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Debate on the Community's relations
with the countries of central and eastern Europe

INTRODUCTION BY M. ANDRIESSEN

Mr. Dubcek's presence in the Parliament today to receive the Sakharov prize is a potent reminder both of the courage of the peoples of central and eastern Europe and of the role which the Community can play in supporting their peaceful transition to systems of government based on political and economic freedoms.

In my recent visit to Prague, Sofia and Bucharest, where I held talks both at the highest present political level and with opposition democratic forces which may furnish the governments of tomorrow, I was impressed by the pace of change and by the widespread aspirations of those I met for their countries to play a wider role in European affairs and in the open international economic system.

Democratic forces opposing the present governments generally seek more time to organise, better access to the media and sufficient funding from sources within their respective countries. In some cases these forces have indicated their concern to ensure that the elections are organised fairly and have raised the question of international supervision. If these concerns become formal requests, institutions in the Community, notably the European Parliament, should be ready to respond appropriately.

The Community must show its solidarity with these countries at such a critical moment in the history of Europe. Comecon as presently constituted does not provide a useful framework for trade and cooperation in the view of most of its members. The general preference indicated at the Comecon meeting in Sofia on 9 January was for a fundamental restructuring of Comecon, eliminating all unequal requirements governing trade with the USSR and allowing each country to pursue its trade relations bilaterally on the basis of comparative advantage and normal competitive conditions.

Given these preferences, means must be developed to link our neighbours in central and eastern Europe with the wider framework which the Community and EFTA are now developing.

The first step is to complete the network of trade and cooperation agreements which we are in the process of negotiating. Once the first generation of agreements is complete, the Community should respond positively to aspirations for closer links with the Community by means of a form of association. Association agreements with the countries of central and east Europe would have common elements covering trade, cooperation and financial support, modulated according to the needs and the capacities of each country as well as its progress towards open political and economic systems. With respect to trade, such agreements would aim at attaining free trade when the conditions for this were right.

As democracy and economic liberalisation take root, the agreements can be applied flexibly, as with the acceleration of the dismantling of quantitative restrictions applying to Poland and Hungary.

There is a common interest on the part of the Community, its neighbours and all states sharing its fundamental values in ensuring that reform in east Europe does not founder. This will require further financial efforts by the Community to support economic restructuring in central and eastern Europe. As demonstrated in the case of Poland and Hungary, Community funding acts as a catalyst, bringing forward contributions from other sources with added cumulative effect.

The Community must equip itself with adequate multiannual budgetary instruments if it is to respond adequately to the needs and the requests of our neighbours. Already the Community disposes of a number of flexible instruments which are making their contribution to stabilisation and reform: the European Investment Bank will be financing investments in Poland and Hungary to the tune of 1 billion ECU over the next three years; the Coal and Steel Community will be financing restructuring in these critical sectors to the extent of 200 million ECU; the Community is providing Hungary with a 1 billion ECU adjustment loan; Parliament played a key role in ensuring that the Community's contribution to coordinated assistance for Poland and Hungary will be financed to the extent of 300 million ECU; the European Bank for Reconstruction and Development, the European Training Foundation and the ^{YOUTH} Use Exchange Scheme will also be making their contribution. Nonetheless, in view of new requests for support from our partners in central and eastern Europe, these instruments should be strengthened and new instruments should be developed in such areas as export credit and investment promotion and protection.

Winter has now set in and the Community should also be ready to respond rapidly to urgent requests from Poland and Romania for food assistance. Such assistance helps to satisfy immediate needs and contributes to restructuring by freeing resources for investment.

Within the framework of the Group of 24, sympathetic consideration should be given to requests from the Czechoslovak, Bulgarian, and Romanian authorities that coordinated assistance should be extended to their countries; following the declaration of Ministers of the Group of 24 of 13 December, the Commission will put forward arrangements for strengthened cooperation to ensure that the beneficiaries obtain full additional value from the efforts of the 24. Such coordination will be all the more necessary with the extension of the actions of the 24 to other countries in east Europe.

Closer Community coordination will also be needed within the framework of the Helsinki process.

This adds up to a heavy agenda for the Community in the weeks and months ahead. But we are well placed to help end the division of Europe and to assist our neighbours in their transition to systems based on the fundamental values which we all share.