MEDITERRANEAN COUNTRIES

The President of the European Commission Jacques Delors and the Commission's vice-president Mr. Marin presented to the Council on October 31 a communication on the "strengthening of the EU's Mediterranean Policy". The EU Summit in Essen on 9-10 December is expected to formalize new initiatives towards the region. The stability of the Mediterranean region is, according to the President of the Council Mr. Kinkel, "as strategically important as central and eastern Europe". The idea to organize a Euro-Mediterranean Conference was approved and the conference is likely to be held during the second half of 1995. The COREPER will evaluate the opportunity of the establishment of an "ad-hoc"

Mediterranean group to prepare the conference. The Council recalled conclusions of Corfu Summit concerning the accession of Cyprus and Malta to the European Union. The Commission will present in early 1995 the report on the two countries. The Council also approved priorities suggested by the Commission for the negotiations with Israel, Morocco and Tunisia.

The Council also prepared the Association Council meeting with Turkey to be held on 19 December 1994. The proceedings will deal with the establishment of a customs union between the EU and Turkey. This customs union could become a reality by 1996, although much will depend on the position to be taken by Greece.

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