

'Through the back door' from Der Spiegel (23 April 1990)

Caption: On 23 April 1990, the German news magazine Der Spiegel analyses the reactions of the European partners of the Federal Republic of Germany (FRG) to the possible accession of the German Democratic Republic (GDR) to the European Communities.

Source: Der Spiegel. Das Deutsche Nachrichten-Magazin. Hrsg. Augstein, Rudolf ; Herausgeber Funk, Werner; Kilz, Werner. 23.04.1990, Nr. 17; 44. Jg. Hamburg: Spiegel Verlag Rudolf Augstein GmbH. "Durch die Hintertür", p. 35-39.

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Through the back door

GDR accession to the EC is not such a simple matter as Commissioner Jacques Delors seemed to think. There is increasing concern and anger among the partner states.

In the eyes of the Liberal politician Martin Bangemann, who has been shunted off from the German Ministry of Economic Affairs to the EC Commission in Brussels, 'the political side' was already 'as good as wrapped up' in March. He was bubbling with confidence when he spoke to a committee of MEPs. None of the Member States had any objection, he said, to the GDR's accession to the European Community — as part of a unified Germany. At most, there would be some 'technical problems' to clear up.

Up to now, the tone of the Bonn version has been very similar. The 'addition of the GDR' — that is, its accession under Article 23 of the Basic Law — would cause no problem from a European perspective. That was the verdict given by Foreign Ministry lawyers in a draft document. The Federal Republic of Germany would, it was said, continue to be a party to the treaty, as before, even though it had become bigger: it would simply have 'a larger number of *Länder*'.

Recently, however, optimism in Bonn and Brussels has been ebbing away. Since experts from the Commission and the Ministries have begun carrying out more precise analyses, there is a growing realisation of just how difficult it will be to unify the two parts of Germany in a way that is compatible with the EC. There are already signs of conflict between Bonn and its partners, such as the British Prime Minister, Margaret Thatcher, and Helmut Kohl's Socialist friend, the French President François Mitterrand.

Suddenly, even Jacques Delors can see 'considerable problems'. The President of the EC Commission, who in recent months has always held the door to the EC wide open for all Germany, is now warning that 'it is only now that the difficulties will begin'.

At the end of this week in Dublin, the 12 Heads of Government are to deal with the German 'special case' (*pace Delors*) for the first time. 'Active presence' of the EC states on the 'intra-German stage' is now imperative, according to an analysis by the Commission, because the issues involved are so highly complicated.

— In agricultural policy, prices and production quotas will have to be revised, and packages negotiated in earlier years will now have to be re-opened.

— Around 2 300 trade and supply agreements currently in force between the GDR and its Comecon partners are in breach of the rules for EC export trade.

— Injections of cash from Bonn for obsolete GDR factories and industrial branches will have to be authorised in Brussels.

— EC environmental protection standards — such as emission limits for motor vehicles — cannot be met by the new addition to the membership, the GDR, for a long time yet.

It is true that Bonn, Brussels and their partners have now come to an agreement that the Rome Treaties (founding treaties) of the Community will not be amended — unlike when Spain and Portugal joined the EC. Nevertheless, according to a senior official at the Commission, the conditions for admitting the GDR 'through the back door' must be subject to negotiation and exceptional and transitional arrangements agreed, in just the same way as if this were a question of a new Member State.

What is now expected to happen within the space of a few months took eight years for the Spaniards and the Portuguese. Difficult negotiations are on the agenda, especially on agricultural matters. According to a paper published by the Commission, the addition of the GDR will further increase production surpluses, and the extra burden for the EC budget is expected to be between 2 000 and 3 000 million marks.

According to estimates from Brussels, approximately 30 % of the people at present working in East German agriculture will become unemployed. This is because the collective farms have been employing twice as many people as are required in the Federal Republic to produce comparable yields.

The milk yield per cow and the output per laying hen are 20 to 25 % lower than in the Federal Republic, yet the prices paid to the producers of agricultural products in East Germany are far higher. Farmers there receive 1.71 East German marks for a litre of milk (0.78 marks in the FRG) and 900 East German marks for 100 kilograms of pork (330 marks in the FRG).

An analysis by the Finance Ministry in Bonn states that 'it is impossible to predict at present' what kind of 'settlement might be found to offset the price difference in trade in (agricultural) products with the GDR.' For the condition crucial to all previous compensation agreements is missing in this case — 'at least one economic boundary'.

In order to protect East German agriculture from cheap butter from Holland and low-priced wheat from France, the Minister for Agriculture, Ignaz Kiechle, is demanding the creation of a 'green line' for a period of at least three to five years. No one knows how that would function in actual practice.

GDR accession might also cause the debate about farm prices and production quotas in the whole of Europe to start up again. There is certainly sufficient reason, since the farmers in France, the Netherlands and the Federal Republic of Germany intend to stage a protest about their incomes this week. If a decision now also has to be taken about additional production quotas for the GDR, it could possibly mean that the stabilisation packages so carefully put together in long late-night sessions would have to be re-opened. The GDR is coming into the EC market, and it is bringing with it 11 million tonnes of cereals and 8 million tonnes of milk. This is sufficient reason for the Ministers for Agriculture to consider whether they should simply increase the upper limits set by the Community — 160 million tonnes of cereals and 100 million tonnes of milk — by the figure for the GDR, or whether they would take this as a good opportunity to secure additional production for their own farmers.

This will cost a lot of money, and not only for the treasury in Bonn. It is true that contributions from the Federal Republic of Germany to the EC would probably rise by about 10 %. That would be about 2 500 million more than before. However, in return, according to initial estimates, the GDR is entitled to about 3 000 or 4 000 million marks from the Agricultural, Regional and Social Funds. The shortfall would have to be covered by the British, French and Italians, and they are very reluctant. Maggie Thatcher is already making attempts to bring the countries in the south, which are worried about their subsidies, on side.

London and Paris also reacted with annoyance to the big rush for GDR state holding companies by firms in the Federal Republic of Germany. The fact that VW and Daimler, Allianz and Deutsche Bank intend to occupy the new economic territory entirely on their own is depressing for their neighbours. The British emissary at the EC Commission, Sir Leon Brittan, has stated: 'It cannot be in anyone's interest to have the state monopolies replaced by private ones.'

The EC partners suspect that it is not the historical or geographical advantages of the location but machinations in Bonn that are responsible for the independent initiative by Federal German business to profit from the East, and they do not intend to take it lying down.

Bonn's attempt to secure agreement from Brussels for its present and future spending of billions in support for areas along the East German border and in aid to Berlin is likely to fail. What is more, from July onwards, when the pan-German economic and monetary union is up and running, the EC Commissioner responsible, Leon Brittan, will be reviewing all the subsidies from Bonn that flowed into the GDR.

Bonn has only itself to blame for the trouble. It is true that Chancellor Helmut Kohl told his EC colleagues on a number of occasions that 'ensuring parallel efforts towards German unification and European integration' was 'of the utmost importance' to him.

Kohl also made the offer that the new Germany would not seek to have a third Commissioner in Brussels and would not demand any greater weighting for their votes in the Council of Ministers, the decision-making body of the EC. In the European Parliament in Strasbourg, the Germans are also content with the same number of Members as at present, in spite of unification with their 16 million brothers and sisters.

However, the Federal Government has done little to allay fears abroad of German domination. MEPs in Strasbourg are not happy to observe that they have largely been excluded from the GDR accession process. Unlike in the case of enlargement to include Spain and Portugal, the assent of the European Parliament is not required; the terms are being negotiated between the bureaucrats in Bonn and the Commission in Brussels and determined in the various Councils of Ministers.

Experts in Bonn consider that this is only right and proper. One official complained that it would be quite complicated enough, and many of the details are still 'totally vague'.

For example, what is going to happen with the 43 ships belonging to the GDR's deep-sea fishing fleet? Will they be allowed to continue fishing? What can be done with the 300 000 tonnes of sugar that the GDR buys annually from Cuba? And: 'What will the effect be on the Banana Protocol?'

As a result of very powerful advertising, the average European consumer prefers 'dollar bananas' from the Latin-American plantations of the US fruit multinationals. However, at the instigation of the British, French and Spanish, in order to protect the generally small and unprepossessing bananas from their former colonies, only a restricted number of these can be imported.

The banana-hungry population of the GDR could now jeopardise the hard-won agreement again, because who knows whether it will be the taste of Latin America or the flavour of Africa that will emerge victorious between Thuringia and Western Pomerania?