

Transcription of the interview with René Steichen (Sanem, 2 June 2010)

Caption: Interview with René Steichen, Chairman of the Board of Directors of SES (the Société européenne des satellites), carried out by the Centre Virtuel de la Connaissance sur l'Europe (CVCE) on 1 June 2010 at the château de Sanem. The interview was conducted by Elena Danescu, a Researcher at the CVCE, and particularly focuses on the following subjects: the statesman Pierre Werner, the revival of the research policy in Luxembourg in the 1980s, the reform of Luxembourg agriculture (1984–1992), Steichen's activities at the European Commission, the establishment of the Société européenne des satellites and the diversification of the Luxembourg economy, and Luxembourg's role in the European integration process.

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1. Pierre Werner, statesman

[Elena Danescu] We have the pleasure today, 2 June 2010, of welcoming Mr René Steichen, who will give us his account of the personality and achievements of Pierre Werner in the building of a united Europe, and of the major turning points in that process, in which both he and the Grand Duchy of Luxembourg played so large a part. Let me start by recalling some of the key features of your career. You are a legal expert by training, and you became mayor of Diekirch in 1974. In 1979, you were elected as a member of the Chamber of Deputies, and in 1984 you joined the government as State Secretary for Agriculture and Viticulture. Having been elected for another term, in 1989, you became Minister for Agriculture, Viticulture and Rural Development, as well as Minister with responsibility for Cultural Affairs and Scientific Research. In 1992 you became a Member of the European Commission with responsibility for Agriculture and Rural Development, and in 1995, when your term of office ended, you came back to Luxembourg to become Director of the Société Européenne des Satellites. Since 1996, you have been the Chairman of the Board of the Société Européenne des Satellites Astra S.A. Going back now to when you first became active in public affairs, in 1974, I should like to start with my first question. When, and under what circumstances, did you first meet Pierre Werner?

[René Steichen] I can’t really remember when it was, but actually Pierre Werner was a friend of the family. So I think my father and he had known each other since they were students, and Pierre Werner used to come round to the house. As far as I remember, the first time I saw him was at a barbecue in the house my parents had in the country. I must have been — I don’t know — 20 years old. So I knew Pierre Werner from that time onwards.

[Elena Danescu] What do you remember from that first meeting?

[René Steichen] Well, I remember that he was a very affable man. He was the same as the other guests, there was no difference, so I can’t say he gave me the impression of being a statesman or

anything like that, he was just a man like the others who were there.

[Elena Danescu] When did you become aware of his standing as a statesman?

[René Steichen] I'd say it was from the time when I was finishing my studies, let's say. I'd graduated from Sciences Po in Paris, and they were already talking then about Pierre Werner and his role in the future development of Europe, especially Europe as a monetary entity.

[Elena Danescu] Were you aware or did you hear any personal accounts or accounts from the circles you moved in at the time regarding Pierre Werner's work as chairman of the ad hoc group which drew up the plan for establishing an economic and monetary union by stages?

[René Steichen] He was appointed chairman in 1970. No, was it earlier?

[Elena Danescu] At the beginning of 1970, in March 1970, following the decision by the Hague Summit in December 1969.

[René Steichen] I have no particular knowledge, or I should say particular memories, of Pierre Werner's appointment as chairman of the group, but I do know that it was on a joint initiative by Helmut Schmidt and Giscard d'Estaing at the time. And I also know that the appointment added greatly to Pierre Werner's prestige here in Luxembourg. I think that ... although people do not necessarily know, are not necessarily knowledgeable about monetary questions; I do think, though, that it was a sign of the esteem in which he was held personally that he was appointed to head the group. I would say, in fact, I remember at the time, when he turned 80 there was a party here in Luxembourg, all the officials or the senior officials came, there was Giscard d'Estaing, there was — what was his name — the Belgian baron, Lamfalussy, I think, yes, Lamfalussy, there was the President of the Bundesbank, there were a great many economists and finance people who'd come for his birthday, which shows that he was definitely held in high esteem in those quarters ... abroad.

[Elena Danescu] The President of the Bundesbank at the time, Hans Tietmeyer, was also a member of his committee. So they had worked together.

[Elena Danescu] In 1974, you became mayor of the town of Diekirch, an office which you held for a decade. And that was the same year that Pierre Werner, after 15 years at the head of the government, left power. He was elected as a member of parliament and leader of the Christian Social parliamentary group in the Chamber. Do you remember any changes that that period in opposition brought about in Pierre Werner's personality and his way of working?

[René Steichen] Actually the parliamentary elections were held in June as scheduled, in 1974 — I

only became mayor in November 1974, in other words six months later. I remember the television broadcast after the elections, and I must say I was a bit taken aback by the fact that it was someone else, not he, who talked about the Opposition. It was in fact Fr Heiderscheid who practically, I wouldn't say took the decision, but who anticipated the decision to rally the Opposition. So that took me aback in the sense that the clergy had a great deal of influence over what actually happened. I think the proper thing would have been, after the elections, for the party to discuss whether it was going to join the Opposition or not. So I wasn't a member of parliament at the time, but in fact, according to the contacts I had at the time and the gossip that was doing the rounds, Pierre Werner, in the Opposition, was closer, I mean he was, how can I put it, he was a man who was more in touch with people than before. I think that was to be expected, though, in the sense that he had been, I believe he had been Prime Minister for 15 years and after such a long period, things are bound to ossify somewhat so that he would not have been in touch with the voters as much as he should have been and so on. Yes, I do think that when he was in the Opposition he did change and he became more approachable, shall we say.

[Elena Danescu] As far as the friendly relations with your family which you mentioned a moment ago were concerned, did they continue during that time?

[René Steichen] Yes, there was no change there. So, that was ... yes.

[Elena Danescu] You were already a member of the Christian Social Party then yourself, were you?

[René Steichen] Yes, I was a member of the Christian Social Party. I think I had been since, let me see, since 1968, I believe. I was elected to the Town Council and, as you said, in 1974 I became the mayor because the mayor in office at the time resigned and a proposal was made to me to become mayor. So I had been a member of the Christian Social Party since ... before I was elected to the Town Council, so it was in 1968. Also, after the Christian Social Party went into opposition, I think it was that year, I was elected — or a year later — I was elected chairman of the Christian Social Youth wing, and that was where I was more in touch with the leaders of the Party, as I was a member of the National Committee as chairman of the young people in the Christian Social Party.

[Elena Danescu] And how was that electoral setback in 1974 seen by the party activists?

[René Steichen] It was a shock for them too, because since the post-war period the Christian Social Party had always been part of the governing coalition. So, of course, we young people in the Christian Social Party worked hard, how shall I put it, with the other people in the party, obviously, to put the shine back on the image of the party.

[Elena Danescu] And that worked, because five years later the party was back in power.

[René Steichen] Yes, I remember that in 1979, at the next elections, we as the Christian Social Youth wing ran a rather separate campaign where we put the emphasis on the youth factor in the party. Going for renewal and all that. So in a way it wasn't surprising that we played up that aspect of things.

[Elena Danescu] In 1979, the party came out on top in the elections. You yourself were elected a member of the Chamber. What were the most burning issues you tackled during your first term in parliament?

[René Steichen] I was elected to that parliament, I was elected chairman of the Chamber's Committee on Agriculture. Which is probably what led to my inheriting that portfolio later on. That was in a way a ... I wasn't myself a natural when it came to dealing with agriculture because I was a lawyer, but it was a kind of affinity with my constituency; in the north, you see, there were more farmers there and that was why I was asked to take responsibility for that aspect of policy.

[Elena Danescu] Before we look at your two terms of office as a minister, allow me to focus briefly on the time in December 1983 when Pierre Werner made an announcement at the national congress of the Christian Social Party to say that he was withdrawing from politics and would not be standing on the party list any longer in the next elections, in June 1984. Do you remember how that announcement was received at the time inside the party and in Luxembourg society?

[René Steichen] Yes, it was indeed a time when ... it was indeed a surprise that Pierre Werner ... but I myself knew to some extent that he was having problems with staying on as Prime Minister, as his wife was very ill.

[Elena Danescu] So it was a personal choice.

[René Steichen] Yes. I think it was a personal choice, because he felt that he ought to be by his wife's side more at that very difficult period in their marriage. On the other hand, Pierre Werner at the time was, after all he was more than ... I don't remember how old he was.

[Elena Danescu] Sixty-five.

[René Steichen] No, he was more than 65 ...

[Elena Danescu] In 1913 ...

[René Steichen] So he was over 70.

[Elena Danescu] Yes.

[René Steichen] So perhaps it was also a matter of age, and the fact that he also knew his succession was in the bag, so there was no question as to who would be his successor. Well, he thought there should be one, but I think that in 1979, in fact, he became Prime Minister again because it was a kind of revenge, a personal satisfaction that he'd been able to win back the voters' trust at that time, after the setback in 1974.

[Elena Danescu] I'd like to start by asking you what relations between Pierre Werner and Jacques Santer were like before and after that handover as head of government and how Pierre Werner prepared the ground for Santer to succeed him.

[René Steichen] From the outside — I myself didn't have close ties with either of them at the time, because, as I told you, I was a member of parliament, I wasn't in the government — but you did always feel that there was a good understanding between them and that Pierre Werner prepared the ground for his succession in the sense, too, that at a particular moment — I think it was in 1979 — Jacques Santer also became Minister for Finance. That was the most important post, you see, or at any rate the one to which Pierre Werner attached the most importance, so that people already felt then that there would be a handover to Jacques Santer. Jean-Claude Juncker was very advantageously placed at that time, as he was secretary of the party group in the Chamber. So he was ... he took part in all the proceedings, so it was through his work, and through his connections, that he was chosen as State Secretary, I believe.

[Elena Danescu] Do you remember what the reactions were at the time, nationally and internationally, to Pierre Werner's retirement from politics?

[René Steichen] No, that I can't tell you, but at any rate he made an announcement at a congress — I can't remember where it was, I think it was somewhere in Howald — to say that he was leaving. Well, that had the effect of a bombshell, of course, but people who knew him a bit better completely understood his decision.

[Elena Danescu] You yourself as Minister for Cultural Affairs set up the Pierre Werner Prize in 1993. What were your primary motivations at the time and how was that initiative received?

[René Steichen] To answer the last part of your question, I don't know ... That initiative, I think it was to do with the Prix de Raville.

[Elena Danescu] Yes, indeed, awarded every two years. [...]

[René Steichen] I think it was well received, because artists like it when there's a new prize. As for the motivation, it was purely and simply because he was interested in cultural affairs, he'd been Minister for Culture and that was why we set up the prize in his name.

[Elena Danescu] When he was Minister for Culture, which was his last political post, he also oversaw the drafting of the language law, which is a feature of Luxembourg's national identity. Could you say something about the concept of national identity that you may have detected in Pierre Werner and in the Prime Ministers with whom you have worked?

[René Steichen] I was a member of parliament when that law was adopted. What year was it?

[Elena Danescu] 1984.

[René Steichen] 1984, so it was just before the elections. But I think that the motivation behind it was primarily ... Language is what unites the Luxembourg people. Look at what's happening in Belgium, where there are two languages. And it also followed on from the feeling of national identity that there was after the independence celebrations — no, that was later — it was mainly the fact that the language was the tie that united Luxembourgers during the war, during the Second World War.

[Elena Danescu] So it was still a reaction to the painful memory of the war.

[René Steichen] Yes, I think it was. I think there is still ... — you will be seeing Lex Roth, he will tell you a great deal about the Luxembourgish language — but I think it is a vital part of our national identity. It does actually need to be preserved because we have the highest level of immigration in Europe, which puts the language at permanent risk. But I'm pretty optimistic all the same, because I do see that after all most of the immigrants we have are Portuguese, but the second generation speaks Luxembourgish like us.

[Elena Danescu] As regards preserving identity, was there any question in the governments you served in of putting Luxembourgish forward as an official language of the European Communities and subsequently the European Union?

[René Steichen] No, not really. We do have to ... there are already far too many languages in Europe, and I don't think we would ever have stood a chance of having Luxembourgish as an official language.

[Elena Danescu] But it's just as legitimate as Maltese or Gaelic.

[René Steichen] Yes, of course. Gaelic ... yes, it is also ... but there more Irish than Luxembourgers. We do have to ... as I said, there are too many ... We are, after all, in the centre of Europe and by tradition we know the languages of the countries which surround us, whereas Ireland is rather out on a limb and, well, there you are. There are reasons which we could discuss, but I don't think there was ever really any thought of having Luxembourgish as an official language of the Community. I presume that ... and in practice, in fact, that is how it is, there are after all three or four languages which are ... and you also see it when there are translations done, there are always two or three of them which are used and then a few months or a few weeks later it is translated into the others, but ... that is just to comply with the rules.

2. The revival of a research policy in Luxembourg

[Elena Danescu] From 1984 to 1989, you were State Secretary for Agriculture and Viticulture. In the ensuing parliament, you became minister with responsibility for the same areas, plus cultural affairs and scientific research. Could you explain for us what the reasoning behind expanding the field of cultural affairs to include scientific research was?

[René Steichen] The reasoning was simply that there was a feeling that research had been rather neglected in the previous parliament, where it was part of the national education portfolio. I think that was the reasoning, that's all.

[Elena Danescu] And it was also in keeping with the broad strategic guidelines for the development of the country with a view to the single market.

[René Steichen] Yes, of course, the feeling was just, as I have said, that research here in Luxembourg was being neglected, that more research needed to be done if we weren't to miss the boat, as the saying goes. It was then, in fact, that several public research centres were set up, the Tudor research centre — what else was there?

[Elena Danescu] Lippmann.

[René Steichen] Lippmann, yes, and I think there's a third one, the Centre for Health, I believe.

Elena Danescu] Yes.

[René Steichen] You know how the agricultural markets work as regards basic commodities, meat, milk and so on. The Community buys up the surpluses at a certain price, a price which is a very low

price, and wine too, it's an ongoing exercise where the Community buys the surpluses at prices which are actually very low but which were advantageous or not for some countries. In Italy, for example, there were ... there are regions which only produce for the reserve stocks. They used to convert the wine into alcohol there and then stock the alcohol, it used to cost the Community enormous amounts of money, and finally in 1992 there was what was called the MacSharry reform, after the name of the Commissioner at the time, which had the effect of bringing the surpluses down gradually until they finally disappeared. They were in a way like family meetings in the Agriculture Council, as there were meetings every month which lasted two days, usually two days. And we were always very close, we used to talk things over among ourselves. There were no personalities, how shall I put it, dominating the others. So we always tried to work out compromises. The ministers, I don't know ... if you tell me their names, I can tell you, I remember there was Rocard at the time, from France, who was with us ...

[Elena Danescu] ... your memories of more serious outbreaks of tension at that time when you were all like members of one big family, working out a solution eventually.

[René Steichen] No, there wasn't really any tension, there were never any crises. One time, I remember, there was the German minister, Fischler, who officially opposed something, invoked a right of veto, a so-called right of veto, it was ... I don't know if you've come across this Luxembourg Compromise. Anyway he resorted to it once, it didn't last long, I think it went on for a month and then once again we worked out an agreement. On the other hand, I do remember there being a very good feeling of understanding in the Research Council. It was at a time when we had to adopt a five-year plan for research. I can't remember if it was the third or the fourth one. Anyway, once again we were ... we didn't have any ... how can I put it, any huge interest in research, but we did nevertheless try to reconcile all the parties and I remember clearly that it was just after or before ... it was before Maastricht, so it was in 1991. So it was just before Maastricht. And I remember I managed to get an agreement as President of this Research Council, with the help of two ministers, the French minister, Hubert Curien, and the German one, Heinz Riesenhuber. Those were the two ministers who helped me a lot in getting a compromise, because they understood each other and I made pilgrimages to Bonn and Paris to put the finishing touches to things. And it was thanks to those two ministers in the end that we managed to secure an agreement, because reaching the compromise was very difficult and afterwards, when there was a compromise in the Council of Ministers, we had an uphill struggle at the European Parliament because the MEPs, especially the ones on the Research Committee, wanted to make sure that the procedure was gone through according to the rules that were later laid down by the Maastricht Treaty. So they tried to use that as a way of getting rights which they didn't actually have. There again, though, we managed to get the agreement of the European Parliament to get the five-year plan through.

3. The reform of agriculture in Luxembourg (1984–1992)

[Elena Danescu] As Minister for Agriculture responsible for the area concerned, you fought long and

hard for the law promoting the development of agriculture and the law was passed, right in the middle of the reform of the common agricultural policy. Given the specifics of agriculture in Luxembourg, what were the main points at issue for Luxembourg in the Community context?

[René Steichen] But I think, if I remember rightly, that the law, or rather the directive promoting the development of agriculture — the European directive, I mean — was already in place, so it was already around the time between 1974 and 1979 — I think it was the Mansholt directive — the famous Mansholt plan which had been set up to cover the whole of the European Union, and that there was fierce opposition from the farmers' union at the time to the idea of the plan being implemented in Luxembourg, because the farmers' union was ... — I don't know if you've read the history of the farmers' union — it was a union which was very powerful by dint of having a certain number of members, and naturally as agriculture was modernised there were fewer and fewer farmers. So the farmers' union had always known how to put pressure on the government to help the farmers for no reason, just to guarantee them a decent income, as they say, but which wasn't against there being more modern structures which would have made it possible for farmers to live better, to have larger incomes. And that was precisely the point of the directive which the previous government, the last Werner government — it was the period from 1974 to 1979 — did not succeed ... and I think the Christian Social Party made a mistake in helping the farmers' union for electoral reasons, you know how it works, and that the Liberal-Socialist government at the time failed to implement that European reform, and that's why it had to be done. We had been held up from doing it for a long time, which is also why we were caught on the hop here in Luxembourg by the decisions on the milk quotas. Milk is the main resource of Luxembourg agriculture. I don't know what the exact figures are now, but we produce roughly four times as much milk as we consume in Luxembourg. So we had to export, to make sure we had products we could export and sell abroad. The farmers' union's argument was always: 'But we have enough milk, we don't need to export,' while all the time there was the big European market to be considered. And then, when the milk quotas were brought in — it was in 1982, I think — we were taken unawares, the farms hadn't been modernised, they didn't have enough quotas, which is why we also fought the farmers' union for years to try to establish some kind of allocation of milk quotas which would be, how can I put it, as fair as possible, at which point the farmers saw that they had been caught unawares too, their farms hadn't been modernised and they could have produced far more if the law — or rather the Mansholt directive — had been put into practice in Luxembourg as well several years earlier.

[Elena Danescu] And how did you make up for the delay, you personally as the minister responsible?

[René Steichen] Well, making up for it is putting it strongly, but as I said, we had a number of quotas available which had to be allocated among the producers. There were some people who ... — the Mansholt directive had been put in place before we got round to agriculture in 1980 ... Marc Fischbach and I in 1984, but the modernisation hadn't been carried out properly or rather, shall we say, the way it was done in the other countries, like the Netherlands or, I don't know, France or ... And that is why the agricultural question was, how can I put it, a very hot topic in those days.

[Elena Danescu] At that time, and especially in 1986, Spain and Portugal joined the Communities,

they were two big countries with considerable farming and wine-growing potential. Do you have any memories of the debates about those countries joining and any extra friction that that might have created as regards agriculture in Luxembourg?

[René Steichen] As far as Luxembourg goes, not particularly. We were ... we had the presidency of the Council in the second half of 1985. I remember that Marc Fischbach, who had actually been the titular Minister for Agriculture, but who had other portfolios — he chaired the Agriculture Council, so he was still primarily in charge of the European issues — I was the Luxembourg spokesman during those Council meetings, but I don't remember anything very much by way of friction as regards agriculture, except where fruit and vegetables were concerned. I do remember there was a lot of pressure from those countries too, to be allowed to export fruit onto the common market, of course, I don't know if you remember the lorries carrying strawberries which were overturned in the south of France and all that. What I mainly remember is the friction that there was over fisheries. That was part of the Agriculture Council — I was chair of the Fisheries Council at the time — and at Christmas, around Christmas, before Christmas, there was a very heavy-going Council meeting which went on for three nights, I think it was, three days and three nights, where it was ... where we were discussing the quotas. I'd decided to take a two-pronged approach to this meeting, starting by tackling the problems we had among ourselves, between the countries — I think there were ten of them at the time, yes, ten, we had sorted out the quotas properly, I would say — and then negotiating for the accession of Spain and Portugal, and it was mainly Spain that was the problem, because the fact is that Spain consumed as much fish as the other 11 countries put together. Total fish consumption in Europe at the time was Spain 50 % and the other 11 countries 50 %. That gives you an idea of how important it was for Spain, which is why the meeting went on rather a long time, but we eventually managed to get an agreement at the end, as I said, after our three nights of negotiations.

[Elena Danescu] Once again it was Luxembourg showing its skill at getting a compromise, as it did on several occasions.

[René Steichen] Yes, we succeeded, how can I put it, by wearing down the resistance in a way.

[Elena Danescu] What were the most extreme opposing forces you had to deal with?

[René Steichen] The most extreme forces, well, there was Spain, obviously, which always wanted more, and then the other countries which consume a bit of fish, France, Britain, Ireland. So practically all the other countries. But there were two camps, you see.

[Elena Danescu] Apart from the friction over the fisheries issue, what were the other priority issues you dealt with as President of the Agriculture and Fisheries Council during those first two presidencies?

[René Steichen] During those two presidencies, there was ... well, of course, the milk question was always on the agenda. Mostly it was the areas where there were surpluses, there was milk mainly, there was ... at the time there were mountains of wheat, of beef and veal. There were surpluses in practically all areas. And they had to be managed as best we could, at the time of the Maastricht Treaty, where the Luxembourgers had prepared the ground for the Treaty. They had prepared the ground for the Treaty, and I think they had done it well, because in fact, after that there was the Dutch presidency, which wanted to take it up on a completely different basis but, at the end of the day, adopted the Luxembourg draft, got the Luxembourg draft through. So we had prepared things properly. But while all that was going on, I was a member of the government. Yes, we did talk about it a lot, among ourselves, and in the Council of Ministers, yes. There were two officials at the time, senior officials, who had played a very large part in the drafting of that treaty. In particular, there was Jos Weyland, who was Luxembourg's Permanent Representative at the time, and Jim Clos, who was later my Head of Cabinet.

[Elena Danescu] Mr Weyland has also been interviewed about the treaty ...

[René Steichen] Yes, but I think it was he who played a very large part in setting up ... in producing that draft of the Maastricht Treaty.

4. René Steichen's activities at the European Commission (1992–1995)

[Elena Danescu] On 9 December 1992, with solid achievements to show in your areas of responsibility, you nevertheless left the Luxembourg Government, albeit to go back to the European Commission. What was the background to your being appointed to the European Commission, and do you know exactly what reasons the Luxembourg Government advanced for putting you forward as a candidate?

[René Steichen] There was Commissioner Dondelinger at the time. I was supposed, or rather the person who was supposed to go to Brussels, was supposed ... he was told that he could ... at the time there was the Maastricht Treaty which was in place, so there in the Maastricht Treaty there was a two-year term laid down for the Commission. Why two years instead of the normal four? It was just to make the Commission's term of office coincide with the length of Parliament's, in other words start at the same time. That is what has happened since then. So the Luxembourg Commissioner who was supposed to go to Brussels was normally appointed for at least seven years. As you know, it didn't happen like that because there was Jacques Santer who was appointed President and there was only a single Luxembourger on the Commission, but I think at the time — so it was Mr MacSharry who was leaving as Commissioner for Agriculture and Jacques Delors was looking for a Commissioner for Agriculture, I think it was rather... I don't know if that was what happened, but I believe he said he would like someone who could take over Agriculture, as there was no one among the other appointments who could have done it. I had been on the Agriculture Council for eight years, so in a way I was the one with the longest experience.

[Elena Danescu] ... the senior member ...

[René Steichen] And perhaps that was why he said he wanted me, that I was ... that I was asked to ... I accepted it because I think ... the Commissioner for Agriculture has a part to play — at the time, at any rate — he had a fairly important part to play in the sense that he managed half the Commission budget, and, what is more, because agricultural policy was the only, or virtually the only, common policy there was at that time at least, and because I did, in fact, see that the Commissioner for Agriculture had a leading part to play in the European Council. And also for reasons ... obviously, I asked my family what they thought. My wife was delighted at the thought of going to Brussels.

[Elena Danescu] You joined the Delors III Commission. What was the atmosphere like in the Commission itself?

[René Steichen] The atmosphere ... well, I would say the atmosphere was not bad. If, of course, there was ...

[Elena Danescu] It was a very dynamic Commission.

[René Steichen] Yes, it was. It was in fact Jacques Delors' last term, but there were some important moments even so, such as the negotiating of the GATT ... Well, it was an atmosphere ... how can I put it, we met every Wednesday for the weekly meeting and I don't think there were many very controversial items.

[Elena Danescu] On the subject of Jacques Delors, what impression of his personality and his way of working were you left with?

[René Steichen] I have very good memories of Jacques Delors. In fact, I still have good relations with him today. He is a very affable man who was not particularly authoritarian. I mean, obviously he was the boss, but the role suited him very well, I used to find. He always managed to reconcile the various points of view, he always used to remind me a little of Pierre Werner. He was rather the same type, he knew ...

[Elena Danescu] ... someone who could rally people, bring them together ...

[René Steichen] He knew how to listen and then summarise the position. Yes.

[Elena Danescu] You took up your European duties at almost the same time as the single market

came into effect. The reform of the common agricultural policy was in full swing. What were the most burning issues at the time and how did you move them forward?

[René Steichen] Well, my main job was to implement the policy, the MacSharry reform. We had taken the decision the very year when I joined the Commission. So it was only a few months since the decision to reform the policy had been taken and it was up to me, then, to put the reform into effect. That was the main job. And then there were still a few issues which were, how can I put it, rather thorny; there was bananas, the reforming of the arrangements for bananas, it was a special issue because there had to be a common regulation, a Community-wide regulation, for bananas, for the very simple reason that 25 % of the bananas consumed in Europe were produced in Europe, in Crete, I don't know where, in the Spanish islands, in the French overseas departments, in Guadeloupe and Martinique. A common regulation had to be put together, which of course was not very popular with producers outside the Community. There was also the question of wine, which was moving in the wrong direction with more and more surpluses, more and more wine stocks. Wine was having to be paid for three or four times. To start with we bought up the surpluses, then the surpluses were converted into alcohol, then the alcohol surpluses were stocked, that cost something, and then the stocks were sort of auctioned off. Undoing all this was a pretty ridiculous business. I think it was mainly the Jamaicans who used to buy the alcohol and then turn it into a sort of petrol which they sold to the United States. It was a completely ludicrous procedure which used to cost a great deal of money. And that's why I had also launched a reform of the wine market which I couldn't carry through because ... which was the Commission, but which was taken over by my successor, Mr Fischler.

[Elena Danescu] What were the times of greatest tension you went through as Commissioner for Agriculture?

[René Steichen] It was ... — well, I didn't go through any moments of great tension, but ... — the most spectacular times, shall we say, were at the end of the GATT negotiations. There was a great deal of tension, of course, internationally at the time, there were negotiations with my American opposite number, but it all went well when it came down to it. I think that was the last time there was a compromise on the GATT since that time, in 1994, so for more than 15 years now there's been agreement on the GATT. All the other attempts since then have failed, in Doha or, where was it, in Canada. It's getting harder and harder now with more than, how many are there, 150 countries, to reach a compromise. It was the same as for the environment, but with GATT the business got under way properly once there was an agreement between Europe and the United States, which were the main producers and the main exporters of farm products. And since then there have been the emerging countries which also produce a great many agricultural products and want to have their say: Brazil, China and so on. At the end of my term of office, I also made a tour of South America to talk to those countries about how they saw their agricultural exports developing, because there again those were things they were not very knowledgeable about. The South American countries exported the most products, the most animal feedstuffs for European cattle. So there too there were problems to consider with them. Again, it was one of those subjects which Greens were always talking about, cutting down exotic timber to grow soya or goodness knows what. So it was ... agricultural exports from South

America via Europe were much more important than European exports to those countries. Overall.

[Elena Danescu] When you left the Commission, it was Jacques Santer who was appointed President. Can you tell us what the circumstances were and the wheeler-dealing, if any, behind that presidency?

[René Steichen] As to who became President? Yes, but actually he wasn't supposed to become President. It was because before Delors there had been Gaston Thorn who was President, and it wasn't usual for there to be a succession of Presidents from a single country. In fact, the reason why he became President was that the person who was supposed to become President was Jean-Luc Dehaene, the Belgian Prime Minister, who was a pro-European, so he was very active. He still is, in fact, at the European level, and at the time when he was due to be appointed as President, there was the Greek presidency and the Greek Prime Minister who was the father of the current Greek Prime Minister Papandreou. Well, he was dying, he was very sick, he used to ... I remember it myself, we were in Athens with the Commission for the first day of his presidency, it was in January 1994, yes, that's right, he was already in a very poor state, in fact like Melina Mercouri — at that time, too, she was Minister for Culture, she was dying too. And there was a third one of them who was very ill too. I can't remember his name. So it was a very weak government and the Prime Minister had not done anything to make sure that at the European Council meeting in June, I think, there would be a consensus on a name. Usually a President makes a tour of the capitals before a European Council, especially a Council where such important decisions as appointing a President of the Commission are going to have to be taken. He did nothing, he just let things run. I think it was in Corfu where the summit was held, and the British vetoed Jean-Luc Dehaene because they were afraid he would be too strong, too pro-European a President, whereas they were rather negative about Europe, and they couldn't reach agreement on the name of a President. Then when the Greek presidency was over, it was succeeded by the German presidency as from 1 July, and Helmut Kohl began looking for a new President since Dehaene was unacceptable. So he did his bit and finally the British were brought round to letting Jacques Santer be put forward. I remember at the time there was a State Secretary who had come to Luxembourg to get him to make statements about freedom of trade and all that. Well ... because he wanted him to make public statements on those lines, and eventually he was elected President by the European Council. That's how it happened.

[Elena Danescu] I believe it was a rather special situation inside Luxembourg because the elections were under way, the party had won, Jacques Santer was appointed Prime Minister responsible for forming the government and there was even a swearing-in ceremony before the Grand Duke which was scheduled at the time.

[René Steichen] I don't remember.

[Elena Danescu] Well, that appointment created a fair amount of ...

[René Steichen] ... surprise too, yes.

[Elena Danescu] ... surprise and concern as regards protocol.

[René Steichen] He wasn't expecting it himself. That's why it was rather strange. I can't remember what was happening here in Luxembourg, but in Brussels ... Well, there was also another possible President, it was Dutch Prime Minister Lubbers. And in the end Lubbers wasn't appointed, because he had made some rather disparaging remarks about Kohl regarding the Germans and their role during the war as regards the Netherlands. So Kohl was completely against Lubbers when he too was a candidate for the post of President of the Commission.

5. The establishment of the Société européenne des satellites and the diversification of Luxembourg's economy

[Elena Danescu] When your term of office with the EU ended, you came back to the Grand Duchy and joined a project of worldwide dimensions, the Société Européenne des Satellites. It was another project that Pierre Werner had set in motion and with which you were to be closely associated. How did you yourself choose precisely that project when you came back to the country, and how did collaboration with Pierre Werner get under way at the SES?

[René Steichen] The first contact I had with the project was on the day the Santer government, which I belonged to, was installed, so it was in ...

[Elena Danescu] In 1984 ...

[René Steichen] ... 1984, in July 1984, and the very day we took the oath, Jacques Santer invited the ministers from his party to his house to discuss the draft, which was virtually at a standstill. I don't know if you remember, but Pierre Werner had launched the project on a proposal from Adrien Meisch, who was the Ambassador to the United States at the time. He had been in touch with Whitehead. Eventually he had given Whitehead authorisation to fine-tune, to establish a company which never saw the light of day, because, from what I know, Whitehead was too much of a glutton to hold a quarter of the capital in that company for nothing, for his know-how, for his ... He hadn't found any investors, enough investors to put up the 75 % of the money that was needed, the other 75 % of the capital, which was the amount that was needed for the first satellite. And anyway the scheme had virtually collapsed when ... anyway I knew, I still know that at the time the socialists in the Chamber of Deputies had ranted and raved against the scheme which they called a Coca Cola satellite or I don't know what. So when the Santer government started, when it was set up, there was virtually nothing there and they had to ... they needed to know: 'Are we going to stop, or shall we make a fresh start?' And at the end of our first meeting, on the government's first day, we decided we would go ahead. So that was my first involvement with the scheme.

[Elena Danescu] And do you know where the capital which eventually constituted the source of the funding, the capital of the SES, came from?

[René Steichen] Yes, that was very simple. Whitehead was out of the picture. Whitehead had been compensated for the costs he'd incurred for the launching of his company which in the end never saw the light of day. He'd also been given founder's shares in the new company. All that was part of a contract with which I had to wage a battle a year later, but Jacques Santer or the government quite simply put the money in themselves and then he asked all the banks in Luxembourg to put money in. So, there was the Caisse d'Épargne, of course, that was easy — no, the Caisse d'Épargne, actually it was both, I mean there were two parties, I think ... I can't remember how many of them there were to begin with, but I think it was 8 % the Caisse d'Épargne and then the SES with 8 %. So the government was given double voting rights, or rather for their share there was ... their share was 16.6 % of the capital — that's what it is now at any rate, though I think it's changed slightly, and then they got 33 % of the voting rights. And the rest of the capital was put in by the banks in Luxembourg, primarily the banks in Luxembourg. There was the Deutsche Bank, the Dresdner Bank, the Banque Générale, there was the BIL. All those banks basically put in 10 %, and then there were foreign investors. At any rate the amount needed was got together, the capital was found and they were able to order satellites or a back-up satellite.

[Elena Danescu] Was there a European dimension to the scheme or was it just part of the diversification of the Luxembourg economy?

[René Steichen] It was primarily the diversification of the Luxembourg economy, yes. But I'm sure you also know how we were attacked from every side for the scheme, which in the end turned out to be the right one, because there was a French scheme and a German scheme based on high-powered satellites which each had only six channels, I think, whereas ours had 16 with a medium-powered satellite. So it was rather outdated technology. Whitehead had brought us the American technology, or an American technology which had been tested in the United States, I think it was PanAmSat which had launched the first satellites of that type, of that generation, and also Pierre Werner, before devising the Coronet project — the Whitehead project — had made a proposal to CLT or rather RTL that they should be given the licence for the satellite. Well, they didn't want, or rather they'd come under pressure from foreign, especially French, administrators — as CLT's capital at the time was primarily French — to ride piggyback on the French TDF satellite, you see, and then, when the Luxembourg satellite had been sent into orbit, the French made endless diplomatic moves to try to persuade us not to launch that project. I still remember that in the government's first month there was a French State Secretary called Georges Fillioud who was forever coming to Luxembourg to lobby against the satellite. Every week he was there, it was a pretty spectacular performance they put on.

[Elena Danescu] And how did the Luxembourg Government unravel that diplomatic crisis or that friction between neighbours?

[René Steichen] It wasn't a crisis. The French wanted us to give up our sovereign rights. So there was

no right to put pressure on us, but we stood up to the pressure, that's all. There wasn't a crisis, to tell the truth. They eventually realised that we weren't going to give way and that was ...

[Elena Danescu] It was a case of competing interests.

[René Steichen] Yes, of course.

[Elena Danescu] At SES you were working with Pierre Werner, who was on the board of the company at the time when you joined the company. How did relations between you develop?

[René Steichen] Well, we had very good relations because we knew each other, and we had agreed that I would stay on the board for a few months and then he would retire. Well, he was 80 years old, so it was ... We introduced an age limit of 72 after that. So I think he was ... well, it was obvious that he would be leaving. That was why I stayed for a few months beforehand, to get to know the company a little before taking over.

[Elena Danescu] But that was the time when the company was launched into orbit, if I can put that way, wasn't it?

[René Steichen] Yes, it was. At the time when I became chairman, I think there were four satellites, and now there must be 42 of them, so it's gone very well, but that was the difficult stage, he wasn't chairman at the start — I think there was Corneille Bruck who was chairman for a few months — and then he became chairman, I don't know when but it was in ...

[Elena Danescu] ... 1996 ...

[René Steichen] ... in 1996, he became chairman, yes, that's right. So he stayed there for six years.

[Elena Danescu] In a bit more...

[René Steichen] I myself ... actually it was the first time I had been in a setting where he was in the chair. Before that, I wasn't in the government when he was Prime Minister. But even then, at that age, he still had all his skills as a conciliator, he had a knack for listening which was admirable and then ... he always succeeded in getting unanimous decisions in the SES board. I too ... after I came back from Brussels, I also worked with him. When I was a member of the Commission, I was asked to become chairman of the friends of Vianden Castle. It was because of, how should I put it, my cultural connections — I am from Diekirch, my mother was from Vianden — I was asked to take over from Vic Abens — I don't know whether you have ever come across that name — who was mayor and also

a member of the European Parliament. When he died, I was asked to take over the chairmanship and Pierre Werner was also one of the trustees of Vianden Castle, with the Grand Duke holding the chairmanship, and I, as chairman, was also one of the trustees and I rubbed shoulders with Pierre Werner there too. In fact, the last time I saw him in full possession of his faculties was the day before he had his stroke. We were at the castle in Colmar-Berg for the meeting of the trustees, and the next morning or during the night itself, he had his stroke. After that I saw him two or three times in the clinic. He was very fond of the waffles my mother used to make. So every time I went there I would take waffles and he used to be delighted when I brought him these waffles, at the Pescatore Foundation where he was.

[Elena Danescu] The company you run is the largest satellite distributor in the world. What are its aims and aspirations for the future?

[René Steichen] Well, there is ... our policy is to ... you know at the beginning — we are still called the Société Européenne des Satellites — so our area of coverage was Europe. But at a certain time — it was at the end of the 1990s — we took a strategic decision to expand geographically, and technically, in other words at the beginning we used to transmit television programmes, but little by little, as the technology developed, we also set up broadband connections, to, how shall I put it, link ... a practical application, for example, is to connect a factory with all its branches or all its sales outlets. That can be done by satellite, and that is the advantage of a satellite, that it's multidirectional. So there is always an area of coverage, whereas with a telephone or whatever, a cable, it's always one-directional. That is the great advantage of satellite, and that is why we tried to push all the technologies which make the satellite the first choice over other forms of technology. What we also have with our company is the fact that it brings in a lot of money, in the sense that we do not hold a monopoly but there are not very many of us as companies, as satellite operators, especially in Europe and the United States, and we are able to invest a great deal without any more capital being put in. So we have a cash flow of the order of virtually a billion euros. We make payouts to the shareholders, of course, but we invest more than half of what we earn, which means we can have greater capacity and also develop opportunities for setting up connections by satellite. And there are currently two companies, including us, which account for practically a quarter of worldwide turnover. There is still Eutelsat here in Europe, which holds 18 %, and then Telesat Canada, which is a company which will probably be sold in a few months. So there are, in practice, four companies which together hold 80 % or 75 % of world capacity.

[Elena Danescu] What are Luxembourg's aspirations as regards satellites, given that the company is on Luxembourg territory but the company's Luxembourg identity has been greatly reduced, or watered down?

[René Steichen] ... watered down, yes.

[Elena Danescu] ... or watered down, yes.

[René Steichen] No, I wouldn't say that, because the reference shareholder is still the state. The state with the Caisse d'Épargne and the SNCI, so it still the reference shareholder, there is no other shareholder on our scale, the scale of a public-sector shareholder. So we have ... Luxembourg still exerts the same influence. At one point General Electric sold us their American satellites. They were given 20 % of the capital. Since then, having seen that they couldn't bag the lot, they have given up their shares again. I think that since then the largest shareholder after the state has held no more than 5 % or 6 % of the shares. So there isn't ... the Luxembourg influence hasn't shrunk, it hasn't been watered down, quite the opposite. And we, of course, as the state, the Luxembourg state, we want to hold onto that predominant position for the very simple reason that if the company were to be taken over by another shareholder, it would be very easy to water down the Luxembourg company. And what we, what the Luxembourg state hopes for from the satellite company is that there should also be spin-offs in terms of other companies which work in the same field being established, in the media field, even if it's indirectly, but that there should be a pole of development around the media and satellites.

[Elena Danescu] Let me ask you a question about a scheme equivalent in importance to the SES — the shipping flag.

[René Steichen] Yes.

[Elena Danescu] It is rather surprising that a country like Luxembourg with no outlet to the sea should have got itself a shipping flag. Can you tell us why it was done?

[René Steichen] It, too was a scheme for having a ... how shall I put it, for there to be a pole of development involving shipping, because, you know, the problem with shipping flags, in fact, whether we are talking about Nigeria or Liberia or wherever, is always the lack of safety for the crews. And the reason why we had some success with the flag is that people were safer sailing under the Luxembourg flag than under an exotic flag.

[Elena Danescu] That's another scheme that emerged under the last Pierre Werner government. It was taken up and given shape by the Santer government. There was also a whole niche economy aspect in terms of insurance, consultancies, tax advisers, legal practices which developed round it. It's another practical way of diversifying the economy.

[René Steichen] Yes, I think that the reason why some of those schemes run successfully is that we have managed to develop a form of know-how around them which doesn't exist anywhere else, that there are practices which specialise in the trades concerned and that people who have recourse to these niche activities, as you put it, know what they are dealing with and for them it represents security and stability.

6. Luxembourg's role in the European integration process

[Elena Danescu] It's thanks to those politicians that Luxembourg has staked a claim to a role as an arbiter for Europe, particularly through its policy of involvement, the weighting it adds and by being discreetly ready to provide help. What would be your comments on that?

[René Steichen] Yes, he was the model for that type of person. Of course, he was never ... he never put himself forward, so ... at the international level, he was aware of Luxembourg's size, but he knew ... he was also aware that we were between the two and that we could always act as a conciliator. Yes, yes, of course it was not just due to Pierre Werner, it was owing to the geographical and other circumstances of Luxembourg. That was also the case for the Prime Ministers who came after him, Jacques Santer and Jean-Claude Juncker.

[Elena Danescu] And in the same way as for other politicians, you mentioned the compromises you were able to work out when you were president of the Agriculture Council. Is that a form of training specific to Luxembourg politicians or is it in their genes?

[René Steichen] Yes. Sometimes the circumstances help. I talked about fisheries a moment ago. At the time, we were the only country which had no outlet to the sea, so at that time we were really the ideal presidency to bring the various points of view together. If there had been a French presidency, there would probably not have been a compromise.

[Elena Danescu] Another phrase: Pierre Werner had been around for a long time and he was an advocate of taking time over procedures so that they would have a better chance of producing a consensus. Was that the kind of person he was?

[René Steichen] Yes. In politics, you sometimes do need to have patience, indeed. That's obvious. You can't build everything in a day, sometimes. Yes, that's certainly true.

[Elena Danescu] And as regards Luxembourg politics, where you are very active, Luxembourg's European policy is said to be well-known for being based on a consensus approach.

[René Steichen] Luxembourg's policy?

[Elena Danescu] The European policy ...

[René Steichen] Ah, European policy!

[Elena Danescu] ... Luxembourg's European policy is said to be well-known for being based on a consensus approach.

[René Steichen] Yes.

[Elena Danescu] Has that always been the case?

[René Steichen] Yes, I think so. I think so, and for the very simple reason that Luxembourg is dependent on its neighbours, on the outside world. There was always ... Luxembourg has always sought to have contacts with the neighbouring countries, for example you know that in the 19th century, we were a member of the *Zollverein*, and that went on up until the First World War and then of course there was ... because Germany was defeated. We couldn't go on belonging to a grouping containing Germany, and then we turned to France, which didn't want us at the time — that was in the 1920s — and then there was the agreement with Belgium — the Belgium–Luxembourg Union — and then finally, after the Second World War, it expanded to take in the Netherlands, and then later, in 1956, the ECSC and, after that, the European Union. So there was always that need, I would even say, it isn't just the circumstances, it's the need to have a hinterland for our economy as well. Now, with the satellites, we also try to ... because a satellite only covering Luxembourg would not be a paying proposition.

[Elena Danescu] Mr President, I thank you most sincerely for giving us your time and for all the insights and memories you have passed on to us today, and if there is anything you would like to add, I will leave the last word to you.

[René Steichen] Thank you for giving me the opportunity to talk about the remarkable man that Pierre Werner was. As I have told you, I didn't really work with him in the political sphere, but after that, when he had retired from politics, I was able to appreciate his many and varied talents and the remarkable breadth of his learning. I am glad to have contributed to your work in this way. Thank you.

[Elena Danescu] Thank you very much indeed.

[René Steichen] My thanks to you.