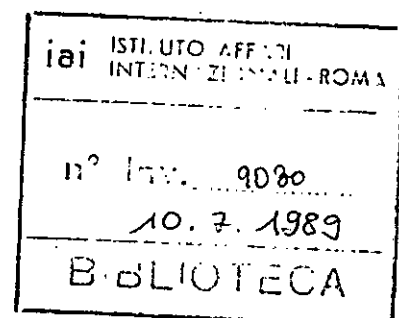


EUROPE AND THE BALKANS  
Istituto Affari Internazionali  
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1. "The Place of the Balkans in Europe"/ Paul Lendvai
2. "Sviluppi e prospettive dei rapporti economici interbalcanici"/  
Tito Favaretto e Marco Lachi
3. "The Balkans and their international economic relations"  
(CAB/IX/57/72-E)
4. "Two problems affecting cooperation in South Eastern Europe: past  
territorial disputes and socio-political variety"/ John Sanness
5. "The Place of the Balkans in Europe"/ response by J.F. Brown to the  
paper by Paul Lendvai
6. "The Balkans: short-range prospects"/ Alfonso Sterpellone
7. "The Balkans and their international economic relations"/ Klaus  
Terfloth



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"THE PLACE OF THE BALKANS IN EUROPE"

by Paul Lendvai

QUESTA PUBBLICAZIONE È DI PROPRIETÀ  
DELL'ISTITUTO AFFARI INTERNAZIONALI

## THE PLACE OF THE BALKANS IN EUROPE

There have always been two main but contradictory currents in Balkan politics, towards conflict and cooperation. To describe the various phases of political alignments in this area since World War II and to analyse the full impact of the processes of change within the confines of a brief paper is an impossible task. Thus when we venture any predictions about the implications of possible future developments, the knowledge of the basic factors (historic, political, economic, ethnic, cultural, sentimental etc.) and the origins of the forces that are still operative is taken for granted.

How will these contradictory processes of conflict and cooperation affect the relations of the Balkan states with one another, with the Soviet Union and the West? Viewed against the general all-European background, how can we distinguish between changes in the political climate on the one hand and changes in power relationships on the other? Or in terms of the dialectic, will the recent series of détente gestures ("quantitative mutations") continue until a point is reached when a new quality emerges?

Recent and startling changes in the Balkans, especially affecting relations with the Soviet Union should remind us of the limits of our foresight. Take for example the troubled tense summer of 1971. Following Ceausescu's visit to China and notwithstanding the success of the West German Ostpolitik in normalising relations with the East, the world witnessed a sudden deterioration of the situation in the Balkans.

Ominous warnings against forging a "Belgrade-Bucharest-Tirana axis manipulated by China", a Crimean summit meeting of the Warsaw Pact leaders without the participation of Rumania and large-scale army manoeuvres in the vicinity of the Yugoslav and Rumanian borders raised the spectre of an acute crisis situation. Yet within less than a year, the picture equally suddenly changed. Beginning with Brezhnev's visit to Belgrade in September 1971 and followed by Tito's return trip to Moscow

in June 1972, Soviet-Yugoslav relations have improved to a degree which only a year ago would have seemed "unthinkable". During the same period Soviet-Rumanian bilateral relations have also taken a turn for the better. Sofia quickly followed suit and the agreement, signed in September 1972, about erecting a joint Rumanian-Bulgarian hydro-electric project on the Danube is the first tangible result of the closer cooperation between the two Balkan neighbours. What appears to be a discreet dialogue between Yugoslavia and Bulgaria is in progress, accompanied by a mutual toning down of the controversies over Macedonia. In sum, the period of open conflict is over and there is once again increasingly frequent talk about "transforming the Balkans into a zone of peace and collaboration". (See for example Scinteia, September 13, 1972; Yugoslav-Rumanian communique after Premier Maurers eight-day friendship visit on September 19, 1972 and the joint statement after Ceausescu's visit to Varna, September 29, 1972).

Even this brief and schematic survey indicates the pitfalls in drawing summary and oversimplified conclusions from one isolated phase of the movement and fluidity in Balkan politics. To put it bluntly: the present paper written a year ago would have almost certainly erred on the side of pessimism when speculating about the future evolution, while today a similar analysis is fraught with the opposite danger of succumbing to a "détente euphoria".

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When trying to formulate some tentative conclusions about the fast -- changing and ambiguous Balkan scene, we have to investigate three seemingly separate yet closely interconnected fields:

- a., the likely nature of future evolution within the individual Balkan countries (1).

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(1) -- Excluding Greece and Turkey.

b., the limits to and possibilities for regional cooperation

c., relations with the Soviet Union and West Europe.

#### Internal evolution:

It has become a commonplace to say that society in Eastern Europe (as indeed almost everywhere on the continent) is in rapid transit from one transition period to another. The general hallmarks of social change, albeit varying in pace from country to country, are the progress towards more complex industrial societies, thus sharpening the contradiction between the changing socio-economic base and the political superstructure based on monopolistic party control and the hierarchic modes of decision-making by a self-perpetuating bureaucratic oligarchy; major demographic changes and rapid urbanization, creating a multiplicity of social problems and feeding the pressures for decentralisation; the paradoxical phenomenon of the increasing weight but also of the accelerated alienation of the technocrats (and of the youth) from the regimes; the generation gap coupled with changes in value and cultural choices, in life style of the young and cultural élite; and last but not least a heightening sense of social disorientation linked to the "ideology-fatigue", the irreversible process of ideological erosion.

Viewed against this general background, which of the specific forces are likely to influence the direction of the future internal evolution of the four Communist-ruled Balkan states? And how far could these possible changes affect the external policies of these countries?

#### I. Yugoslavia

This multinational state is faced with a serious threat to internal stability which in turn has injected a new element of uncertainty into the entire area. Yugoslavia's ability to withstand external pressures has always depended on its internal stability. The purge of the Croat leadership in December

1971, followed by a massive screening of the party and state administration at all levels, the alienation and bitterness of large segments of the Croats (above all the intelligentsia and the youth), the emergence of the army as the only force which can contain internal dissent and protect "law and order" and the inability of the Yugoslav leadership to cope with the underlying economic and political causes of national ferment have widened a seemingly "Croatian affair" into an all-Yugoslav conflict.

The national and political, economic and social grievances have been accentuated by the succession crisis and the problems of authoritative leadership. Marshal Tito, who was 80 last May no longer possesses total authority.

Through his wavering Tito decisively contributed to the general deterioration of the situation in 1971. He has lost his popularity in his native Croatia for turning against the previous Croat leadership but has failed to regain his prestige among the Serbs because he is reproached for acting too late.

Meanwhile, the Croat crisis and the persistent economic difficulties bring grist to the mills of those forces in the army and the administration which advocate a return to a regime of the "strong hand" in close cooperation with the Soviet Union. The infiltration of a small terrorist band last summer and the bombings perpetrated by extreme Croat nationalists both abroad and at home also strengthen the position of the centralists. The progressive leaders in Serbia, Macedonia and perhaps even in Slovenia are in danger of losing their position or at the very least being pushed onto the defensive.

The external corollary to the domestic crisis is a political and economic rapprochement between Yugoslavia and the Soviet Union. It would be unwise to speculate at this point about a return of Yugoslavia to the Soviet power sphere. But there is no doubt that increased reliance on Soviet credits and general good-will strengthens the trend towards hard-line policies and vice versa. Both the experiments, with Belgrade-based centralism and with "national communism" at republican level, have failed. It remains to be seen whether the present process of recentralisation in the party will mark a return to full-blown centralism, or - in the case of social disturbances -

lead to a covert army dictatorship. In either event, the advocates of truly radical economic reforms will have to wait for better days.

The dynamics of centrifugal forces subject this pivotal strategic area to tensions which show no signs of subsiding in the foreseeable future. Centralism and hard-line policies may result in a short-term deceptive stabilisation. In the long term, however, they are bound to strengthen rather than eradicate the doubts about the viability of the federal state and to narrow the scope for freedom of action in foreign policy.

## II. Rumania

For all the prestige reaped by her independent foreign policy, Rumania's ability to withstand external pressures and to pursue independent initiatives has been weakened during the past few years. The very fact that the present line of Soviet détente diplomacy excludes any over direct pressure by the Kremlin on Rumania has perhaps helped to overshadow the gradual erosion of the domestic base of the independent foreign policy.

The highest investment rate in Eastern Europe at the price of domestic consumption raises the critical problem of credibility for a "future-oriented" system which can no longer operate with the convenient excuse of "external threat". As a result of the détente and of growing popular disaffection, politics have become focused on internal affairs. The failure to raise living standards and to provide a greater margin of toleration with regard to cultural experimentation and freedom of movement (travel to the West) has led to a gradual estrangement of key social groups.

The permanent reshuffles in the top echelons of the party and state apparatus and the hasty reorganisation schemes reflect growing tensions and possibly factional battles within the ruling party. Though the manifold internal difficulties may not (or not yet!) pose a direct threat to Ceausescu's supreme position whose bizarre cult of personality still dominates the political scene, they do promote a climate for sharpening political and social tensions which, barring tangible

concessions to the population, have the potential for generating a social upheaval.

It is important to note the paradoxical effects of the détente (however limited in scope yet) on Rumania. On the one hand, the current phase of Soviet foreign policy makes short-term aggressive actions in the Balkans an unlikely contingency, thus reinforcing Rumania's security position. On the other hand, however, the relaxation of tensions may well compound social strain and centrifugal pressures within Rumania and consequently it could become more difficult for the leadership to resist future Soviet pressures as firmly as in the past.

### III. Bulgaria

As before Bulgaria is an isolated but important stronghold of Soviet influence in the Balkans. The outlooks for significant change in terms of economic reforms, social innovation or upward mobility of creative talent is not very promising. Since 1967-68 the pendulum has swung back from half-hearted decentralisation experiments to a recentralisation of economic policy. Internal developments continue to show a striking similarity to the trends in evidence in the Soviet Union. There is no reason to suppose that Bulgarian efforts to promote Balkan cooperation run counter to Soviet policy goals. In view of the degree to which Bulgaria's policy is coordinated with Moscow's and of the "ever closer integration of the Bulgarian economy with that of the Soviet Union" (not with Comecon in general!) even a change in the top leadership (at present highly unlikely) or internal conflicts could not produce a meaningful change in Bulgaria's position as a docile and reliable ally in the region.

### IV. Albania

The invasion of Czechoslovakia followed by Albania's formal withdrawal from the Warsaw Pact in September 1968 marked the beginning of a foreign policy reorientation. Albania's relations with all neighbouring countries significantly



improved during the past three years. For all the rhetorical attacks on Western imperialism, there has also been an opening to the West in the form of broadening diplomatic relations, participating at international trade fairs and promoting tourism.

The profound changes in China's relations with the U.S. and Japan as well as her admission to the United Nations not only constitute a certain embarrassment to the Albanian leadership but also evoke the spectre of a certain isolation of this smallest Balkan country. Though on the face of it, Chinese-Albanian relations remain "cordial", the friendship with Peking will no longer be the only major prop of foreign policy.

It can be safely assumed that Albania will pursue this policy of opening in the 1970s. As long as the 64 year old Enver Hoxha with his personal stake in defying Moscow, "the centre of modern revisionism", remains in power, there is hardly any chance for an improvement in Albania's relations with the Soviet Union. Regional cooperation in the Balkans, however, will remain one of Albania's basic foreign policy goals, unaffected by any likely shifts in domestic politics.

#### Regional cooperation - limits and possibilities

Speaking at the national conference of the Rumanian Communist party in July 1972, Ceausescu made the following significant statement: "It is time to move from general declarations to concrete steps with regard to the establishment of lasting collaboration between the Balkan states". He suggested the setting up of a body to promote economic cooperation; the holding of a Balkan conference to discuss the transformation of the Balkans into a nuclear-free zone and to adopt resolutions or to conclude agreements about the basis of economic, political and scientific-cultural cooperation between the Balkan states.

Though the roots of bitter frictions persist it would be unwise to overlook the movement for regional cooperation without Soviet participation. The improvement of relations between Yugoslavia, Rumania, Bulgaria and Albania on the one hand, and Greece and Turkey, the two non-Communist, semi-Balkan Mediter-

ranean states allied to the West on the other, both reflects and promotes the easing of tensions in Europe.

The military coup in Greece arrested only temporarily the trend towards a limited cooperation. The resumption of diplomatic relations between Albania and Greece (May 1971) after having been technically at war for thirty years; the increasingly frequent high-level visits from Belgrade and Bucharest to Athens and vice versa and the holding of numerous Balkan conferences on tourism and science (almost always including Greek and Turkish participants) show that the self-interest of all the states of the wider Balkan region in bilateral and multilateral projects goes deeper than current regimes or doctrines.

What then are the possibilities for Balkan-wide cooperation? We have to make a clear distinction between collaboration for specific and limited purposes and "regionalism" in the sense of unifying impulses leading to some kind of a supranational grouping. One should remember that interwar cooperation even without the danger of outside domination yielded only modest results in setting up various Balkan-wide institutions for commerce or tobacco marketing.

Such projects as the giant Yugoslav-Rumanian hydroelectric complex at the Iron Gate on the Danube, a Rumanian-Bulgarian scheme for a similar project, the building of interstate highways, river regulation and the promotion of tourism are good examples for the evident possibilities of joint ventures. A Rumanian spokesman suggested the establishment of a Chamber of Commerce for the Balkans. In the light of past experiences and present trends, however, a customs union, let alone the grand design of a Balkan Federation seems as unrealistic in the seventies as it was in the thirties.

As far as Yugoslavia and Rumania is concerned, the initiatives for cooperation in the Balkans are part and parcel of their joint strategy in connection with the preparations for a European security conference. What is to Moscow an instrument to freeze the status quo is a possibility for gradual disengagement to Belgrade and Bucharest. Cooperation in the Balkans should be an additional lever for bolstering national security and self-defence of the "small and medium-sized states" against

interference or intervention by a great power.

Why then does Bulgaria participate in ventures which, however limited, are aimed at subverting and not cementing the cohesion of the Soviet bloc? To start with, the Balkan projects clearly serve the elementary interests of Bulgaria. Furthermore it would be difficult for Moscow to force a retreat of its Bulgarian ally from multilateral and bilateral collaboration projects at the very time when the Soviet diplomacy advocates the same thing in a wider European and international framework. Finally, the Kremlin, chronically apprehensive about Chinese influence in Eastern Europe, could easily use Bulgaria as an indirect instrument to block or to brake any movement which might affect essential Soviet interests.

Even the present limited phase of Balkan cooperation has helped to defuse potentially explosive areas of friction such as "Northern Epirus" issue between Greece and Albania; the Kosovo quarrel between Albania and Yugoslavia; the Macedonian dispute between Yugoslavia and Bulgaria. The relaxation of tensions in this sensitive area has definitely changed the political climate.

It is however equally important to note the internal and external limits to close cooperation. Four of the six states directly or marginally involved in Balkan projects belong to the two opposing military blocks in Europe while two others (Yugoslavia and Albania) are, albeit under different ideological labels, "non-aligned". More important still is the tense internal situation in some of the countries in question. These domestic difficulties coupled with the rise of Balkan nationalism could release emotions that may strengthen the very forces against which the Balkan nations have been struggling. We have seen often enough since World War II and most recently between 1968-1972 how soon the climate can change and how quickly ambitious projects can become a dead letter. The old rivalries and territorial feuds from Macedonia to the Cyprus problem have the capacity to stir up national animosities, particularly if the flames of discord are deliberately fanned from the outside.

### Relations with the Soviet Union and the West

The Soviet Union is bound to remain the great power most intimately interested in this region. The cumulative effects of the emancipation of Yugoslavia, Albania and Rumania have transformed the Balkans, once a solid bulwark of Soviet influence into something like a power vacuum. In the long run, the Soviets want to recover the strategic position they enjoyed immediately after World War II before the break with Tito and the secession of Albania. The means may have changed, but the end - the design to establish permanent bases along the Adriatic and in the Balkans - has remained the same.

Regardless of the present phase of cooperation, the independent Communist regimes in the Balkans represent a permanent if latent threat to the cohesion of the inner core of the Soviet sphere of influence. The transition from overt pressures to more sophisticated tactics in 1971-72 has been partly influenced by the search for a détente with the West. As Yugoslav commentators were quick to point out in the summer of 1971 : the Soviet leadership loses its credibility if it resorts to pressure methods in the South while seeking an accommodation in the North and in the West.

Yet the Soviet policy-makers are clearly motivated by other considerations as well. Fully aware of the dynamics of internal strife in Yugoslavia and of the internal difficulties in Rumania, the Soviet leadership apparently believes that time is on its side, that inability to control internal dissent will lead to a return of Soviet influence, as it were, by the back door. The key to Soviet success or failure in regaining a decisive, or at the very least, considerable influence over the Balkans lies in Yugoslavia. It is too early to venture any predictions about Moscow's Balkan strategy but it would be a folly to overlook the fact that Soviet political and economic penetration has made unexpected progress.

Furthermore the Soviet side is assiduously cultivating not only the Yugoslav high command but also the powerful organisations of the war veterans and reserve officers. The recent setbacks in Egypt have adversely affected the Soviet position

in the Middle East and the Mediterranean. Yet at the same time these developments are bound to lend an added urgency to Soviet demands for airport and harbour facilities in Yugoslavia.

There is not the slightest doubt that such tangled issues as disputed Macedonia (between Yugoslavia and Bulgaria) or Transylvania (between Rumania and Hungary) can easily be exploited -- if necessary -- by Soviet policies to weaken united resistance against outside pressures. There is also ample evidence that the Kremlin can defuse the Macedonian controversy as easily as it could arrange an eruption of what the Yugoslavs call "expansionist dreams" on the Bulgarian side.

With regard to the projects for Balkan cooperation, the Soviet leadership clearly welcomes the initiatives for a "nuclear-free zone" which can be used to further weaken the Southern flank of NATO. Last year's almost hysterical warnings against a "flirt" with distant China show that the keystone of traditional Soviet diplomacy remains the consideration, that regardless of the given degree of Russian control, a power vacuum in the Balkans should not be filled by dangerous outsiders. And in the Balkans the Soviet Union is as before better placed and equipped to exert power than any other challenger.

As to future relations with Western Europe, the present trend towards regional cooperation is unlikely to stimulate any kind of parochial isolation. On the contrary, these countries -- as indeed so often in the past -- once again look westward for economic ties and cultural inspiration. It is the West and not the Soviet Union that can provide capital, advanced technology, know-how, consumer goods and possibilities for the absorption of surplus labour.

Much will depend on the attitude of the EEC with regard to alleviating tariff discrimination. Access to the Western markets is a vital issue and influences the ability of the Balkan exporters of mainly farm products to acquire the hard currencies with which they can purchase badly needed capital goods. The extension of World bank loans, the granting of tariff concessions and the involvement of Western investors in

joint projects are considerably more important than the frequent visits of dignitaries yielding the usual "friendship communiqués". A significant exception was President Nixon's trip to Rumania and later to Yugoslavia which helped to encourage changes in American commercial and credit policies that are beneficial to the people in those countries and to the long-term interests of the West. Rumania's application for membership in the IMF and the World Bank shows that such institutions provide possibilities for forging institutional links.

For all the virtues of increased East-West contacts, the entire postwar history of Yugoslavia and Rumania for example shows that the West does not and can not create new situations, it merely responds to them. An imaginative and active Western policy, taking account of the special situation in each country and aiming at limited goals could however help to protect the interests of the countries involved. In contrast to Yugoslavia and Rumania, the establishment of meaningful contacts with Bulgaria is an item on the agenda for the future. The failure to establish diplomatic relations with Western Germany or to approach directly the EEC is a by-product of the "special relationship" with the Soviet Union. But Albania, while maintaining its commitment to "proletarian revolution" may well seek Western credits and technological assistance in the next phase of her "opening to the West".

The rigid patterns of the Cold War partition are breaking up and we witness a gradual reassertion of the traditional multistate system in this part of the world. The very complexities of the new situation create novel problems to which there are no easy and straightforward answers. The return to traditional diversity makes any Western approach in "bloc" terms counter-productive. What matters most at this stage is to deal in a flexible and practical way with the concrete problems faced by states, which regardless of official ideology can be drawn closer to the Western community.

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To sum up, the short-term prospects for the relaxation of tensions and a limited but real cooperation of the Balkan states are as promising as they were for example in the mid-sixties. If one takes into account Albania and her present relations with Yugoslavia and Greece, the outlook appears to be even brighter. It would be however premature to speak about a qualitative change in the power relationships. The arrows point in the direction of cooperation. But there is no guarantee whatsoever that internal conflicts and/or external meddling will not lead to renewed outbursts of petty nationalistic strife, or even to crisis situations.

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"SVILUPPI E PROSPETTIVE DEI RAPPORTI ECONOMICI INTERBALCANICI"

TITO FAVARETTO e MARCO LACHI

dell'Istituto di Studi e Documentazione sull'Est Europeo



## SVILUPPI E PROSPETTIVE DEI RAPPORTI ECONOMICI INTERBALCANICI

La particolare situazione politica venutasi a creare nell'area balcanica dopo la seconda guerra mondiale e i momenti di tensione che ne hanno caratterizzato la recente storia hanno reso difficile un normale sviluppo delle relazioni economiche fra gli stati balcanici. Il commercio interbalcanico che nel 1938 rappresentava quasi il 6% del commercio globale dell'area, all'inizio degli anni '60 non raggiungeva il 4%.

Anche in seguito, persistendo una situazione politica non favorevole, i rapporti economici interbalcanici sono rimasti a livelli più che modesti. Nel quinquennio 1965-1970 l'interscambio con i paesi di quest'area rappresentava poco più del 5% dell'interscambio globale della Jugoslavia e della Grecia, circa il 4,5% di quello della Bulgaria e della Romania, poco più del 3% di quello della Turchia. Per quanto riguarda l'Albania, i suoi rapporti commerciali con l'area balcanica possono essere stimati intorno al 10% del suo commercio con l'estero. Tuttavia, viste anche le modeste proporzioni di quest'ultimo (circa 218 milioni di \$ nel 1970) la sua posizione restava del tutto marginale.

Solo recentemente, all'inizio degli anni '70, i rapporti politici tra gli stati balcanici hanno cominciato a registrare alcuni significativi miglioramenti che non hanno mancato di influire sulle possibilità di una graduale ripresa delle relazioni economiche, come è evidente dai nuovi protocolli commerciali firmati per il quinquennio 1971-1975 e specialmen-

te da altre forme di collaborazione economica, di estremo interesse per gli stati limitrofi che le hanno messe in atto.

Tentare di valutare gli effetti che potranno derivare, nel contesto dei rapporti economici interbalcanici, da una normalizzazione delle relazioni tra gli stati di quest'area, presenta notevoli difficoltà non solo per le diverse dipendenze politiche, militari ed economiche che caratterizzano questi paesi e che possono costituire un limite a maggiori aperture ma soprattutto per il breve periodo in cui gli effetti di queste nuove relazioni balcaniche sono rilevabili.

Per queste considerazioni ci sembra utile distinguere la recente evoluzione dei rapporti economici interbalcanici in due parti: l a p r i m a dedicata agli sviluppi del commercio interbalcanico, agli eventuali limiti della sua espansione e alle prospettive aperte della cooperazione tecnico-industriale; l a s e c o n d a, riferita a tipi di collaborazione particolarmente rilevanti per i futuri rapporti tra gli stati che li realizzano (collaborazione nel settore delle infrastrutture, utilizzazione in comune del potenziale energetico).

Alcune considerazioni sulle caratteristiche e sui recenti sviluppi dei rapporti commerciali tra i paesi balcanici.

Come abbiamo già posto in luce, l'interscambio tra i paesi dell'area balcanica è piuttosto limitato e certamente inferiore alla sua potenzialità effettiva.

Il miglioramento dei rapporti cui si è assistito negli ultimi anni ha però permesso, in alcuni casi, la ripresa delle relazioni commerciali tra stati il cui interscambio era ormai divenuto irrilevante e, in altri, il rafforzamento di tendenze già preesistenti.

Un breve esame dei rapporti bilaterali di interscambio ci permetterà di abbozzare un quadro dei nuovi sviluppi e di formulare alcune ipotesi sull'evoluzione futura di questi rapporti.

Il maggiore flusso di interscambio tra gli stati balcanici è quello tra la Jugoslavia e la Romania. I due paesi intrattengono da tempo buoni rapporti ma solo recentemente questa situazione ha avuto un preciso riscontro anche nelle relazioni commerciali bilaterali.

Nel quinquennio 1966-1970, infatti, gli incrementi annui sono stati scarsamente significativi ed il volume globale degli scambi ha raggiunto solamente i 242,5 milioni di dollari. Sembra però che si sia in presenza di una sostanziale svolta nei rapporti commerciali tra i due paesi. Già nel 1970 l'interscambio

era stato di 65,40 milioni di \$ (rispetto ai 48,60 dell'anno precedente) con un aumento del 36%. L'incremento del volume degli scambi era stato confermato poi nel 1971 (primo anno del nuovo accordo commerciale che regolerà i rapporti tra i due stati fino al 1975), con un aumento del 45% circa (86,88 milioni di \$). La tendenza sembra infine confermata dalle previsioni fatte per il 1972 che indicano il valore dell'interscambio in 142 milioni di dollari circa, cifra questa calcolata, come plafond annuo, solo per il 1975.

Pur in presenza di queste tendenze positive, la scarsa complementarietà delle economie dei due paesi induce a prevedere che, per quanto riguarda i rapporti commerciali tradizionali, si resterà a livelli relativamente modesti, nonostante il recente accordo commerciale abbia predisposto nuovi e più efficienti strumenti sia per quanto riguarda l'utilizzazione delle liste merci sia per la soluzione dei problemi di carattere finanziario e valutario. Più favorevole può invece apparire la situazione degli scambi se si tiene conto dello sviluppo della collaborazione tecnico-industriale tra i due paesi. Nel 1972, infatti, le forniture reciproche di prodotti ottenuti dalla collaborazione tra industrie romene e jugoslave dovrebbe rappresentare già il 20% circa di tutto l'interscambio tra i due paesi.

Il potenziamento della collaborazione industriale potrà influire positivamente sulle caratteristiche qualitative dei rapporti commerciali jugo-romeni. Già oggi gli scambi di prodot-

ti della sola industria metalmeccanica registrano notevoli incrementi: 18% dell'interscambio nel 1970, 25% nel 1971, e, secondo le previsioni, 35% nel 1972.

Inferiore a quanto si potrebbe immaginare sia per la vicinanza che per l'appartenenza al sistema economico del Comecon, è l'interscambio tra B u l g a r i a e R o m a n i a, che nel quinquennio 1966-1970 ha raggiunto globalmente il valore di 243,5 milioni di dollari con un incremento di circa il 50% rispetto al quinquennio precedente.

Secondo gli ultimi accordi a medio termine, nel periodo 1971-1975 l'aumento previsto dovrebbe essere del 60% e la quota parte di beni strumentali e di attrezzature dovrebbe arrivare a costituire, alla fine del periodo, il 50% dell'interscambio tra i due paesi (nel 1967 tale parte incideva per il 38%). La lista merci dell'interscambio prevede la fornitura da parte bulgara di carrelli elevatori, gru semoventi, accumulatori, barite, fluorite, zinco ecc. e da parte romena di attrezzature per l'industria petrolifera, locomotive diesel ed elettriche nonché derivati del petrolio.

La recente normalizzazione dei rapporti tra gli stati balcanici ha interessato innanzitutto le rinnovate relazioni della Grecia e la graduale politica di apertura dell'Albania.

L'interscambio tra G r e c i a e B u l g a r i a ha registrato nel quinquennio 1966-1970 un valore globale di 127

milioni di \$. L'entità degli scambi nel 1971 (21,7 milioni di \$) e quella prevista per il 1972 non si discosta sostanzialmente dai valori registrati degli anni precedenti.

Sulla staticità di queste relazioni commerciali potranno forse influire il miglioramento dei rapporti interstatali e l'avviamento, come vedremo, di alcuni progetti di collaborazione tra le industrie dei due paesi che potrà influire sull'attuale composizione degli scambi, caratterizzati dalla prevalenza di merci di origine agricola (nel 1968 il 66% delle esportazioni bulgare e il 55% di quelle greche).

Anche le relazioni commerciali g r e c o - r o m e n e dimostrano una certa staticità. L'interscambio nel quinquennio 1966-1970 ha superato di poco i 92 milioni di \$ e nel 1971 ha registrato una lieve flessione rispetto al 1970.

Da un punto di vista quantitativo il nuovo accordo commerciale 1971-1975 non sembra modificare una situazione piuttosto stazionaria e segnerà solamente qualche cambiamento nella struttura degli scambi: nelle importazioni dalla Romania si avrà una maggiore incidenza dei prodotti dell'industria manifatturiera e di quella chimica, mentre nelle esportazioni greche aumenterà la presenza dell'industria tessile (filati di cotone).

Nell'ambito delle relazioni commerciali della Grecia con i paesi balcanici un posto rilevante spetta ai rapporti g r e c o - j u g o s l a v i. La Grecia, fino al 1970 co-

stituiva il primo partner balcanico per la Jugoslavia (73,67 milioni di \$ nel 1970) e, benchè abbia perduto nel 1971 questa posizione, oggi occupata dalla Romania (86,88 milioni di \$ contro 76,32), gli scambi sviluppati con la Jugoslavia hanno continuato ad aumentare anche se ad un ritmo modesto.

I rapporti con la Jugoslavia, che oggi rappresentano più della metà del commercio interbalcanico greco, dovrebbero registrare un notevole incremento nel 1972 e raggiungere, secondo valutazioni degli ambienti economici greci, i 110 milioni di \$ (78 milioni di \$ nei primi 8 mesi del 1972).

L'ampliamento degli scambi riguarderà la Jugoslavia soprattutto per le forniture di elettrodomestici, di filati sintetici e di prodotti alimentari e la Grecia per l'esportazione di cotone e di certi prodotti agricoli.

Sugli scambi potrà invece influire in misura assai modesta la cooperazione tecnico-industriale, per ora non molto sviluppata, salvo per la cooperazione a lungo termine tra gli impianti siderurgici di Skoplje e la "Hellenic steel".

Le rinnovate relazioni diplomatiche tra G r e c i a e A l b a n i a hanno permesso una ripresa dei rapporti commerciali che però non hanno ancora raggiunto valori degni di essere segnalati.

L'Albania, seguendo l'evoluzione dei rapporti della Cina con la Romania, prima, e la Jugoslavia poi, ha riallacciato

con quest'ultima e, come abbiamo già accennato, con la Grecia relazioni diplomatiche seguite da rinnovati rapporti economici, sottraendosi al quasi totale isolamento in cui si trovava rispetto a paesi con essa direttamente confinanti.

I nuovi rapporti tra Albania e Jugoslavia hanno permesso di prevedere significativi incrementi dell'interscambio nel quinquennio 1971-1975, anche se il suo valore resta assai modesto. Dai 25 milioni di \$ che rappresentavano l'ammontare dell'interscambio nel periodo 1966-1970 si dovrebbe passare a 114 milioni di dollari nel successivo quinquennio (8,7 milioni di \$ realizzati nel 1971).

Le esportazioni jugoslave riguarderanno macchinari ed attrezzature per l'industria mineraria ed alimentare e beni di consumo, quelle albanesi minerali di cromo, bitumi e prodotti ortofrutticoli.

Tale interscambio che interessa prevalentemente le repubbliche jugoslave confinanti con l'Albania, ha rappresentato, nel 1970, circa il 3% dell'interscambio totale di questo stato.

Già da qualche tempo consolidati, anche se modesti, i rapporti commerciali tra Albania e Romania (circa 31 milioni di \$ nel quinquennio 1966-1970).

L'accordo a medio termine 1971-1975 prevede un valore di scambi a 60-70 milioni di \$ (7,80 milioni di \$ realizzati nel 1971). Le esportazioni romene consistono soprattutto in pro-



dotti dell'industria metalmeccanica, chimica e in derivati del petrolio; quelle albanesi in minerali, tessili e prodotti dell'industria alimentare.

Infine, anche la Bulgaria, come abbiamo già visto, ha migliorato le sue relazioni con gli stati dell'area Balcanica e con la Jugoslavia, in particolare, dopo l'attenuazione della tensione esistente per la questione della Macedonia.

L'interscambio tra la B u l g a r i a e la J u g o s l a v i a nel quinquennio 1966-1970 è stato di circa 245 milioni di \$ ed ha presentato un andamento estremamente irregolare.

Nel 1971 si è registrato un notevole incremento rispetto al 1970 (da 54,9 a 70,8 milioni di \$) e gli scambi dovrebbero raggiungere la cifra 106 milioni di \$ nel 1972. Infatti il nuovo accordo commerciale 1971-1975 prevede scambi per un valore medio di oltre 100 milioni di \$ all'anno, con una prevalenza di esportazioni di prodotti industriali da parte della Jugoslavia.

Le relazioni commerciali interbalcaniche della T u r c h i a sono estremamente ridotte e negli ultimi anni non hanno registrato incrementi apprezzabili. L'unica novità riguarda l'interscambio con la Jugoslavia che, relativamente statico fino al 1970, è triplicato nel 1971 (30,7 milioni di \$) per un fortissimo aumento delle importazioni turche.

Il tema di rapporti commerciali, val la pena di accennare, anche come indicazione di un rinnovato clima tra alcuni paesi Balcanici, ai primi accenni di uno sviluppo del piccolo traffico di frontiera. Un primo accordo è stato stabilito tra la Romania e la Jugoslavia nell'ottobre del 1970. I cittadini dei due paesi residenti in una fascia confinaria di 20 Km hanno diritto a 12 passaggi annui con lasciapassare e ad una permanenza massima consentita di 6 giorni. I risultati finora raggiunti sembrano modesti a causa soprattutto delle restrizioni doganali ancora esistenti.

Un analogo accordo (fascia confinaria di 20 Km, 12 passaggi all'anno con lasciapassare) è stato recentemente firmato (agosto 1972) anche da Bulgaria e Jugoslavia.

Come risulta evidente dalla breve panoramica fatta, il processo di normalizzazione delle relazioni fra gli stati balcanici ha avuto dei paralleli effetti nell'ambito dei rapporti commerciali, la cui tendenza è orientata a notevoli incrementi entro il 1975, confermati per ora dall'interscambio degli ultimi due anni.

Particolarmente dinamico dal punto di vista degli incrementi annuali (non del valore che resta sempre modesto) è il ruolo di Stati come la Jugoslavia e la Romania, sia tra di loro, che con l'Albania e la Bulgaria. (Gli incrementi più rilevanti si registrano nei rapporti bilaterali tra Ju-

goslavia, Albania e Romania). Centrale risulta comunque, dal punto di vista delle relazioni commerciali allacciate con tutti gli stati balcanici e degli incrementi registrati negli ultimi due anni, la posizione della Jugoslavia.

Al di fuori di queste caratteristiche indicative, per molti aspetti, di una nuova situazione dei rapporti tra gli stati di quest'area, resta la necessità di considerare in termini obbiettivi le possibilità di sviluppo a lungo termine delle relazioni commerciali interbalcaniche. E' evidente che tali relazioni risentono attualmente e risentiranno per alcuni anni di un effetto benefico derivante dalla normalizzazione dei rapporti tra gli stati, il che favorirà lo sviluppo di potenzialità finora limitate da fattori politici. Al di là di questa tendenza positiva persistono però dei fattori limitati che concernono sia l'appartenenza di alcuni stati a sistemi economici e militari diversi sia, soprattutto, la scarsa complementarietà delle economie dei paesi balcanici.

Una volta sfruttate appieno le possibilità offerte dalla vicinanza geografica e dalle complementarietà eventualmente esistenti, è presumibile che affiorino, almeno per quanto riguarda il commercio tradizionale, delle difficoltà di tipo strutturale che aggiunte a quelle di tipo extra economico potrebbero mantenere a livelli limitati l'interscambio interbalcanico.

Più favorevoli, a lungo termine, sembrano le prospettive aperte dalla collaborazione tecnico-industriale, i cui effetti potranno incidere favorevolmente anche sul volume dell'interscambio, come abbiamo già avuto occasione di rilevare.

La collaborazione tecnico-industriale.

Nel contesto dei rinnovati rapporti economici tra gli stati balcanici un particolare rilievo sta assumendo la collaborazione tecnico-industriale, specialmente tra Jugoslavia, Bulgaria e Romania.

Le iniziative avviate assumono una diversa caratterizzazione a seconda che esse riguardino i due paesi del Comecon (Bulgaria e Romania), nel qual caso si inseriscono nel più complesso programma di questo raggruppamento economico, oppure i rapporti di questi due paesi con la Jugoslavia.

La collaborazione romeno-bulgara nel settore della produzione industriale viene realizzato sia attraverso la comune partecipazione alle iniziative delle agenzie specializzate del Comecon, sia attraverso una cooperazione più diretta che è stata avviata nel marzo 1970 in occasione della VIIIa sessione della "Commissione mista governativa bulgara e romena per la collaborazione economica e tecnico-scientifica". I gruppi misti di lavoro, che operano nell'ambito della Commissione stessa, hanno individuato alcune reali possibilità di collaborazione nella produzione di mac-

chine utensili (accessori e dispositivi che le completano, macchine utensili autoprogrammate) in quella di macchinario agricolo e nell'industria chimica (resine e fibre sintetiche, prodotti intermedi).

Una particolare cura è stata dedicata alle opportunità offerte dalla divisione del lavoro, tra i due paesi, nella produzione di semilavorati dell'industria siderurgica, per cui la Bulgaria concentrerebbe il suo potenziale produttivo nel settore dei laminati a freddo, delle lamiere plasticate e dei tubi saldati e zincati, mentre la Romania produrrebbe i laminati a caldo e vari tipi di profili in lega di acciaio.

Si nota comunque una certa lentezza nella realizzazione pratica di questi accordi.

Più dinamici appaiono invece i rapporti di collaborazione avviati tra B u l g a r i a e J u g o s l a v i a, anche se per ora limitati a pochi settori.

La Commissione mista dei due paesi nella sua ultima riunione (inizio del 1972) ha potuto constatare i buoni risultati raggiunti nella produzione in comune di metalli non ferrosi e, contemporaneamente, è stata attentamente valutata la possibilità di una partecipazione bulgara al programma jugoslavo di produzione dell'alluminio.

Altrettanto interessante, per quanto concerne il settore dell'industria chimica, è la prevista partecipazione della

"OHIS" di Skoplje alla costruzione di un impianto per la produzione di acrilonitrile e di metilmetacrilato presso gli stabilimenti dell'impresa chimica bulgara "Neitochim". In cambio di questa partecipazione il socio jugoslavo riceverebbe parte della produzione.

Entro il 1972, inoltre, dovrebbero venire conclusi alcuni accordi per la produzione congiunta nel settore metalmeccanico.

Una cooperazione è prevista tra la "Litostroj" jugoslava e la DSO "Balkancar" bulgara nella produzione di carrelli elevatori e di elevatori in genere. La parte jugoslava fornirebbe gli elementi propulsivi e quella bulgara gli elementi idraulici.

Un'altra importante collaborazione in questo settore è stata avviata dai due maggiori produttori di materiale rotabile ferroviario la jugoslava GOŠA e la bulgara DSO DDŽ.

Alcune prospettive stanno infine aprendosi nei settori degli elettrodomestici e anche in quello dell'elettronica.

La realizzazione e l'intensificazione di questo tipo di accordi dovrebbe essere facilitata dalla costituzione, avvenuta nel 1971, di un particolare tipo di consorzio bancario cui partecipano banche jugoslave e bulgare. Consorzi simili operano da tempo nei rapporti economici tra la Jugoslavia ed altri paesi socialisti (Ungheria, Cecoslovacchia, Romania, Polonia) e intervengono finanziando intese di cooperazione, al di fuori dei protocolli annuali ordinari, secon-

do un programma che viene stabilito di anno in anno. Essi, oltre a svolgere un controllo permanente sull'utilizzazione dei finanziamenti, hanno il compito di suggerire agli organi competenti di ambedue i paesi soluzioni che agevolino e sviluppino la collaborazione tra le imprese.

Come già nel campo commerciale anche in quello della collaborazione tecnico-industriale un posto di primaria importanza spetta alle relazioni tra Jugoslavia e Romania.

Cercheremo di elencare brevemente alcuni dei più significativi accordi che sono stati firmati e che danno la misura della cooperazione posta in atto tra i due paesi.

Nel settore chimico la Romania provvederà a favorire parte delle attrezzature per la costruzione in Jugoslavia di un complesso per la produzione in comune dell'acido solforico (300 mila tonn all'anno). In Romania invece verrebbero prodotte, con procedimento elettrolitico, oltre 100 mila tonn all'anno di lisciva in parte destinate al complesso chimico "Viscosa" di Loznica (Jugoslavia), dove verrebbero prodotte fibre di cellulosa per le necessità dell'industria tessile dei due paesi.

Per quanto riguarda l'industria metalmeccanica sono stati firmati accordi tra la "Elektroputere" di Craiova e la "Rade Končar" di Zagabria per la specializzazione nella produzione di locomotori elettrici su licenza svedese (ASEA). Il primo contratto quinquennale prevede lo scambio di 45 locomotori a

4 assi da parte jugoslava, per un valore complessivo di 48 milioni di dollari.

Nel settore dei veicoli industriali già da qualche anno è stato avviato un accordo di cooperazione tra il consorzio jugoslavo "Torpedo-TAM" e la "Autotractor" di Brasov. Esso prevede la fornitura annua di motori diesel costruiti dal consorzio jugoslavo contro quella di chassis prodotti dall'Autotractor per un valore complessivo di 5 milioni di \$ all'anno.

Può costituire elemento di interesse il fatto che uno dei due partner, la "TAM" di Maribor, già da tempo collabora proprio nel settore dei motori diesel con la Klockner-Humboldt-Deutz della Germania occidentale, e che la fabbrica romena destina una parte della produzione comune di veicoli industriali al mercato cinese.

La Jugoslavia riceve un'ulteriore vantaggio da questa collaborazione giacchè i veicoli romeni di produzione comune destinati alla Cina e ad altri paesi asiatici (4.000 unità previste per il 1972) vengono imbarcati a Fiume, con un introito, per questo porto, di circa 2 milioni di dollari.

Per quanto riguarda infine il settore degli elettrodomestici saranno quanto prima avviate iniziative per una produzione congiunta tra la romena CIME (Centrale industriale per le macchine ed il materiale elettrico) e le imprese jugoslave del settore (R. Končar, Gorenje, Energoinvest).



La costituzione nell'ottobre del 1971 di un consorzio bancario tra gli istituti di credito dei due paesi dovrebbe dare un ulteriore valido apporto, come è stato nel caso di analoghe iniziative con altri paesi membri del Comecon, alle intese predisposte dalla VIa riunione del Comitato misto romeno-jugoslavo per la collaborazione economica.

Le prospettive del settore della cooperazione industriale sono state oggetto anche di un attento esame al livello di ministri nell'agosto di quest'anno. In questa occasione è stato ribadito che attualmente, pur raggiungendo livelli discreti, la cooperazione tra i due paesi si trova in fase di avviamento. Il superamento di alcuni ostacoli ancora presenti dovrebbe permettere, secondo l'intenzione dei due governi, una forte espansione della collaborazione specialmente rivolta ad una presenza comune sui mercati dei paesi del terzo mondo.

Per quanto concerne gli altri paesi dell'area balcanica, tranne qualche caso poco significativo, la collaborazione tecnico-industriale esiste finora solo allo stato di proposta, diretta specialmente al settore dello sfruttamento di risorse minerarie.

Interessanti prospettive di collaborazione potrebbero riguardare l'utilizzazione in comune degli impianti bulgari per la metallurgia non ferrosa, da parte della Turchia e della Grecia che, pur possedendo giacimenti di minerali di piombo e di zinco, non sono in grado di trattarli adeguatamente.

In effetti la T u r c h i a e la B u l g a r i a cooperano già dal 1968 in questo settore, anche se in misura limitata, (circa 120 mila tonn di minerale di piombo e zinco vengono elaborate ogni anno per conto di imprese turche, dagli impianti bulgari). Oltre al potenziamento di questa collaborazione ampie possibilità potrebbero essere aperte alle imprese g r e c h e e b u l g a r e del settore, sia per quanto riguarda le miniere di zinco-piombo situate nell'area di Kirki (non lontano dal confine con la Bulgaria) sia per il minerale di ferro, ora esportato dalla Grecia in quantità notevoli, che potrebbe invece essere trattato dall'industria siderurgica bulgara in cambio di parte del prodotto finito.

#### L'avvio della collaborazione nel settore delle infrastrutture

La dorsale balcanica ha costituito tradizionalmente ed è tuttora l'asse principale dei collegamenti viari e ferroviari all'interno dell'area balcanica e tra essa è l'Europa occidentale.

Le ramificazioni estreme Istanbul-Sofia e Salonicco-Skoplje si congiungono a Nis, in Jugoslavia, per proseguire verso l'Europa occidentale lungo la direttrice Belgrado (ove si innesta la Bucarest-Pitesti-Belgrado) - Zagabria-Lubiana.

Le infrastrutture viarie e ferroviarie esistenti sono senz'altro inadeguate alle esigenze odierne dei traffici e costituiscono, specialmente per gli stati che intendono ampliare le loro relazioni commerciali, un problema la cui soluzione può diventare tanto più importante quanto più si normalizzano i

rapporti politici ed economici con i paesi confinanti.

Tali esigenze di migliori e più rapidi collegamenti tra i paesi dell'area balcanica cominciano a manifestarsi sia nel settore viario che in quello ferroviario, ove esistono numerose strozzature, specialmente a cavallo dei confini.

E' questo il caso, ad esempio, del tronco stradale Bela Palanka-Pirot (22 Km), in territorio jugoslavo, che costituiva un ostacolo ai traffici transbalcanici tra Jugoslavia e Bulgaria sulla direttrice Nis-Sofia. Per superare queste difficoltà la Bulgaria ha contribuito con un credito di 4,8 milioni di \$ alla realizzazione di un nuovo tracciato che eliminerà le difficoltà di percorso montagnoso entro il 1972.

Altre offerte di credito da parte bulgara dovrebbero essere definite nei dettagli entro la fine di quest'anno per la modernizzazione, in territorio jugoslavo, dell'importante arteria Skoplje-Kjustendil-Sofia e di altri due percorsi di interesse secondario.

Meno importante dal punto di vista del transito, anche se di notevole interesse per lo sviluppo dei centri turistici sulla costa orientale del Mar Nero, è la nuova strada aperta tra Malkovo Tarnovo e Kirklareli, realizzata congiuntamente dalla Bulgaria e dalla Turchia.

Nel campo dei collegamenti ferroviari si può menzionare la collaborazione tra Bulgaria e Turchia nella realizzazione del nuovo tronco ferroviario tra Svilengrad (Bulgaria) e

Pehlivan köy (Turchia). Quest'opera inaugurata nell'ottobre del 1971, permette alla linea transbalcanica (Belgrado-Nis-Sofia-Plovdiv-Istanbul) di collegare direttamente i due paesi senza attraversare il territorio greco, diminuendo le tariffe di trasporto ed il numero dei controlli doganali. La sua costruzione ha reso possibile l'adozione di una nuova e concorrenziale tariffa unica Balcani-Vicino Oriente, e verrà valorizzata sia per la ormai prossima realizzazione del ponte sul Bosforo sia in considerazione della prosecuzione dei lavori sulla rete ferroviaria verso l'Iran. La transbalcanica infatti potrà, in futuro, assorbire una cospicua parte di traffici diretti verso regioni dell'Asia, ora isolate.

Di un certo interesse anche il collegamento ferroviario proposto dalla Romania alla Jugoslavia attraverso la seconda diga progettata sul Danubio (da costruire 40 Km circa a valle di quella già realizzata alle Porte di Ferro) per inserire più direttamente il sistema ferroviario romeno sulla dorsale balcanica, tra Belgrado e Nis.

Da parte romena è stata presentata al Comitato misto jugoslavo per la collaborazione economica, un'esauriente documentazione sul tipo e la quantità di merce che potrebbe essere trasportata su questa nuova infrastruttura che valorizzerebbe la funzione di transito della costruenda linea da Belgrado al porto adriatico di Bar. A proposito di questa linea esiste un'offerta romena di collaborazione al completamento

dell'opera, sia con la fornitura di macchinario ed attrezzature (locomotive diesel-idrauliche, autoveicoli industriali, trasformatori ecc.) sia assumendo in proprio la progettazione e la realizzazione dell'elettificazione.

Il contributo romeno alla costruzione della Belgrado-Bar verrebbe ripagato con servizi consistenti nel trasporto combinato fluviale-ferroviario e con la manipolazione nel porto di Bar di merci romene a tariffe speciali.

La Bulgaria ha pure dimostrato un certo interesse a rendere più funzionali i futuri trasporti su questa direttrice. Pare infatti prossima la concessione di un credito bulgaro, all'amministrazione ferroviaria di Belgrado, per il completamento dei lavori sulla linea ferroviaria da Cacak a Pozega (31,8 Km), che aprirà una via più diretta tra la Belgrado-Bar e l'area sud orientale della Jugoslavia. Anche questo prestito potrebbe venire in buona parte restituito sotto forma di servizi resi dalle ferrovie jugoslave. Queste proposte rendono evidente l'interesse della Romania e della Bulgaria, che si affacciano su un mare relativamente eccentrico rispetto alle più frequentate rotte marittime, ad assicurarsi condizioni preferenziali in scali mediterranei relativamente vicini.

Altre opportunità di collegamento tra alcuni dei paesi balcanici sono date dalle infrastrutture di trasporto fluviali.

La realizzazione del progetto Reno-Meno-Danubio, oltre a

ridurre l'isolamento di una parte dell'area, contribuirà senza dubbio ad intensificare i contatti e le relazioni tra gli stati balcanici interessati al corso del Danubio.

Un discorso più ampio, che proporrebbe una nuova funzione di transito dell'area balcanica e contribuirebbe ad un suo inserimento nel contesto dei grandi flussi di traffico, potrebbe essere fatto a proposito del vecchio progetto Danubio-Mare Egeo (Salonicco), riproposto in questi ultimi tempi dalla Grecia, ora che è già stato avviato, assieme alla Jugoslavia e in collaborazione con l'ONU, un piano di studi per la regolarizzazione del regime idrico del Vardar-AXIOS.

#### La collaborazione nel settore energetico

Gli stati balcanici (tranne la Romania e per alcuni aspetti la Jugoslavia) costituiscono un'area deficitaria dal punto di vista delle risorse energetiche primarie, il che ha posto e pone a questi paesi il problema dello sfruttamento del potenziale esistente, del trasporto e della distribuzione dell'energia (elettrodotti, metanodotti, oleodotti).

La soluzione di tali problemi implica però una collaborazione intensa tra le parti interessate il che presuppone una situazione di normalità nelle loro relazioni.

Nel settore dello sfruttamento del potenziale energetico, di primaria importanza appaiono, anche in questo caso, i rapporti tra Jugoslavia e Romania. La collaborazione più importante riguarda, com'è noto, l'utilizzazione comune del bacino fluviale del Danubio avviata ormai da molti anni.

Nel 1971 è stata completata la centrale idroelettrica alle Porte di Ferro, impianto che permette la produzione di 11 miliardi di kWh all'anno e che collega, dal 1972, i sistemi elettroenergetici dei due paesi, attraverso una linea ad alta tensione da 400 kV.

La realizzazione di quest'opera ha risolto alcuni problemi della navigazione del basso Danubio portando, con uno sfruttamento coordinato degli impianti, le possibilità di transito annuo a circa 90 milioni di tonn e permettendo la navigazione di navi di 5000 tonn di portata fino a Belgrado.

I molteplici vantaggi di quest'opera hanno indotto i due paesi a progettare una seconda diga, 80 km a valle delle Porte di Ferro, con una centrale elettrica che potrà produrre 2 miliardi di kWh all'anno, e consentirà al complesso a monte di funzionare a pieno regime, senza intralci per la navigazione fluviale.

La Romania, che ha un particolare interesse a sfruttare il potenziale idroelettrico disponibile, per risparmiare le sue riserve di idrocarburi, visto il minore interesse della parte jugoslava ad una sollecita realizzazione dell'opera si

è dichiarata disposta a finanziare completamente (80 milioni di dollari) il progetto. Secondo gli accordi, che dovrebbero venir perfezionati entro l'anno, la Jugoslavia restituirebbe la sua quota di investimento cedendo alla Romania, per un lungo periodo, una gran parte della produzione di energia elettrica di sua spettanza.

Analoghe possibilità di sfruttamento presenta il corso inferiore del Danubio, comune alla Bulgaria ed alla Romania, sia nei pressi di Somovit - Islaz che nella regione del delta, a Silistra-Cerna voda.

Il primo di questi progetti dovrebbe essere realizzato già nei prossimi anni. Nel settembre del 1972 è stato infatti firmato un accordo tra i due governi per iniziare, nel 1975, i lavori di costruzione di una diga (tra Belem e Coara) che dovrebbe permettere la produzione annuale di circa 3,8 miliardi di kWh. Quest'opera richiederà una stretta collaborazione dei due paesi nei lavori di difesa e miglioramento idrologico lungo tutto il corso comune del Danubio (circa 300 Km), a monte del complesso idroelettrico.

I progetti che riguardano la zona di Silistra-Cerna voda, dovrebbero invece venir elaborati solo dopo il 1975.

Altre possibilità di sfruttamento in comune delle risorse idriche presenti nella penisola Balcanica possono essere individuate lungo i corsi dello Struma, della Mesta e dell'Arda (Bulgaria-Grecia), lungo il fiume Maritza (Bulgaria-Turchia)



e nella zona del lago di Prespan (Grecia-Albania-Jugoslavia). Finora però nessun progetto comune è stato previsto. Infine, anche la graduale realizzazione delle opere idriche lungo i 400 km del Vardar-Axios, di cui abbiamo già parlato, potrebbe permettere alla Grecia ed alla Jugoslavia di cooperare per la produzione di grandi quantità di energia a basso costo.

Altri esempi di collaborazione, anche se ancora molto limitati, riguardano la fornitura ed il trasporto dell'energia.

La Bulgaria, paese fortemente deficitario dal punto di vista energetico, ha concluso un accordo con la Jugoslavia per la costruzione di un elettrodotto di 400 kV, da Niš a Sofia, destinato a trasferire in territorio bulgaro i surplus di energia elettrica di determinate zone della Jugoslavia (centrali termoelettriche del bacino minerario del Tuzla, centrale alle Porte di Ferro).

Il tratto jugoslavo dell'opera, che è stato completato nel 1972, ha fruito di un credito bulgaro di 3 milioni di dollari (sotto forma di merci bulgare da realizzare sul mercato jugoslavo) da estinguere in 5 anni mediante fornitura di energia elettrica.

Anche il trasferimento di energia elettrica e di metano dall'URSS alla Bulgaria, hanno implicato una collaborazione tra quest'ultimo paese e la Romania, per i problemi connessi con l'attraversamento del territorio romeno di un metanodotto e di un elettrodotto da 400 kV, di vitale importanza per lo sviluppo

THE BALKANS AND THEIR INTERNATIONAL ECONOMIC RELATIONS

Politically, the concept of "the Balkans" as a collective at all has always been a somewhat artificial one, stemming from certain broad postulates that go back to the last century, and such meaning as it ever had has been more and more eroded by the events and outcome of the Second World War and the utterly different political development inside and outside the sphere of influence bounded by the Soviet military presence. It is hard to discern any common strand running through all the countries traditionally referred to as "the Balkans". Of course even when the concept was more meaningful than it is today one conspicuous fact about "the Balkans" was their extreme diversity and lack of pattern, the singular patchwork they formed of minorities, religions, languages, ethnic origins and political allegiances, and the sharp differences in level of development, in tradition and in history.

This is indeed basic to any discussion of "the Balkans", and I am using the expression in the title of my remarks subject to these qualifications.

Economically, however, it can fairly be said of "the Balkans" at large that their development - though admittedly the position in this respect differs from country to country - is not so far advanced that much of the "development policy" approach cannot be systematically, indeed perhaps fundamentally, applied to them.

Now the European Community has certain classes of relationships which are justified in themselves and accord with the objective, embodied in the Treaties of Rome and pursued ever since with pertinacity, despite occasional setbacks, of the integration of European countries having the same basic views and ultimate aims. The Rome Treaties lay it down as

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the guiding principle of the Community that membership is to be open to all countries which share the fundamental political beliefs of the other Community countries, are bound by the same principles of constitutional democracy and respect for human rights, and economically can afford to join as full members without injury to themselves - provided, naturally, that they wish to do so. .

All the countries I am here discussing are European countries; some are prepared, and preparing, to join, while other are not. In considering them from the Community standpoint it is necessary to class them according as they have taken the one line or the other.

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#### I. Turkey

The Association Agreement between Turkey and EEC was signed on 12 September 1963, and came into force on 1 December 1964. \*

The purpose of the Agreement is to promote steady and balanced strengthening of the economic and trade relations between the Contracting Parties while taking full account of the need to secure faster expansion of the Turkish economy and fuller employment and higher living standards for the Turkish people, the process to culminate in Turkey's acceding to membership of the Community.

As all this can only be done step by step, the Agreement provides for three successive stages.

.../...

- (a) First was to come the preparatory stage, designed to enable Turkey to go ahead with working up its economy and get this placed on such a footing that the country would be ready to embark on the phased establishment of the customs union; during this time Turkey was to receive economic and financial aid from the Community. The preparatory stage was completed some time ago, and the parties by common accord moved into Stage II.
- (b) The second or transitional stage is due to see the phased establishment of a customs union between Turkey and the Community, and at the same time the gradual "approximation" - that is, alignment - of the two parties' economic policies, to enable the Association to function properly and the joint measures needed for this purpose to be progressively introduced. It was laid down in the Association Agreement that the implementing provisions for the transitional stage were to be embodied in a Supplemental Protocol.
- (c) The third and final stage of the Association is to consist in building up further on the basis of the customs union instituted in Stage II under the Supplemental Protocol, and effecting closer and closer coordination of the Turkish and Community economies.

The Supplemental Protocol setting out the conditions, procedures and timetable for Stage II was signed on 23 November 1970, together with a Protocol on Finance whereby the Community is to provide Turkey with financial aid for a period of five-and-a-half years.

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The gist of the Supplemental Protocol is as follows.

- (a) On the industrial side, the Community is to treat its imports of goods from Turkey as if they came from within the Community itself: that is, duties, quotas and any charges and restrictions of equivalent effect are to be abolished forthwith. Special arrangements are, however, to apply to certain textiles and petroleum products, in connection with which the Community has particular problems of its own.

Turkey on the other hand is only to phase out its duties over the transitional period: this is fixed in principle at twelve years, but the Protocol includes a schedule of products which are to be entitled to diminishing tariff protection for longer than this, up to twenty-two years. Turkey is also given twenty-two years in which to dismantle its quantitative restrictions on imports from the Community.

- (b) On the agricultural side, Turkey is likewise in the space of twenty-two years to adjust its farm policy in such a way that by the end of that time the necessary measures can be introduced there to ensure full freedom of trade in goods between it and the Community. When this period has elapsed, the Association Council will decide exactly what arrangements are required to establish free movement of agricultural products.

Meanwhile, Turkey is granted preferences in respect of products which account for over 90% of its agricultural exports to the Community.

- (c) Lastly, the Supplemental Protocol contains provisions on freedom of establishment, provision of services, transport, and alignment of economic policy (competition, taxation, approximation of legislation, commercial policy and economic policy proper).

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The Protocol on Finance, which was also signed on 23 November 1970, provides that the sum of 195 million units of account - roughly 195 million United States dollars - is to be set aside for the Turkish economy, and may be drawn down over a period of five and a half years from the conclusion of the Protocol. The terms of the aid are just as favourable as those in the earlier Finance Protocol, and indeed in some respects more so: the maximum maturity of the credits is thirty years, with an initial redemption-free period of up to eight years, and the interest rates are fixed at a minimum 2.5% per annum for projects not due to break even until a fairly late stage that cannot be immediately foreseen, and 4.5% per annum for projects with normal return expectations.

The formal move into the transitional stage of the Association when the Supplemental Protocol takes effect will be a major milestone in the progress of the EEC/Turkish Association. Up to now all that the Association has amounted to has been unilateral assistance by the Community in the form of trade preferences and financial aid: the implementation of the Supplemental Protocol to the Association Agreement will mean the making of a real start on the phased economic integration of Turkey and the Community.

The Supplemental Protocol not being yet in force owing to the need for its ratification by the national Parliaments, an interim agreement was signed on 27 July 1971, and came into force on 1 September, to enable the first steps in the matter of the reciprocal trade concessions provided for in the Protocol itself to be taken right away. Important though these concessions undoubtedly are for the Turkish economy, the big moment politically and economically will be the actual move into the transitional stage proper, which cannot take place until the Protocol becomes fully effective. However, its ratification is only expected to take another few weeks.

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The Agreement, like that with Greece, too, provides for the setting up of an Association Council and joint Parliamentary Committee. Both institutions work smoothly and offer opportunities for intensive consultations.

## II. Greece

The Association Agreement between Greece and the EEC was signed on 9 July 1961. It came into force on 1 November 1962.

The purpose of the Agreement is to promote a steady and well-balanced strengthening of the trade and economic relations between the Contracting Parties, so as to guarantee thereby the speedy expansion of the Greek economy, fuller employment and higher living standards for the Greek people. Here, too, as a basic aim is the prospect of accession conforming to the remarks below.

The Association comprises:

- (i) The setting up of a customs union, whereby in the course of time customs duties between the Contracting Parties are to be abolished and Greece is to accept the Common Customs Tariff;
- (ii) The development of a mutual trade by the removal of quantitative restrictions;
- (iii) The coordination of relevant regulations on competition, taxes and the approximation of legislation;
- (iv) The coordination of relevant economic policy, in particular financial and monetary policy, so as to ensure above all equilibrium in the current balance of payments and to guarantee confidence in the present currency;
- (v) Within the limits of the Financial Protocol included in the Agreement, the supply to the Greek economy<sup>of</sup> resources to facilitate its speedy build up.

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So as to ensure the application and the phased development of the Association arrangements, an Association Council was set up between the Contracting Parties. This Council acts unanimously; it can submit disputes to the Court of Justice of the European Communities or to any other Court.

Furthermore, a joint Parliamentary Committee was formed for the implementation of the Agreement.

Article 14 of the Association Agreement governs the phasing out of duties for specific products over a period of 12 years. In accordance with this Article, Greece again lowered its duties and quotas by 10% and thereby cut them to 30% of the original customs rate. By 1 November 1974 these customs duties will be completely abolished. Parallel with this, Greece has aligned its duties vis-à-vis non-member countries step by step on the Common Customs Tariff.

As in the case of Turkey, so too with Greece, the run-down of tariffs over a longer period of time is provided for in the case of some particularly sensitive products. Thereby the protection of specific branches of industry will continue to be maintained in the interest of the country's development.

Internal events in Greece, however, have made it impossible for the European Community to regard the prospects of accession as read. The Community - as mentioned above - makes similar fundamental convictions political and systems a precondition. It is therefore not applying the provisions of the Agreement which go beyond the establishment of the customs union in its current administration of the Agreement. This holds good in particular for the approximation of legal regulations, alignment of agricultural policy, synchronization of economic policy, freedom of movement of persons and services, and financing.

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III. Among the countries which - unlike the two mentioned above - want relations with the European Community, and yet are not thinking of membership, Yugoslavia occupies a special position, in that it has concluded a formal trade agreement with the Community. This Agreement, which was the first concluded by the Community after the end of the transitional period and signed on 19 March 1970, is by its nature non-preferential. Its essential points are the following:

- (i) In respect of the duties and levies, the collection of these duties and levies and the necessary formalities and procedures, the most-favoured-nation clause will be applied.
- (ii) The most-favoured-nation clause is not valid for advantages
  - (a) which are granted with an eye to the setting up of a customs union or a free trade zone,
  - (b) which are conferred on certain countries in accordance with the General Agreement on Tariffs and Trade (GATT),
  - (c) which are granted in order to facilitate border trade with neighbouring countries.
- (iii) A joint Committee - with representatives of the Community and of Yugoslavia - has been set up and meets once annually. It has to take care of the smooth operation of the Agreement and can make suggestions for the development of mutual trade.
- (iv) As regards the special concessions it should be noted that on a series of goods listed in Annexes I and II of the Agreement, the tariff rates negotiated at the Kennedy Round shall be charged from the entry into force of the Agreement.

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- (v) The Agreement is valid for a period of three years.
- (vi) Moreover, in a protocol to the Agreement, the amendment of the levy on imports of high-grade beef and veal was fixed. This amendment takes place in the setting of permanent cooperation between the Contracting Parties.

In an exchange of letters on this trade agreement it is agreed that it shall replace all bilateral agreements concluded between the Member States of the Community and Yugoslavia.

In the meantime relations with Yugoslavia have been intensified. The joint Committee, which sat several times, offered an opportunity of dealing successfully with a series of suggestions. In particular, the Community is striving jointly with Yugoslavia to find ways which can further industrial development and cooperation with Yugoslavia. The trade agreement, which runs out on 30 April 1973, is by common consent to be replaced by a new one more modern in its arrangement and better suited to the situation. In memoranda on this matter the Yugoslav Government has made explanatory comments about a series of precise conceptions which are now being discussed in the Community. The Commission of the European Communities sees in this situation the possibility of bringing into force new instruments of a cooperation policy which go beyond the arrangements governing mutual trade and make possible the development jointly of ideas in many fields, for example technology, scientific exchanges, technical assistance and consultation, production and sales strategy. These questions are at the moment being discussed in the institutions of the Community itself.

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Rumania has no formal Treaty relations with the Community. By its application in a letter from its Foreign Trade Minister to the President of the Council of the Community that it be considered in the system of general preferences for developing countries, Rumania opened a period of closer relations with the Community, "starting from the existence of the Common Market in Europe". A solution to the questions raised by the Rumanian Government is being examined at the present time by the institutions of the European Community, and it will be possible to take the first decisions in the course of 1972. Up to now there are some technical agreements concerning ~~the~~ Rumanian exports of the following agricultural products:

- (a) Observance of a fixed offer price for sunflower oil;
- (b) Observance of the reference price for wine;
- (c) Fixing of the export procedure for goat cheese (Kashkaval) and other milk products;
- (d) Fixing of the export procedure for Tilsit cheese;
- (e) Observance of the threshold prices for slaughtered ducks and geese;
- (f) Observance of the threshold prices for live and slaughtered pigs;
- (g) Observance of the threshold prices for eggs in shell.

On 22 July 1968 the Socialist Republic of Rumania made an official application for entry into GATT. At the end of 1971 the relevant accession treaties were signed.

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The main questions in the negotiations were the abolition of the quantitative restrictions on Rumanian exports to other countries and the Rumanian obligations regarding imports. On the first point the European Member States have undertaken to phase out the restrictions by 1974.

It has also proved possible to conclude technical agreements with Hungary concerning the export of the following agricultural products:

- (a) Observance of the threshold prices for pigmeat;
- (b) Observance of the reference prices for wine;
- (c) The fixing of export procedure for goat's cheese (Kashkaval) and other milk products.

On 9 July 1969 the Hungarian Government informed the Director-General of GATT of its intention of acceding to the General Agreement according to the procedures of Article XXXIII. The negotiations at first raised some special difficulties. However, on 20 July 1972, agreement was reached on the draft of the Accession Protocol and on the contents of the report to the GATT Council. The Hungarian Accession Protocol contains a clause in which Hungary undertakes that an existant statutory commercial arrangement with the Socialist countries shall not endanger the agreements entered into in the GATT negotiations. In other respects too the agreement differs in many ways from the corresponding ones with Rumania and Poland.

With Bulgaria too technical agreements exist regarding the export of the following agricultural products:

- (a) Fixing of the export procedure for goat's cheese (Kashkaval) and other sheep and buffalo cheeses;

.../...

- (b) Observance of the reference prices for wine;
- (c) Observance of the threshold prices for live and slaughtered pigs.

Albania up to now has not indicated that it is interested in an agreement of any type, multilateral or bilateral, with the European Community.

IV. From this relatively detailed presentation of the present shape of the relations of the European Community with individual countries the picture emerges of relations which differ sharply in intensity; a picture which at the same time points to inexhaustable possibilities for closer and more productive cooperation. The main difficulty facing a smooth development of these relations is the fundamentally different pattern, from the ground up, of the economic structure of the member countries of the Council for Mutual Economic Aid (COMECON) on the one hand and the European Communities on the other. The lack of a convertibility of currencies on the part of the east European countries restricts trade to the simple bilateral balance settlement; a barter principle that does not lend itself to the opening up of wide possibilities. Moreover the planning of the member countries of COMECON is so organized that foreign trade, especially trade with countries outside the treaty system, plays at the most a subsidiary role. There is a lack of genuine economic relations with these countries planned over a longer period of time and supported by convertibility.

The European Community has declared several times that it finds no difficulty in developing relations with these countries on the basis of equality and non-discrimination and hopes to have the opportunity of doing so.

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We could see some new thinking on the subject at the European Security and Cooperation Conference, where the possibility of more extensive cooperation with these countries too might be raised.

Whereas COMECON has no powers of its own in foreign trade, and under the July 1971 package programme individual COMECON members are entitled to opt out of particular sections of the COMECON cooperation system, EEC is bound by the Decision of 16 December 1969 to apply the common commercial policy, pursuant to Article 113 of the Treaty of Rome, uniformly vis-à-vis every country in the world from 1 January 1973 onwards. Moreover, from that same date at the latest, it will itself be the sole negotiating partner in all fields falling within its jurisdiction. This is one side of the major change that is coming over the Community's and its members' relations with the Balkan countries: the other is the enlargement of the Community by the accession of new members, notably Britain. The legal implications of this event, likewise due to take place on 1 January 1973, are governed in international respects by Article XXIV of GATT, which permits regional link-ups by way of economic unions and free-trade areas, and indeed expressly commends them as desirable where they serve to promote world trade and do not introduce any additional barriers to the trade of other GATT countries with the territories involved.

Now in recent years more and more of these regional link-ups in the form of economic unions and free-trade areas have been taking place, and as most of the countries engaging in them are signatories to GATT, Article XXIV has become in effect the focal provision of international

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law on such matters, tantamount indeed - not as to its formal aspect considered in the light of criteria drawn from the sources of international law, but as to its substantive function in the legal order - to a general rule of international law.

By now, as we have seen, some of the eastern European countries have acceded to GATT - Czechoslovakia, Yugoslavia, Poland and Rumania - and in July of this year agreement was reached with Hungary on the draft of a Protocol of Accession.

Meantime the consultations required under Article XXIV concerning the effects of the accession of the new member countries to the European Community have begun in the appropriate GATT committees. Those Balkan countries which stand in a special relationship to the Community - Greece and Turkey - are settling the reciprocal rights and obligations involved direct with the Community in the respective Association Councils, and Yugoslavia has asked to have this matter included in the discussions in connection with the reorganization of its own relations with the Community.

- V. A further point which should be mentioned is that the Community was the first of all the world's major industrialized entities to respond to the urgings of the United Nations Conference on Trade and Development (UNCTAD), by granting, from 1 July 1971, special preferences to numerous developing countries for their exports to it, in order,

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principally, to help them in their efforts to industrialize. This deliberately non-reciprocal preferential treatment represents a quite new departure, in which there is undoubtedly room for considerable improvement and elaboration, but which is definitely calculated to afford a notable stimulus to the developing countries.

The Generalized Preferences were granted in the first instance to the so-called "Seventy-Seven" - now more like a hundred. One of these is Yugoslavia, which has already derived substantial benefits from the system. Rumania, as we have seen, has applied for inclusion, and the Community's answer will be forthcoming before the end of the year, together with its decision whether to extend the same treatment also to Greece and Turkey; their case, however, is rather different, since they already enjoy considerable advantages under the special Association arrangements. The rest of the Balkan countries are not eligible, as they have no relations with the Community as such.

There is also Community-Balkan cooperation in other United Nations agencies, as for example the UN Economic Commission for Europe (ECE) in Geneva.

- VI. As already mentioned, the Community takes a different approach to the different Balkan countries according to the extent to which they for their part are desirous of establishing relations and cooperation with it. There is thus some overlapping, geographically and materially, in its relationship to them, not only as regards

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closeness of connection (even to the extent of eventual full membership, on the lines I have described), but also with respect to its pursuit of a single consistent policy for the Mediterranean as a whole, since some of the countries in question are in both the "Balkan" and the "Mediterranean" sphere at once. What will really make it possible to set about working up relations with all of them together is continued progress with the policy of European détente, thanks to which misunderstanding and mistrust will diminish and disappear, regional link-ups and European integration will come to be seen by all as perfectly right and proper, and the basis will thus be established for embarking on cooperation on a genuinely comprehensive scale.

TWO PROBLEMS AFFECTING COOPERATION IN SOUTH EASTERN  
EUROPE:

PAST TERRITORIAL DISPUTES AND SOCIO-POLITICAL VARIETY,

ABRIDGED TRANSLATION OF PARTS OF A PAPER PRESENTED TO  
THE "MEDITERRANEAN STUDY GROUP" AT THE NORWEGIAN INSTITUTE  
OF INTERNATIONAL AFFAIRS.

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QUESTA PUBBLICAZIONE È DI PROPRIETÀ  
DELL'ISTITUTO AFFARI INTERNAZIONALI

Initiatives by South East European governments to promote security and cooperation in the area have to be studied in the framework of the general trend towards some understanding between the superpowers and towards "security and cooperation" in Europe. Obviously governments in the area are adapting their policies to these trends. This however, presents the analyst with a tough problem. How far shall these policies be explained as being imposed by these changes in the environment? At one extreme policies might be regarded as imposed by the global and European environment on governments who would otherwise have preferred different policies. At the other extreme policies might be regarded as a pursuit of national policies free from the restraints imposed by the environment before the new trends became dominant. In some cases answers might be sought for in the policies of the governments in earlier periods. A more rewarding alternative however, may be to concentrate attention on the particular interests which governments try to promote or to protect in the new context. This may, by implication, give some answer to the general problem formulated above.

Compared with the North European area two striking differences emerge. One is the historically very recent constitution of nations and states, marked by intense rivalry and territorial disputes. The other is the existence of very different socio-political systems in the area. These two types of differences, compared with Northern Europe, may be regarded primarily as creating obstacles to cooperation of a kind not found in the North. On the other hand they may be providing stimuli for special efforts, superfluous in the North, to remove such obstacles or to prevent them from blocking cooperation.

Literature and newspaper articles are replete with general observation of these two types of problems in South Eastern Europe as a whole or bilaterally between pairs of states. The importance of the problems seems to be widely taken for granted. However few attempts are made at arriving at some precision in thought and presentation, and at defining criteria making possible a comparative survey of the states

in the area. Here we will try in a highly tentative way to propose some heuristic devices.

An attempt will then be made to apply <sup>these</sup> heuristic devices to the discussion of the policies of the various South-European states. In many cases we have formulated some tentative answers to our questions. These should not be taken as well founded propositions, but as illustrations to show the relevance of the questions, put.

Of 9 borders between the 6 states of South Eastern Europe only one seems not to have been disputed in this century. Some territories have been claimed by more than two states. Of 9 borders between the 6 states and external states again only 1 seems not to have been disputed. In most cases territorial disputes have been linked with <sup>Nationality</sup> problems more intractable to Realpolitik.

At the moment - and in all futures marked by trends towards cooperation - no territorial revisionist claims can be raised. However, problems of this kind still may remain as less obvious determinants of policy - affecting attitudes to neighbor states and acting as brakes on cooperation policies. With states being defeated in the past in the struggle for a particular territory, this may work itself out in a more direct way. In a more indirect way it may affect victors satisfied with their borders, viz. via a perception of "revisionism" or resentment on the part of a neighbor defeated in the past. One might make an attempt at listing border problems (effects of past disputes included) according to their relevance as policy determinants, e.g.

1. Claims abandoned and forgotten in the sense of not affecting attitudes towards a neighbor.
2. Claims abandoned, but not forgotten in this sense.
3. Claims abandoned for the time being, but in ways that leaves open some possibility of reactivation.

(We leave out the logical category of claims never raised in the past, but envisaged as possible in the future.)

One might also raise the question in every single case: in what future circumstances might a claim be reactivated. At

one extreme end one might find reactivation possible only in the case of a defeat and/or dissolution of a superpower. Here we will abstain from defining a set<sup>of</sup> possible futures which might be used to classify claims according to possibilities of reactivation. One might further raise the problem of concern <sup>for</sup> about lost national minorities being perceived as some sort of camouflaged revisionism.

South East Europe is not only an area where two socio-political systems meet. On the Communist side we are faced with differing variants. As to Greece (leaving out Turkey), it may be a semantic problem if the Greek socio-political system of today shall be regarded as a system different from the predominant one of the West or as a system variant. Further these system variants are identified with the interests of ruling elites, shorthand: political leadership.

In asking how far this type of variety may affect foreign and Balkan policies of the various governments, one might prefer to split up the general problem into three more specific ones: interest in protecting system, interest in protecting system variant, interest in protecting political leadership. (We limit ourselves to the objective of protection, excluding offensive policies).

A danger to the system, perceived as an acute one, might be supposed be to given precedence among concerns. Only if this danger appears less acute than dangers to system variant and political leadership, the order of priorities is different. (This working hypothesis presumes that pressures from outside the central power structure (nationalism, liberalism etc) does not affect leadership policies in a decisive way).

Some remarks on economics are included, even more tentatively. Basically one might argue that the solution to economic problems of the states in the area are rather to be sought in their relations with outside powers than in area cooperation. Economic cooperation in South East Europe are thus in the main politically motivated. In some cases however economic orientations are of interest in discussing the determinant of general foreign policy.

Here a comparative survey of the policy determinants of the South East European states should be worked out keeping in mind the problems listed above.

## 1. YUGOSLAVIA.

a) Questions of borders and nationalities. Borders to the West (Trieste, Southern Macedonia, Kärnten). Tentative classification: claims abandoned and forgotten. Problem: do minority problems affect attitudes to and relations with Atalia, Greece and Austria (wide troubles in Kärnten) Borders to communist states. Settled to Yugoslavia's satisfaction, ("satisfied" state). Problem: are Yugoslavia's relations to Albania, Bulgaria (and Hungary) affected by perception of the attitude of these neighbor states towards national minorities on the Yugoslav side (Macedonia, Kossovo?)

b) Question of system, system variant and political leadership.

Danger to the system: - from the West, basically not as western policy objective, but as a danger of emulation (Kardelj's recent speech).

Danger to the system variant ("selfmanagement" etc.) from the East (Soviet bloc). Danger to the political leadership - from the East.

c) Economic interests.

Balance between East and West in economic relations may be explained in two ways (not mutually exclusive:

1. Adaptation to western markets has been a basic aim, but has not been succesfully enough to weaken the dependence on the Soviet bloc..

2. A balance between orientation to the East and to the West is desirable for reasons of foreign (possibly also internal) policy reasons.

Economic cooperation on the Balkans has marginal effects, and are to be seen as reflection of foreign policy.

Hypothesis: Yugoslavia is a "satisfied" state interested in stability in Europe and in the Balkans, based on a "balance of power".

~~Hypothesis~~  
The balance between perceived dangers to the system (even by emulation effect only) and perceived danger to system variant and political leadership may to some extent affect the policy of Yougoslavia between the blocs, but

will not alter the general policy of non-alliance (security by independence).

## 2. RUMANIA

a) Questions of borders and nationalities.

Bessarabian problem (claim) abandoned, but not forgotten in the sense of not affecting attitudes to the Soviet Union.

On other borders Rumania is a "satisfied" state. Problem: how far are Rumania's relations with Hungary - and Bulgaria affected by perception of attitudes of these neighbor states? (Hungary may be perceived as a different case from Bulgaria).

b) Questions of system, system variant and leadership.

Danger to the system - from the West.

Danger to system variant - not really relevant as long as Rumania does not develop some variant unacceptable to the Soviet Union.

Danger to the leadership - from the East.

Hypothesis: the danger to the system is and will remain so remote that danger to the leadership will be a paramount consideration.

c) Economic interests.

As a ~~very~~ developed country comparatively well endowed with resources Rumania has reacted against plans for division of labour inside Comecon.

Adaptation to western markets has been an important aim, but has not eliminated dependence on intra-bloc trade.

Political considerations may also work for some balance.

Cooperation in South Eastern Europe is of marginal importance economically, but highly desirable politically.

Hypothesis: Rumania wants cooperation in South Eastern Europe ~~and~~ generally in Europe <sup>as</sup> giving the maximum security for national political leadership.

## 3. BULGARIA

a) Question of borders and nationalities.

Claims against Rumania, Turkey, Greece, Yugoslavia may fall into different categories: the three first ones abandoned and forgotten? The fourth, concerning Macedonia, a special case - not forgotten, really abandoned?

(Note: Role of "nation" concept.)

[If spoken language is criterium of nationality - then either: Macedonians of Yugoslavia are a Bulgarian minority or Macedonian speaking citizens of Bulgaria are a Macedonian minority. Possible semantic solution: Macedonian speaking population of Yugoslavia are a separate nation because of historical development, Macedonian speaking Bulgarian citizens are historically Bulgarian. Signs of movement to such a position in Sofia?]

b) ~~Question~~ of system, system variant, and leadership.

Danger to system - from the West, (by emulation).

Danger to system variant - from Yugoslavia, (by emulation)?

Danger to political leadership - from Yugoslavia, (by emulation)?

Hypothesis: none of these danger are perceived as threatening in present circumstances. There seems little chance of dangers to system variant and political leadership arising out of a Soviet-Yugoslav rapprochement like in 1956. Bloc cooperation and solidarity seems to provide solid guarantees.

c) Economics.

Bulgarian economic interests seem to be taken well care of by concentrating <sup>on</sup> intra-bloc division of labor. Possibilities of adaptation to western markets are limited. Political considerations enforce this position. Balkan cooperation is of marginal importance.

Hypothesis: Bulgaria adapts to Soviet policy and present trend in Europe by supporting cooperation in South Eastern Europe. Bulgarian and Soviet interests coincide in preventing this cooperation from conflicting with East bloc perspectives. Question: how far has the necessity of abandoning positions on the Macedonian question had a restraining effect?

#### 4. ALBANIA

a) Questions of borders and nationalities.

Claims on Greece may be classified as abandoned - and forgotten? (vide normalisation of relations to Greece). Claims on Yugoslavia abandoned, but interest in Yugoslav Albanians is clear.



Hypothesis: fight against system, system variant and political leadership has been so tense as exclude territorial and nationality issues.

Question: how will political trends in Yugoslavia affect policy in the Kossovo area and what might be repercussions in Albania, important Kossovo-Tirana links being induced or permitted?

b) Questions of regime, system variant and leadership.

Danger to system - from the West.

Danger to system variant - from the Soviet bloc and (now reduced) (from Yugoslavia.

Danger to political leadership - from the Soviet Bloc and (now reduced) from Yugoslavia.

Hypothesis: Western passivity and Albanian leadership in effective control of the country has made dangers to system variant and political leadership into the strongest determinant of Albanian foreign policy.

c) Economics

As a very small and very underdeveloped country Albania might have benefited highly by extended relations either with the West, or with the Soviet bloc, or even, though not to the same extent, by Balkan neighbors. Political considerations referred to above have however, made Albania sacrifice economic opportunities. Soviet and Yugoslav support first gave compensation for not seeking closer relation with the West, Soviet support gave compensation for abandoning links with Yugoslavia, Chinese support gave compensation for abandoning links to the Soviet Union, Albania however, having no firm guarantees, that such compensation was forthcoming, before the great political decisions were made,

The Albanian complication: Albania's problem of adaptation to present trends is complicated by being also a problem of adaptation to trends of Chinese policy. Albania's policy of normalisation of relations with Balkan neighbors - and possibly of cooperation - seems to be approved by the Chinese. This will not be the case if Albania should seek security and some economic benefit in participation in a European system of security and cooperation.

Should Albanian attitude be explained as a sacrifice of probable advantages in order not to lose Chinese political and economic support? In a possible multilateral system of detente and cooperation in South Eastern Europe - as a European sub-system - would the Chinese insist on Albania pursuing a strong anti-Soviet policy inside the system, or would they ask Albania to keep out?

Hypothesis: Albania will - for the time being - try to benefit from European detente while avoiding active and formal participation, no replacement for China being in sight.

## 5. GREECE

### a) Questions of borders and nationalities.

The Egeirous claim seems to have been abandoned and forgotten in light of recent normalization of relations with Albania. Towards Yugoslavia, Bulgaria and Turkey Greece is in the role of a "satisfied" state. Greek policy towards Yugoslavia and Bulgaria seems not to be affected by doubts about Yugoslav and Bulgarian attitudes on border or nationality problems. (With Turkey the same trend prevailed until the Cyprus question created conflict).

### b) System, system variant and political leadership.

A semantic problem: from a Western liberal democratic point of view political freedoms may be held the basic criterion for classifying systems. In this Greece would have a different "system" from the one predominating in the West. If economic pluralism and related forms of pluralism be regarded as criteria, the Greek socio-political system might be classified as a variant of the Western one. Below we will avoid the terms.

After the war and the civil war Greek policy was dominated by the perceived danger to all forms of pluralism in Greece as being provoked or reinforced by policies of the neighbors to the North. Before the military coup no dangers to the system or its leadership were perceived as coming from the West.

In recent years the Greek leadership has retained NATO support while being exposed to attacks on its "system" - or "system variant" - from Western European governments and political parties. Thus a threat to the political leadership (and its system or system variant) is perceived as arising from the West.

At the same time the "communist" threat has been perceived as reduced, or at least as an internal problem, the policies of communist states being of secondary importance. The neighbors to the North are perceived as being unwilling to jeopardize detente by active support to Greek communists. At the same time an important faction of Greek Communism has broken with Moscow. Thus internal and foreign policies may be kept apart.

c. Economics.

Greece's main interest is to be found in participation in the Western economy, benefits to be expected from Balkan cooperation - or economic relations with the Soviet Union - being rather unimportant.

Hypothesis: Greek policy may be regarded as one of adaptation to Western trends. A cooperative attitude towards communists neighbors prevent Greece from isolation in the West. This policy entails small risks because of NATO (or American) protection for Greece for reasons of Mediterranean strategy, and because the neighbors to the North, at least Yugoslavia and Albania, are perceived as status quo powers who will not rock the boat.

6. TYRKEY

Turkey is not concerned about its European borders . The Cyprus problem is a bilateral Greec-Turkish problem. While communist governments support Macarios, they will probably not interfere if the present state of affairs gives way through conflict or through negotiation to a different arrangement (Enosis or Partition). Turkey cannot be expected to play an active role in detente and cooperation policies in South Eastern Europe.

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We may repeat that the gist of this papers is to provide a first step illustrative indication of two types of problems that need to be answered in order to better grasp the complexity of interstate relations in the area. It would be easy, given the answers to the questions formulated, to take the next step to a comparative analysies of the situation between all pairs of states. This however will not be done until the answers to our questions have become less tentative, with better empirical foundations.

Of course we might also benefit from further discussion in refining our conceptual tools. The next step would then be to bring this assessments into an attempt to assess the general future dynamics of the region. Such a study must be built around principles of explanation and prediction applicable to other areas than the South East European one and being linked to general theories of international relation.

Some general proposition are of course built into this paper, if only on the validity of ideas about the importance of territorial and nationality problems or of socio-political variety in explanation of states' behavior, Here greater precision would be required as a study of this kind were progressing, and <sup>it</sup> may be that useful theoretical propositions <sup>might</sup> ~~may~~ be derived from a cybernetic definition of the behavior of states.

### The Place of the Balkans in Europe

(Response by J.F. Brown to the paper by Paul Lendvai)

Whatever response I can elicit to Paul Lendvai's paper will be complementary -- as well as complimentary -- rather than corrective. I agree generally with his analysis of the situation in the four communist states of the Balkan area and with his remarks about the prospects for cooperation in the area.

I can perhaps, however, enlarge on some of the points he has made and make one or two of my own which I consider relevant.

#### The Balkans and Europe

Mainly because of the present dissension and the precarious prospects in Yugoslavia, the Balkans today represent the least stable area in the whole of Europe. No similar instability appears to threaten in other parts of Europe. The northern tier of communist states -- comprising the GDR, Poland, Czechoslovakia and Hungary -- seem now, by various means, to have overcome the instability that threatened between 1967 and 1971. The upheaval in Czechoslovakia that would have threatened instability throughout much of east-central Europe was crushed by Soviet troops. The upheaval in Poland at the end of 1970 was overcome by political forces within Poland with the Soviet Union as a benign, if worried, onlooker. The outlook, therefore, in the northern part of eastern Europe appears relatively calm for the present.

In various parts of western Europe there also appear no signs of instability threatening -- at least on the scale that affects south-eastern Europe. The EEC will face serious problems of readjustment when the Six become Nine. Scandinavia -- more explicitly Norway, Finland and Sweden -- seems about to bear the brunt of a new Soviet-Polish "peace offensive" that could have destabilising effects, particularly in Norway, where the bitterness over the EEC debacle will take some time to subside.

The "winds of change" will gather force in Spain and Portugal especially after the demise of General Franco. But still, the destabilising potential in any or all parts of Western Europe seems small indeed when matched against the present situation and future prospects in the Balkans.

It is not only in Yugoslavia, of course, where the situation appears unpromising. Mr. Lendvai has not dealt with Greece or Turkey in his survey. But the situation in both these countries adds to the picture of present or future precariousness. In Turkey, political and economic instability has been very marked for a number of years, and the "success story" of the present Greek governmental system could prove both deceptive and momentary. As for Rumania, Mr. Lendvai is correct when he points to the serious deterioration in the internal situation there.

But, if instability is not confined to Yugoslavia, it is here where it is most serious and where its ramifications could be the most far-reaching.

If the centrifugal forces in Yugoslavia are not contained -- and, after years of irresponsible neglect by Tito, this is a distinct possibility -- then this is almost bound to have a deleterious effect on the present improved relations with Bulgaria and Albania and perhaps with Hungary also. It could also further increase the isolation of Rumania in eastern Europe. The Yugoslav tragedy, therefore, would almost inevitably become a south-eastern European tragedy, gravely impairing the persistent inclinations and occasional efforts of countries in the region for closer cooperation.

(Perhaps I exaggerate the dangers in Yugoslavia itself. I would be only too ready to be convinced otherwise. I can only plead that my fears are, in some ways, a measure of my conviction that Yugoslavia deserves and needs to survive intact and healthy.)

### The Soviet Interest

The picture drawn by Mr. Lendvai and enlarged by myself benefits only one power -- in spite of the short lived advantage which, say, Bulgaria and Albania might hope to gain from Yugoslav weakness and general Balkan uncertainty. This power is, of course, the Soviet Union.

In the past, one of the most cohesive factors in Yugoslavia and one of the most stabilising factors in the Balkans generally (one excludes Bulgaria here, for obvious reasons) has been the periodic crudeness of Soviet behaviour and the tension that this behaviour generated in the Balkans and Europe as a whole.

More recently, however, Soviet policy, as Mr. Lendvai says, has been marked by considerable sophistication and subltly. This has not just been confined to the Balkans. It was manifested in the Polish crisis of 1970-71 and it is being seen in the muted Soviet reaction to the growing embourgeoisement of Hungarian society which the policies of the Kadar regime have unintentionally stimulated. It is manifested in policies to western Europe, of course, and toward the United States.

But since the autumn of 1971 nowhere has it been more striking and apparently successful than in the Balkans. Mr. Lendvai has referred to the effect of this on Yugoslavia and Rumania, so there is no point in my repeating what he says. I would just say, however, that the Soviets' optimum objective is probably not the disruption of Yugoslavia but the creation of a centralised, stable regime, orthodox by inclination, with a foreign policy aligned to that of the Warsaw Pact. Such a development would greatly accelerate its second short-term Balkan objective: the complete isolation of Rumania and the corrosion of its independence.

With the achievement of these two aims the Soviet Union's position in the Balkans would practically have been restored to what it was before the Stalin-Tito break in 1948. Albania, of course, would still be outstanding. But, apart from Chinese support (which, anyway, is now no longer so single-minded or even certain -- "distant waters", after all, "do not quench fires"), one of the main pillars of Albanian independence has been Yugoslavia's nonalignment. Once that is removed, Tirana's independence could be precarious indeed.

#### Western Neglect?

It is almost a truism that when there is stability in the Balkans, then the impact of the Balkans on Europe as a whole is rather small. When, however, there is instability, then the impact on the whole of Europe could be quite grave. This, of course, is true for other areas as well, but the impact on Europe of instability, say, in the Iberian peninsula or even in Scandinavia would probably be considerably less than in the Balkans. The reasons for this are not hard to seek. Some of them are:

- the very direct interest that one superpower (the Soviet Union) takes in the area and the lost ground it must be seeking to make up there

- The direct confrontation in the Balkans of NATO and Warsaw Pact powers, with the NATO powers (Greece and Turkey) being a relatively vulnerable element and hence open to special attention from the Soviet Union or Soviet inspired moves

- the geographical fact that the Balkans is a connecting link with the Eastern Mediterranean and the Middle East, which is the scene of a super-power confrontation

- the unresolved national differences and rivalries in the Balkans, the latent historical, territorial disputes etc

- the seeming failure of the political-social-economic systems in the whole area (including Greece and Turkey) to satisfy the growing problems of modernisation. This is one of the root causes of instability in the area as a whole.



In view, therefore, of the importance and the increasing fragility of the Balkan area, what is both striking and depressing is the apparent decreasing Western interest and concern in the region.

In the years of Cold War and East-West confrontation, Western interest in Yugoslavia was considerable, for various, obvious, reasons. Later, though to a lesser extent, Western interest in exploiting Rumania's new foreign policy posture was also perceptible. Now, however, with the successes achieved by Bonn's Ostpolitik with the Soviet Union and Poland, with West Germany's natural desire to "normalise" relations with East Germany and Czechoslovakia, Bonn's attention has inevitably been drawn away from south-east Europe to the "more important" theatre in the north. Both Belgrade and Bucharest certainly feel the new dimension of isolation this shift in West German priorities has caused. Another point to note, of course, is that the atmosphere of detente which is certainly now prevalent has the effect on the Western powers of making them less interested in countries where their interest would be deemed provocative by the Soviet Union. Such countries are Yugoslavia and Rumania.

If one takes out West Germany, there is no other Western European country whose influence would be worth much in the Balkans, even if any country could be found to try to exert any influence.

That leaves the United States. And since the death of John Kennedy American interest in Europe as a whole -- let alone the Balkans -- has declined to -- and perhaps well below -- danger point. The preoccupation with Vietnam and later the revulsion from it, with its subsequent mood of withdrawal, the growth of American nationalism under President Nixon and, lately, the preoccupation with the super-power triangle of the US, the Soviet Union, and China -- all these have been factors which have caused concern in most of Western Europe and in some quarters of Eastern Europe also. In the Balkans it could lead -- it even seems to be leading -- to the power vacuum being filled by one power only. A peaceful solution, certainly, but perhaps not the happiest.

Alfonso Sterrpellone

DRAFT

The Balkans: Short-Range Prospects

As has been constantly the case in the past, the present day finds political activity in the Balkans<sup>2</sup> characterized by contradictory elements. While there is a general move toward overcoming the often serious disputes that have marked bilateral and multilateral relations in the area, there is a simultaneous trend toward emphasizing national characteristics and autonomist tendencies. What is being witnessed in fact is a kind of "reshuffling of the cards", with an ever-increasing role being played by the Soviet Union and an apparently decreasing one by Western Europe. At least on this level, the situation might be said to offer objective evidence of the difference between the Soviet and Western "presence" in the region. <sup>SINCE THE END OF WORLD WAR TWO.</sup> But there is another new factor as well: that since the beginning of the Nineteen-Sixties Moscow has given signs of being concerned not only about the reputed Western attempts to drive "wedges" between the Eastern European bloc countries (particularly those in the Balkans), but also about the possibilities of Chinese intrusion <sup>INTO</sup> the zone. This suspicion was especially sharp in the critical summer of 1971 in the Soviet estimate of the stirrings for a Tirana-Belgrade-Bucharest axis. In any case, it can be safely said that the Balkans have become an important factor in USSR policy-making vis-a-vis the West and China. ~~It~~ The prominent importance of the area for Soviet-Western relations has been particularly marked in the present period of cautious detente since the September 1971 trip by Leonid Brezhnev to Belgrade and the June 1972 visit of Josip Broz Tito to Moscow, and since the Rumanians, while not renouncing their <sup>BASIC AUTONOMIST</sup> ~~fundamental~~ principles, have shown themselves more apprehensive that nationalistic tendencies could eventually bring about their political, diplomatic and economic isolation.

It has been in the Balkans that, since the end of the Second World War, there have appeared the most significant illustrations of the difficulties involved in maintaining any unitarian order. The first great crisis in the relations among the states headed by Communist parties occurred in 1948 when Stalin and Tito fell out over the latter's championing of a Balkan Federation that would have included Yugoslavia, Bulgaria and Albania. The "Balkan Pact" of February 1953 be-

tween Yugoslavia, Greece and Turkey has remained practically inoperative because of the almost continuous differences of the three countries over international problems, especially those concerning the eastern Mediterranean and southeast Europe. Of the four Communist states in the region only Bulgaria has maintained a constant relationship of cooperation with the Soviet Union. Yugoslavia has pursued its autonomist line to the point where Belgrade has been a main inspirator of the non-aligned foreign policy concept. For its part, Albania has followed up its November 1960 break with Moscow at the Second International Communist Party Conference and the November 1961 cutting of its diplomatic ties with the Kremlin by disassociating itself from all of the Eastern bloc's political, military and economic cooperation organisms. The fourth Communist regime, Rumania, has found itself at odds with fundamental policy lines of the Eastern alliance by opposing (in 1962-64) a projected "international socialist division of labor" and super-national initiatives under the aegis of COMECON, by establishing diplomatic relations with West Germany in 1967, by refusing in the same year to join in the condemnation of Israel for the "six-day war" in the Middle East, by not taking part in the Warsaw Pact invasion of Czechoslovakia in August 1968, by contesting the legitimacy of the so-called Brezhnev Doctrine about limited sovereignty, and by discretely criticizing Moscow's attitude toward China. With regard to the two non-Communist nations of the Balkans, Greece and Turkey, they have maintained substantially correct relations with the military-political and economic alliances to which they belong, even though it is also true that, particularly since the military putsch of April 1967, Athens' ties with the other capitals of the member countries of NATO and the EEC have been progressively deteriorating and that Ankara has been giving more evidence of neutralist aspirations, at least on a military level.

In November 1957, Rumanian Premier Chivu Stoica proposed that the Balkan countries set up a conference for the purpose of examining the prospects for formalizing regional peace and security guarantees. But despite frequent attempts both by area nations and other governments (as recently as 13 September 1972 the official journal Scinteia said that Rumania was of the view that conditions we-

re improved for "transforming the Balkans into a zone of peace and cooperation"), it has proven impossible to implement this blueprint. In fact, the predominant interest of the Balkan countries for the present seems not to be so much in the formation of some unitary system as in bettering bilateral relations (cooling down territorial disputes and conflicts over ethnic minorities, resolving the thirty-year-old tensions between Greece and Albania, etc.) and in promoting economic cooperation. In this latter regard, one need think only of the Rumanian-Yugoslav and Rumanian-Bulgarian projects for hydro-electric plants on the Danube. It nevertheless goes without saying that serious causes for dispute persist into the present day, the tensions between Greece and Turkey over Cyprus being just one example. But even beyond this, the main obstacle in the way of the creation of any unitary system is to be found in the different political ~~and~~ regimes of the six states, with the inevitable consequences of these differences on regional, internal and international attitudes. It must not be forgotten that four of the states are run by Communist parties while the other two are oriented toward Western organizational patterns. From this general distinction, ~~variations become even more particularly~~ <sup>ELEMENTARY PARTICULAR DIFFERENCES MUST BE NOTED.</sup> The Greek and Turkish regimes go relatively separate ways with regard to the structural characteristics of their forms of representation and government. While the Greek military junta has been exercising its "own" power for more than five years with naked force, Turkish military leaders have preferred to delegate the exercise of power to professional politicians and to keep alive such classic institutions as a parliament, if with authority reduced to formal ritual. It would be equally difficult to establish an identification among the Communist regimes of Yugoslavia (based on state federalism and on worker self-management), Albania <sup>WHERE</sup> ~~where~~ traditional "people's democracy" structures are kept away from the contaminations of so-called Soviet "revisionism", but also away from the more recent experiences of China), Rumania (where autonomy in inter-communist and international policy is made possible by the rigorous application internally of principles based on the guiding role of the Communist Party), and Bulgaria (where the integral acceptance of the Soviet "model" is accepted even constitutionally).

The noticeably general improvement in the relations among Balkan states has not cancelled the seriousness of those disputes still unresolved, particularly as affecting territorial conflicts. Even in its relations with the other Balkan countries, Rumania has been influenced by its outstanding differences with the Soviet Union about the frontier demarcation line between the nations. Of the same influential weight has been the obstacle of Transylvania to completely normalized relations between Rumania and Hungary. Elsewhere, Macedonia has persisted as a point of friction between Bulgaria and Yugoslavia and, with slightly less emphasis, between Bulgaria and Greece. Albania has a quarrel with Yugoslavia about the treatment of the Albanian minority in Kosovo and another with Greece about Epirus. As has already been mentioned, Greece and Turkey have <sup>AT ODDS OVER THE</sup> been ~~contending for~~ political and economic control of Cyprus, through the ethnic minorities of the two countries on the island-nation. "National questions" have long harassed Yugoslavia, notably weighing on internal policy decisions taken by Belgrade. Committed to a doctrinaire condemnation of "nationalism" phenomena, identified in the autonomist tendencies of communist parties, the Soviets have cautiously and obliquely used such territorial disputes as pressure points on the countries involved. One example of this was when the Soviets urged the Hungarians to bring up the question of the conditions of the Hungarians living in Transylvania in reply to promptings by Bucharest for Moscow to discuss the problem of the territories incorporated into the Soviet Union. Moscow's cautious use of this tactic is dictated by its awareness of the inherent risks in exasperating nationality questions to the point of affecting all of Eastern Europe. Nevertheless, this has not prevented the Kremlin from discretely intruding in Yugoslavia's internal conflicts, not only emphasizing the historical ties between Russia and Montenegro, but also indirectly feeding the fires of Croat nationalism. (This latter is a particularly dangerous operation since the Zagreb separatist movement has by now shown itself to be a direct threat to Yugoslav federal unity, which in turn is an essential factor of stability for the Balkans and for general inter-European relations.) Another example along the same lines is the way in which the Soviets have concentrated on Yu-

Yugoslavia's less developed regions for profitable trade agreements.

Soviet activity in the Balkans has mainly been aimed at re-establishing the operative unity of the states in the region. Through initiatives especially at an economic level, ~~thereby~~ this has included attempts to create a presence in Greece and Turkey for the long-range purpose of ~~and~~ <sup>PROMOTING</sup> ~~the~~ alternative political orientations from the Westernized ones now <sup>GUIDING</sup> ~~embodied~~ by Athens and Ankara. With Soviet interests in the Mediterranean, Near and Middle East becoming more concrete and conspicuous, Moscow has been ~~using the various means available~~ at work improving its military, political and economic positions in the countries separating it from these areas of intervention. It is obvious how crucial the Balkans are to these international priorities of the Kremlin.

But if Soviet leaders appear convinced of the opportuneness for supporting the formation of a unified Balkan bloc, the question remains as to what means they will use to pursue this end. Not those employed for the re-establishment of communist regimes obedient to the USSR, as in Hungary in 1956 and in Czechoslovakia in 1968. Nor even those used for keeping control over the outcome of such power struggles as those in Poland in 1956 and 1970. The Balkans in fact present problems substantially different from those that have appeared in the other parts of the "communist zone". And of course there <sup>ARE</sup> ~~is~~ also the differences within the Balkans themselves from country to country. In the specific cases of Greece and Turkey, the USSR has adopted <sup>STANCE OF</sup> ~~its~~ by now classic ~~attitude~~ <sup>VETERAN</sup> of addressing those in power, no matter the type of regime in authority. This has meant, among other things, an indifference to the fate of banned and persecuted communist parties (also this a <sup>pract-</sup> ~~ice which has had numerous other examples of the same kind in the past~~ <sup>WHEREBY</sup> ~~party loyalty and solidarity~~ <sup>ARE SACRIFICED TO</sup> ~~to~~ the interests of the Soviet state.) In the Balkan states ruled by communist parties, the Kremlin has worked in more intricate ways. But if here too, as with Greece and Turkey, the objective is a long-range one, it is also a very concrete one. In fact, the Soviet need for establishing in the Balkans a security system opening the way for communications to Mediterranean and Mideast regions would be hard-pressed for satisfaction if there were hostile regimes in power in the coun-

tries along the way. For this reason the "re-absorption" of the Yugoslav, Albanian and Rumanian controversies remains Moscow's ultimate aim, and to this goal the USSR has been moving with gradualistic methods that are already apparently producing positive results. As one example, there was the presence of Nicolae Ceausescu at the meeting held in the Crimea 31 July 1972 among Eastern European communist leaders for a review of cooperation problems after the Moscow visit of President Richard Nixon. This was significant because Ceausescu had not attended a similar conference held the previous <sup>YEAR</sup> ~~summer~~ after the Brezhnev-Brandt agreements, even ~~known~~ though these represented a decisive development for the future of East-West relations in Europe. This change of Rumania's attitude reflected a general condition in Bucharest's "New Course", the move toward ending its isolation within the Eastern bloc. (The decision was the result of, among other things, economic difficulties. Over the last year Rumania has received 24.3 million rubles in loans from the same COMECON Investment Bank whose constitution had originally been criticized by the Ceausescu regime.) The modified Rumanian attitude must also be considered within the context of relations between Bucharest and Belgrade, in the sense of a mutual "conditioning". In fact, it should be recalled that shortly after the 1971 meeting of Eastern European party chiefs, Brezhnev went to Belgrade for his talks with Tito. In the wake of Nixon's visit to Moscow, it was Tito's turn to go to the Soviet capital. In watching these developments, Bucharest did not hide its concern about a possible rapprochement between the Kremlin and Belgrade. If such a rapprochement were to ~~lead~~ <sup>HAVE LED</sup> to the end of Yugoslav autonomy, and the establishment of a Soviet hegemony in Yugoslavia, it would ~~also~~ <sup>HAVE</sup> negatively ~~affect~~ <sup>AFFECTED</sup> Rumania's ability for maintaining its own autonomist position, working to the advantage of Soviet pressures and forcing Ceausescu to "realign" his regime. In fact, things have not turned out that way. At the conclusion of Tito's trip to Moscow (5-10 June 1972), the Soviet Communist Party and the League of Yugoslav Communists issued a communique asserting that "the two parties apply Marxism-Leninism in accordance with the specific conditions existing in the respective countries". It was also during this period (7 June) that Pravda, referring to the third inter-communist party conference in 1969, stres-

sed that "spirit of principle and flexibility, inseparably tied, are two aspects of Soviet foreign policy", while "the struggle against nationalism and all manifestations of opportunism is an important factor in the activity of the international communist movement". The allusion to "flexibility" was confidently interpreted in an antithetical sense to the classic "intransigence" regarding Soviet activities in Eastern Europe, and especially in the Balkans. However, past experience does not encourage prospects that the Soviets will adopt this "flexibility" as a permanent, rather than occasional or merely instrumental, policy.

When Nixon visited Poland (31 May-1 June), he sent out signals that Washington was refitting its policies vis-a-vis communist regimes. Against previous attitudes characterized by such catch-phrases as containment and rolling back, the new indications were for an "articulated understanding" with Party-ruled states. (Also during his earlier trip to Rumania, Nixon had been careful not to go beyond a correct interpretation of Rumanian autonomist tendencies.) Similarly, Leonid Brezhnev can manage his political action in the Balkans in "articulated" ways, giving priority to inter-governmental agreements for the purpose of improving mutual relations rather than committing himself to an immediate attempt at the "general recovery" of Yugoslav, Albanian and Rumanian sources of dissent. The years following the re-establishment of relations between the USSR and Yugoslavia (Nikita Khrushchev's first visit to Belgrade) demonstrated the practical advantages of coexistence at a government level even while Party-level relations remained in crisis. The question is whether this experience can be useful in other Balkan situations. According to existing theory and practice, the communist parties have the supreme responsibility for guiding state power and play a primary role in every aspect of the lives of each country. It is therefore extremely difficult to establish government-level relations which are not substantiated by more concrete understandings at higher Party levels - this observation also taking into account the ~~joint~~ <sup>PELINGS TO ELABORATE</sup> responsibility assumed by the Bulgarian and Rumanian Parties in ~~elaborating~~ the policy goals proclaimed by the 1957, 1960 and 1969 Moscow conferences of communist party leaders. The prospects for an "articulated policy" by the USSR in



the Balkans apparently remains limited to being a temporary, short-range operative plan.

Long-range goals are much more ambitious. This may be seen by the decision of Bulgaria to include in its new Constitution (in effect since May 1971) an expressed commitment to the principle of an inalienable international view of itself. The preamble of the charter specifically defines this commitment as "mutual cooperation, friendship and assistance with the USSR and the other Socialist states", while Article 11 declares even more explicitly: "The People's Republic of Bulgaria is part of the world Socialist community. This is one of the principal conditions of its independence and general development." What this formalizes is not only an intention, but a geographical and political condition aware of the premises of "international Socialist law" and inexorably linked to the reasoning of the "limited sovereignty" (and of the "right of intervention") notions of the Brezhnev Doctrine. This said, however, it would still be premature to attempt to draw definitive conclusions from this example. For one thing, Bulgaria has long had something of a "special relationship" with the USSR, not least owing to common religious, political and economic interests existing long before the establishment of a communist regime in Sofia. For another, a subsequent revision of the Hungarian Constitution (in 1972) contained no formulations like those appearing in the Bulgarian charter. In sum, then, the Bulgarian case emerges as an isolated fact, which may or may not be imitated elsewhere, but the symbolic value of which should not be ignored in a view of long-term prospects. For the present, the Kremlin is limiting its commitment to "recovery for operative purposes", particularly insisting on the chain-reaction importance of specific actions (their influence on the behaviour of neighboring states) or on the defense of special interests. In this latter regard we have already referred to Yugoslav-Rumanian relations, and Albania could serve as another example. After the 1968 invasion of Czechoslovakia, Tirana went to work improving its relations with neighboring countries. Its current political orientations appear influenced no little by apprehensions over the fate of Yugoslavia in the near future, both in the context of a possibly further deterioration of the Yugoslav federal structure because of the "crisis of nation-

alities" and within the framework of the possibility of the Soviets re-installing themselves, either politically or militarily.

Another point that should be noted is the peculiar correlation existing in the Balkans between the internal situation and international role of each state. The case of Yugoslavia is not an isolated one. Of the same stripe is the arduous attempt by Rumania to strike a balance between the rigors of its internal structures and its apparent "ideological indifference" in some of its basic foreign policy outlooks. Soviet interventionism is continually up against less traditional conditions, as was demonstrated in the non-Balkan crisis of Czechoslovakia in 1968 when it proved impossible to immediately oust a Communist leadership considered hostile in favor of a more "orthodox" hierarchy. The Soviets failed along similar lines in Albania in 1960-61, and have yet to come up with "alternative groups" in the League of Yugoslav Communists or in the Rumanian Communist Party. To some extent, therefore, the Kremlin is obliged to practice "flexibility" and to admit the existence of differences. As Hungarian Party Central Committee secretary Zoltan Komocsi ~~declared~~ declared in an article published in the Hungarian theoretical journal Társadalmi Szemle in September 1972 - "Unity is not only a static situation, but also a process to be carried forward with favorable forces and with those opposed." Unfortunately, Komocsi continued, "nationalism" remains the main obstacle in the way of unity; but it is impossible to erase the existence of conflicts and differences in the name of "dogmatic truth", even ~~though~~ though these should not prevent an "operative unity" for confronting external enemies. The thesis of "uninterrupted struggle" on an ideological plain even in conditions of so-called "peaceful coexistence" was also brought up by the Soviets following the 31 July 1972 meeting in the Crimea.

Against this general background the debate underway in the Balkans has assumed contradictory features. Even with regard to the projected pan-European security conference there has been a substantial variance in attitudes, though all states have indicated their support for the initiative. Only Bulgaria has maintained a completely pro-Soviet line. The other regimes, if not always explicitly,

have put the emphasis on particular programmatic points. While Rumania has insisted on the withdrawal of all troops from "foreign bases", for instance, Yugoslavia has plugged away at the principle of the "deterioration of the blocs". These are only two examples of the different approaches being taken to the agenda and goals of the conference. Finally, there is the question of territorial limits, which should be brought up for consideration at the conference - along with the "Mediterranean question" which Belgrade sees differently from Moscow. To the question of whether and how the Balkan nations intend to play the role of "medium power" at the European conference (and outside it), a positive reply could only be given up till now with reference to Yugoslavia and Rumania.

To conclude, one must note that there has been a general improvement in the Balkan situation, particularly with regard to the region's internal relations. This improvement currently offers no thrusts for unity - on the contrary, autonomist and nationalist tendencies are persisting and even gathering strength. Western Europe has no political influence in the Balkans, all its approaches having been led into the wayside and with only General DeGaulle having attempted a precisely defined political outlook (apart from judgements on it). But while the West has proceeded sporadically and in uncoordinated fashion, the USSR has given evidence of its concrete and well-defined interests in the area. Its long-range objective is to regain the compactness of <sup>its</sup> ~~the~~ empire and its short-range goal to guarantee the security of routes for interventions (and supplies) in the Middle East and in the Mediterranean. The Balkans remain fragmentary, without a common political outlook.

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7

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Conference

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"THE BALKANS AND THEIR INTERNATIONAL ECONOMIC RELATIONS"

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QUESTA PUBBLICAZIONE È DI PROPRIETÀ  
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## THE BALKANS AND THEIR INTERNATIONAL ECONOMIC RELATIONS

Politically, the concept of "the Balkans" as a collective at all has always been a somewhat artificial one, stemming from certain broad postulates that go back to the last century, and such meaning as it ever had has been more and more eroded by the events and outcome of the Second World War and the utterly different political development inside and outside the sphere of influence bounded by the Soviet military presence. It is hard to discern any common strand running through all the countries traditionally referred to as "the Balkans". Of course even when the concept was more meaningful than it is today one conspicuous fact about "the Balkans" was their extreme diversity and lack of pattern, the singular patchwork they formed of minorities, religions, languages, ethnic origins and political allegiances, and the sharp differences in level of development, in tradition and in history.

This is indeed basic to any discussion of "the Balkans", and I am using the expression in the title of my remarks subject to these qualifications.

Economically, however, it can fairly be said of "the Balkans" at large that their development - though admittedly the position in this respect differs from country - is not so far advanced that much of the "development policy" approach cannot be systematically, indeed perhaps fundamentally, applied to them.

Now the European Community has certain classes of relationships which are justified in themselves and accord with the objective, embodied in the Treaties of Rome and pursued ever since with pertinacity, despite occasional setbacks, of the integration of European countries having the same basic views and ultimate aims. The Rome Treaties lay it down as the guiding principle of the community that membership is to be open to all countries which share the fundamental political beliefs of the other Community countries, are bound by the same principles of constitutional democracy and respect for human rights, and economically can afford to join as full members without injury to themselves - provided, naturally, that they wish to do so.

All the countries I am here discussing are European countries; some are prepared, and preparing, to join, while others are not. In considering them from the Community standpoint it is necessary to class them according as they have taken the one line or the other.

## I. Turkey

The Association Agreement between Turkey and EEC was signed on 12 September 1963, and came into force on 1 December 1964.

The purpose of the Agreement is to promote steady and balanced strengthening of the economic and trade relations between the Contracting Parties while taking full account of the need to secure faster expansion of the Turkish economy and fuller employment and higher living standards for the Turkish people, the process to culminate in Turkey's acceding to membership of the Community.

As all this can only be done step by step, the Agreement provides for three successive stages.

- (a) First was to come the preparatory stage, designed to enable Turkey to go ahead with working up its economy and get this placed on such a footing that the country would be ready to embark on the phased establishment of the customs union; during this time Turkey was to receive economic and financial aid from the Community. The preparatory stage was completed some time ago, and the parties by common accord moved into Stage II.
- (b) The second or transitional stage is due to see the phased establishment of a customs union between Turkey and the Community, and at the same time the gradual "approximation" - that is, alignment - of the two parties' economic policies, to enable the Association to function properly and the joint measures needed for this purpose to be progressively introduced. It was laid down in the Association Agreement that the implementing provisions for the transitional stage were to be embodied in a Supplemental Protocol.
- (c) The third and final stage of the Association is to consist in building up further on the basis of the customs union instituted in Stage II under the Supplemental Protocol, and effecting closer and closer coordination of the Turkish and Community economies.

The Supplemental Protocol setting out the conditions, procedures and timetable for Stage II was signed on 23 November 1970, together with a Protocol on Finance whereby the Community is to provide Turkey with financial aid for a period of five-and-a-half years.

The gist of the Supplemental Protocol is as follows.

- (a) On the industrial side, the Community is to treat its imports of goods from Turkey as if they came from within the Community itself : that is, duties, quotas and any charges and restrictions of equivalent effect are to be abolished forthwith. Special arrangements are, however, to apply to certain textiles and petroleum products, in connection with which the Community has particular problems of its own.

Turkey on the other hand is only to phase out its duties over the transitional period: this is fixed in principle at twelve years, but the Protocol includes a schedule of products which are to be entitled to diminishing tariff protection for longer than this, up to twenty-two years. Turkey is also given twenty-two years in which to dismantle its quantitative restrictions on imports from the Community.

- (b) On the agricultural side, Turkey is likewise in the space of twenty-two years to adjust its farm policy in such a way that by the end of that time the necessary measures can be introduced there to ensure full freedom of trade in goods between it and the Community. When this period has elapsed, the Association Council will decide exactly what arrangements are required to establish free movement of agricultural products.

Meanwhile, Turkey is granted preferences in respect of products which account for over 90% of its agricultural exports to the Community.

- (c) Lastly, the Supplemental Protocol contains provisions on freedom of establishment, provision of services, transport, and alignment of economic policy (competition, taxation, approximation of legislation, commercial policy and economic policy proper).

The Protocol on Finance, which was also signed on 23 November 1970, provides that the sum of 195 million units of account - roughly 195 million United States dollars - is to be set aside for the Turkish economy, and may be drawn down over a period of five and a half years from the conclusion of the Protocol. The terms of the aid are just as favourable as those in the earlier Finance Protocol, and indeed in some respects more so: the maximum maturity of the credits is thirty years, with an initial redemption-free period of up to eight years, and the interest rates are fixed at a minimum 2.5% per annum for projects not due to break even until a fairly late stage that cannot be immediately foreseen, and 4.5% per annum for projects with normal return expectations.

The formal move into the transitional stage of the Association when the Supplemental Protocol takes effect will be a major milestone in the progress of the EEC/Turkish Association. Up to now all that the Association has amounted to has been unilateral assistance by the Community in the form of trade preferences and financial aid: the implementation of the Supplemental Protocol to the Association Agreement will mean the making of a real start on the phased economic integration of Turkey and the Community.

The Supplemental Protocol not being yet in force owing to the need for its ratification by the national Parliaments, an interim agreement was signed on 27 July 1971, and came into force on 1 September, to enable the first steps in the matter of the reciprocal trade concessions provided for in the Protocol itself to be taken right away. Important though these concessions undoubtedly are for the Turkish economy, the big moment politically and economically will be the actual move into the transitional stage proper, which cannot take place until the Protocol becomes fully effective. However, its ratification is only expected to take another few weeks.

The Agreement, like that with Greece, too, provides for the setting up of an Association Council and joint Parliamentary Committee. Both institutions work smoothly and offer opportunities for intensive consultations.



## II. Greece

The Association Agreement between Greece and the EEC was signed on 9 July 1961. It came into force on 1 November 1962.

The purpose of the Agreement is to promote a steady and well-balanced strengthening of the trade and economic relations between the Contracting Parties, so as to guarantee thereby the speedy expansion of the Greek economy, fuller employment and higher living standards for the Greek people. Here, too, as a basic aim is the prospect of accession conforming to the remarks below.

The Association comprises:

- (i) The setting up of a customs union, whereby in the course of time customs duties between the Contracting Parties are to be abolished and Greece is to accept the Common Customs Tariff;
- (ii) The development of a mutual trade by the removal of quantitative restrictions;
- (iii) The coordination of relevant regulations on competition, taxes and the approximation of legislation;
- (iv) The coordination of relevant economic policy, in particular financial and monetary policy, so as to ensure above all equilibrium in the current balance of payments and to guarantee confidence in the present currency;
- (v) Within the limits of the Financial Protocol included in the Agreement, the supply to the Greek economy of resources to facilitate its speedy build up.

So as to ensure the application and the phased development of the Association arrangements, an Association Council was set up between the Contracting Parties. This Council acts unanimously; it can submit disputes to the Court of Justice of the European Communities or to any other Court.

Furthermore, a joint Parliamentary Committee was formed for the implementation of the Agreement.

Article 14 of the Association Agreement governs the phasing out of duties for specific products over a period of 12 years.

In accordance with this Article, Greece again lowered its

duties and quotas by 10% and thereby cut them to 30% of the original customs rate. By 1 November 1974 these customs duties will be completely abolished. Parallel with this, Greece has aligned its duties vis-à-vis non-member countries step by step on the Common Customs Tariff.

As in the case of Turkey, so too with Greece, the run-down of tariffs over a longer period of time is provided for in the case of some particularly sensitive products. Thereby the protection of specific branches of industry will continue to be maintained in the interest of the country's development.

Internal events in Greece, however, have made it impossible for the European Community to regard the prospects of accession as read. The Community - as mentioned above - makes similar fundamental convictions political and systems a pre-condition. It is therefore not applying the provisions of the Agreement which go beyond the establishment of the customs union in its current administration of the Agreement. This holds good in particular for the approximation of legal regulations, alignment of agricultural policy, synchronization of economic policy, freedom of movement of persons and services, and financing.

III. Among the countries which - unlike the two mentioned above - want relations with the European Community, and yet are not thinking of membership, Yugoslavia occupies a special position, in that it has concluded a formal trade agreement with the Community. This Agreement, which was the first concluded by the Community after the end of the transitional period and signed on 19 March 1970, is by its nature non-preferential. Its essential points are the following:

- (i) In respect of the duties and levies, the collection of these duties and levies and the necessary formalities and procedures, the most-favoured-nation clause will be applied.
- (ii) The most-favoured-nation clause is not valid for advantages
  - a) which are granted with an eye to the setting up of a customs union or a free trade zone,
  - b) which are conferred on certain countries in accordance with the General Agreement on Tariffs and Trade (GATT),

- c) which are granted in order to facilitate border trade with neighbouring countries.
- (iii) A joint Committee - with representatives of the Community and of Yugoslavia - has been set up and meets once annually. It has to take care of the smooth operation of the Agreement and can make suggestions for the development of mutual trade.
- (iv) As regards the special concessions it should be noted that on a series of goods listed in Annexes I and II of the Agreement, the tariff rates negotiated at the Kennedy Round shall be charged from the entry into force of the Agreement.
- (v) The Agreement is valid for a period of three years.
- (vi) Moreover, in a protocol to the Agreement, the amendment of the levy on imports of high-grade beef and veal was fixed. This amendment takes place in the setting of permanent cooperation between the Contracting Parties.

In an exchange of letters on this trade agreement it is agreed that it shall replace all bilateral agreements concluded between the Member States of the Community and Yugoslavia.

In the meantime relations with Yugoslavia have been intensified. The joint Committee, which sat several times, offered an opportunity of dealing successfully with a series of suggestions. In particular, the Community is striving jointly with Yugoslavia to find ways which can further industrial development and cooperation with Yugoslavia. The trade agreement, which runs out on 30 April 1973, is by common consent to be replaced by a new one more modern in its arrangement and better suited to the situation. In memoranda on this matter the Yugoslav Government has made explanatory comments about a series of precise conceptions which are now being discussed in the Community. The Commission of the European Communities sees in this situation the possibility of bringing into force new instruments of a cooperation policy which go beyond the arrangements governing mutual trade and make possible the development jointly of ideas in many fields, for example technology, scientific exchanges, technical assistance and consultation, production and sales strategy. These questions are at the moment being discussed in the institutions of the Community itself.

Rumania has no formal Treaty relations with the Community. By its application in a letter from its Foreign Trade Minister to the President of the Council of the Community that it be considered in the system of general preferences for developing countries, Rumania opened a period of closer relations with the Community, "starting from the existence of the Common Market in Europe". A solution to the questions raised by the Rumanian Government is being examined at the present time by the institutions of the European Community, and it will be possible to take the first decisions in the course of 1972. Up to now there are some technical agreements concerning Rumanian exports of the following agricultural products:

- a) Observance of a fixed offer price for sunflower oil;
- b) Observance of the reference price for wine;
- c) Fixing of the export procedure for goat cheese (Kashkaval) and other milk products;
- d) Fixing of the export procedure for Tilsit cheese;
- e) Observance of the threshold prices for slaughtered ducks and geese;
- f) Observance of the threshold prices for live and slaughtered pigs;
- g) Observance of the threshold prices for eggs in shell.

On 22 July 1968 the Socialist Republic of Rumania made an official application for entry into GATT. At the end of 1971 the relevant accession treaties were signed.

The main questions in the negotiations were the abolition of the quantitative restrictions on Rumanian exports to other countries and the Rumanian obligations regarding imports. On the first point the European Member States have undertaken to phase out the restrictions by 1974.

It has also proved possible to conclude technical agreements with Hungary concerning the export of the following agricultural products:

- a) Observance of the threshold prices for pigmeat;
- b) Observance of the reference prices for wine;

- c) The fixing of export procedure for goat's cheese (Kashkaval) and other milk products.

On 9 July 1969 the Hungarian Government informed the Director-General of GATT of its intention of acceding to the General Agreement according to the procedures of Article XXXIII. The negotiations at first raised some special difficulties. However, on 20 July 1972, agreement was reached on the draft of the Accession Protocol and on the contents of the report to the GATT Council. The Hungarian Accession Protocol contains a clause in which Hungary undertakes that an existant statutory commercial arrangement with the Socialist countries shall not endanger the agreements entered into in the GATT negotiations. In other respects too the agreement differs in many ways from the corresponding ones with Rumania and Poland.

With Bulgaria too technical agreements exist regarding the export of the following agricultural products:

- a) Fixing of the export procedure for goat's cheese (Kashkaval) and other sheep and buffalo cheeses;
- b) Observance of the reference prices for wine;
- c) Observance of the threshold prices for live and slaughtered pigs.

Albania up to now has not indicated that it is interested in an agreement of any type, multilateral or bilateral, with the European Community.

IV - From this relatively detailed presentation of the present shape of the relations of the European Community with individual countries the picture emerges of relations which differ sharply in intensity; a picture which at the same time points to inexhaustable possibilities for closer and more productive cooperation. The main difficulty facing a smooth development of these relations is the fundamentally different pattern, from the ground up, of the economic structure of the member countries of the Council for Mutual Economic Aid (COMECON) on the one hand and the European Communities on the other. The lack of a convertibility of currencies on the part of the east European countries restricts trade to the simple bilateral balance settlement; a barter principle that does not

lend itself to the opening up of wide possibilities. Moreover the planning of the member countries of COMECON is so organized that foreign trade, especially trade with countries outside the treaty system, plays at the most a subsidiary role. There is a lack of genuine economic relations with these countries planned over a longer period of time and supported by convertibility.

The European Community has declared several times that it finds no difficulty in developing relations with these countries on the basis of equality and non-discrimination and hopes to have the opportunity of doing so.

We could see some new thinking on the subject at the European Security and Cooperation Conference, where the possibility of more extensive cooperation with these countries too might be raised.

Whereas COMECON has no powers of its own in foreign trade, and under the July 1971 package programme individual COMECON members are entitled to opt out of particular sections of the COMECON cooperation system, EEC is bound by the Decision of 16 December 1969 to apply the common commercial policy, pursuant to Article 113 of the Treaty of Rome, uniformly vis-à-vis every country in the world from 1 January 1973 onwards. Moreover, from that same date at the latest, it will itself be the sole negotiating partner in all fields falling within its jurisdiction. This is one side of the major change that is coming over the Community's and its members' relations with the Balkan countries: the other is the enlargement of the Community by the accession of new members, notably Britain. The legal implications of this event, likewise due to take place on 1 January 1973, are governed in international respects by Article XXIV of GATT, which permits regional link-ups by way of economic unions and free-trade areas, and indeed expressly commends them as desirable where they serve to promote world trade and do not introduce any additional barriers to the trade of other GATT countries with the territories involved.

Now in recent years more and more of these regional link-ups in the form of economic unions and free-trade areas have been taking place, and as most of the countries engaging in them are signatories to GATT, Article XXIV has become in effect the focal provision of international law on such matters,

tantamount indeed - not as to its formal aspect considered in the light of criteria drawn from the sources of international law, but as to its substantive function in the legal order - to a general rule of international law.

By now, as we have seen, some of the eastern European countries have acceded to GATT - Czechoslovakia, Yugoslavia, Poland and Rumania - and in July of this year agreement was reached with Hungary on the draft of a Protocol of Accession.

Meantime the consultations required under Article XXIV concerning the effects of the accession of the new member countries to the European Community have begun in the appropriate GATT committees. Those Balkan countries which stand in a special relationship to the Community - Greece and Turkey - are settling the reciprocal rights and obligations involved direct with the Community in the respective Association Councils, and Yugoslavia has asked to have this matter included in the discussions in connection with the reorganization of its own relations with the Community.

V - A further point which should be mentioned is that the Community was the first of all the world's major industrialized entities to respond to the urgings of the United Nations Conference on Trade and Development (UNCTAD), by granting, from 1 July 1971, special preferences to numerous developing countries for their exports to it, in order, principally, to help them in their efforts to industrialize. This deliberately non-reciprocal preferential treatment represents a quite new departure, in which there is undoubtedly room for considerable improvement and elaboration, but which is definitely calculated to afford a notable stimulus to the developing countries.

The Generalized Preferences were granted in the first instance to the so-called "Seventy-Seven" - now more like a hundred. One of these is Yugoslavia, which has already derived substantial benefits from the system. Rumania, as we have seen, has applied for inclusion, and the Community's answer will be forthcoming before the end of the year, together with its decision whether to extend the same treatment also to Greece and Turkey; their case, however, is rather different, since they already enjoy considerable advantages under the special Association arrangements. The rest of the Balkan countries are not eligible, as they have no relations with the Community as such.

There is also Community-Balkan cooperation in other United Nations agencies, as for example the UN Economic Commission for Europe (ECE) in Geneva.

VI - As already mentioned, the Community takes a different approach to the different Balkan countries according to the extent to which they for their part are desirous of establishing relations and cooperation with it. There is thus some overlapping, geographically and materially, in its relationship to them, not only as regards closeness of connection (even to the extent of eventual full membership, on the lines I have described), but also with respect to its pursuit of a single consistent policy for the Mediterranean as a whole, since some of the countries in question are in both the "Balkan" and the "Mediterranean" sphere at once. What will really make it possible to set about working up relations with all of them together is continued progress with the policy of European détente, thanks to which misunderstanding and mistrust will diminish and disappear, regional link-ups and European integration will come to be seen by all as perfectly right and proper, and the basis will thus be established for embarking on cooperation on a genuinely comprehensive scale.

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