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of the
EUROPEAN COMMUNITIES

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"Press and Information"

Division

"Information to non- member
countries and liaison with
the external information
offices"

STATEMENTS

made by

- I. - M. Gaston THORN, Luxembourg Minister of Foreign Affairs,
- II. - M. Pierre HARMEL, President in Office of the Council of the European Communities;
- III. - M. Jean REY, President of the Commission of the European Communities;
- IV. - The Rt. Hon. Anthony BARBER, M.P., Chancellor of the Duchy of Lancaster
- V. - Dr. P.J. HILLERY, T.D., Irish Minister for External Affairs;
- VI. - M. Nyboe ANDERSEN, Danish Minister of Economic Affairs and European Market Relations;
- VII. - Memorandum submitted by the Danish Delegation;
- VIII. - M. SvemSTRAY, Norwegian Minister of Foreign Affairs;

during the

First Meeting at Ministerial Level
at Luxembourg, on 30th June, 1970

of the

CONFERENCE

between the European Communities and
the States which have applied for
Membership of the Communities

Allocution prononcée par Monsieur Gaston THORN,
Ministre luxembourgeois des Affaires Etrangères

Monsieur le Président, mes chers collègues,

A l'ingrès de cette réunion où l'attention de toute la presse internationale est concentrée sur nous, mon propos sera extrêmement bref, car en cette journée vouée à la politique pour ne pas dire à l'histoire européenne, vous considéreriez comme inadmissible et proprement insoutenable tout propos préliminaire qui donnerait l'impression de retarder encore l'ouverture de négociations si longuement attendues.

Il ne surprendra personne que je me bornerai à souhaiter au nom du gouvernement grand-ducal une bien cordiale et très chaleureuse bienvenue aux délégations du Royaume-Uni, du Danemark, de l'Irlande et de la Norvège, non point que les délégations communautaires soient moins bien accueillies, mais pour la simple raison que depuis fort longtemps nos partenaires ne sont plus seulement nos hôtes, mais se trouvent être en ce Centre européen de Luxembourg vraiment chez eux au même titre que nous.

C'est avec une vive satisfaction que nous avons enregistré que les caprices du calendrier et les termes de l'accord du siège permettaient une fois de plus à notre bonne ville d'être au rendez-vous de l'histoire européenne, consacrant ainsi - s'il en était encore besoin - notre vocation européenne.

Vous vous trouvez ici au coeur même de l'Europe communautaire, puisque dans la capitale du seul pays-membre qui n'a aucune frontière extérieure. Nous espérons que vous vous sentirez à l'aise et mon gouvernement fera tout ce qui est en son pouvoir pour faciliter votre travail, pour rendre votre séjour aussi agréable que possible et pour vous aider à prendre l'habitude et le goût de ces voyages périodiques en avril, juin et octobre vers notre pays.

Souffrez que je vous dise combien le gouvernement luxembourgeois et le peuple luxembourgeois tout entier ont attendu cette heure historique dans l'espoir de voir se joindre à nous d'abord ce grand pays sans la vaillance duquel auraient sombré, il y a trente années, l'Europe démocratique et libre et ces trois pays : le Danemark, l'Irlande et la Norvège auxquels nous lient tant de souvenirs et d'affinités historiques.

Enfin, et ceci dans les délais les plus strictes que nous nous étions imposés, nous voyons se concrétiser dans les faits les décisions de La Haye. On a eu coutume de parler des trois volets d'un triptyque : achèvement, approfondissement et élargissement ; pour nous comme pour tous les européens convaincus, il ne s'agit là que de trois facettes d'un même désir, conçu pour atteindre un seul but, à savoir : le renforcement de l'unité européenne. De toute évidence, l'achèvement et l'approfondissement ne pouvaient que renforcer l'oeuvre communautaire, mais l'élargissement lui aussi ne doit et

ne peut être considéré que dans la même perspective d'un renforcement de cette oeuvre entreprise il y a environ 20 ans.

Personne n'ignore que les négociations qui s'ouvrent aujourd'hui seront difficiles, mais nous les abordons quant à nous en confiance, conscients de ce que nous sommes condamnés à réussir et conscients de ce que pour donner à l'Europe sa juste et véritable dimension, tout le monde devra et saura s'imposer des sacrifices qui, de toute façon, se justifieront par l'ambition qui nous anime tous et qui consiste à permettre à notre vieux continent d'assurer son équilibre économique et politique, de permettre à nos peuples de s'exprimer par une seule voix : la voix de la raison, de la paix et du progrès.

Declaration by the Spokesman of the Communities

His Excellency P. HARMEL

President in Office of the Council

Your Excellencies, Ladies and Gentlemen and dear colleagues,

On this important date for Europe, 30 June 1970, the Council of Ministers of the European Communities is happy to welcome the representatives of the United Kingdom, Ireland, Denmark and Norway. I mention these countries in the order in which their applications were made.

Your States wish to become members of the Communities. That is why we are meeting with you today in order to open negotiations. As it is expressed in Article 237 of the Treaty of Rome, the object of these negotiations is to establish, by joint agreement between the Member States of the Communities and the applicant States, the conditions of admission and the consequential adjustments to the Treaties.

The Council of Ministers is well aware that it is performing, at a happily chosen moment, one of the fundamental acts which mark Europe's march towards its unification.

A march, the first step of which was taken 24 years ago.

This was on 19 September 1946, at Zürich. The ruins of our old continent had hardly ceased smoking when Winston Churchill, the first to do so, spoke there of reconciliation. We must, he said recreate the European Family, and provide it with a structure which could well be christened the "United States of Europe".

The idea of Europe, so strongly supported by our peoples, then found its first expression in the establishment of the Parliament at Strasbourg. I mention the Council of Europe because, in its Parliament and its Committee of Ministers, it has for a long time brought together the ten States represented here, and because it has always been the forum of human rights and of Parliamentary democracy in which the new Europe recognises its cornerstone.

But it was only on 9 May 1950 that the work of European integration which your States are now approaching was started. On that day, by the voice of Robert Schuman, the French Government proposed a limited but decisive step, that of placing French and German production of coal and steel under a common High Authority, in an organisation open to the participation of the other States of Europe. The economic union which was then commencing was an audacious attempt, now largely accomplished, in which a group of States is working towards the achievement, product by product, of the conditions proper to an internal market to which common rules will apply and ultimately common policies.

We have not met here to write the history of European integration, but

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to make it. It is not the moment therefore to recount successes and failures, the moments of creation and the delays which occurred, all the patience and impatience which adorns every political achievement.

We knew, from the beginning, that it would be a gradual achievement, for Robert Schuman had warned us : "Europe will not be created all at once, nor as part of an overall design ; it will be built through practical achievements that will first establish a sense of common purpose".

The important thing is that Europe is progressing quite rapidly, and we can at least record, on the whole, with the six Heads of State or of Government of the Member States, at the summit meeting at The Hague on 2 December last, that, at the end of this quarter of a century "the European States have never perhaps advanced their co-operation further".

The Institutions of which you wish to become part are therefore engaged in a process of continuous creation; they are living communities which open with you the negotiations for your accession.

But people who live together must have the same objectives.

We believe, Ladies and Gentlemen, that our European aims coincide with yours; they are concerned with, although at once going beyond, the economic progress which our Governments expect from the enlargement of the Communities.

In addition to the material aims and their favourable social results for our peoples, the entry of four countries which are rich in long parliamentary and democratic traditions, will reinforce the central nucleus of Europe.

This central nucleus is more than ever necessary to the idea of total Europe. In Europe we must maintain and reinforce a type of civilisation and a political system which we do not aspire to impose on any State, but which in our eyes is the best guarantee of liberty and of the progress of our peoples.

Other States may perhaps gather round this nucleus in due course, thus taking part in an enterprise whose institutions are founded on the freely expressed will of the people.

But our common thoughts go further still. If we place the effort which is starting today in a world context, we are obliged to think of the role to be played and the duties to be performed by a Community of peoples, favoured by high intellectual, technical and material development, counting more than 250 million inhabitants, united by geography, tradition, history, culture and a common civilisation!. To what new missions of peace, to what generous acts, may not such a Europe devote all the power born of its unity?

For the six Member States of the Communities, these objectives, these political aims, are those which animate our Heads of States or of Government. They solemnly restated them at The Hague in terms which we should read once more: "We have a common conviction that a Europe composed of States which, in spite of their different national characteristics, are united in their essential interests, assured of its internal cohesion, true to its friendly relations with outside countries, conscious of the role it has to play in promoting the relaxation of international tension and a rapprochement among all peoples, and first and foremost among those of the entire European continent, is indispensable if a mainspring of development, progress and culture,

world equilibrium and peace is to be preserved.

These, Ladies and Gentlemen, are the thoughts which inspire and fortify our wills as we set out for you the actual context in which these negotiations are situated, and how we would propose to conduct them.

II. THE CONTEXT OF THE NEGOTIATIONS

The context of the negotiations is that of a three-fold movement, decided upon at the summit meeting at The Hague: the transition to the final period of the Common Market, the internal development of the Communities, and their enlargement.

These three themes are not linked in such a way that one is a pre-condition for the others. Instead we must see in them three complementary aspects of the second decisive stage in the construction of Europe.

1. Completion

The proclamation at The Hague of the political will to move on to the final stage of the Common Market on 1 January 1970 involved, in accordance with the Treaty, stamping the work accomplished in twelve years with an irreversible nature, by noting that the essential part of the objectives of the Treaty have been accomplished, comprising in particular the establishment of the customs union and of common policies in the fields of trade and agriculture, as also the abolition of obstacles to the free movement of persons, services and capital.

But the Council wanted to complete what had been achieved by far-reaching decisions:

- (1) It wished to adopt the definitive financial regulation for the years to come, without excluding the possibility of adapting it unanimously, to meet the demands of an enlarged Community, but on condition that the principles of the regulation should not be changed.
- (2) It also wished to decide that by 1975 the Communities will have their own resources to take the place of the annual financial contributions now paid by the Member States.

The latter decision has a considerable political import, since at the same time the powers of the European Parliament are extended both as regards the preparation of budgets, and their supervision and implementation. It will also be recalled that the Council is continuing work on the problem of the procedure for direct elections to the European Parliament.

These are the significant decisions which have marked the transition to the final stage.

2. Internal development

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The second compartment of the triptych relates to the internal development of the Communities. It was necessary, not only to keep the old promises recorded in the Treaties, but to formulate new ones, in order to mark the progress of European integration. It was also at The Hague that renewed expression was given to the will to progress more rapidly with the subsequent development required to strengthen the Communities, and that these new developments were announced and construction started, mainly along the following lines.

- (a) The Heads of State or of Government agreed that a multi-stage plan should be worked out during 1970 with a view to the creation of an economic and monetary union.
- (b) As regards the technological activity of the Community, they reaffirmed their readiness to continue the Community's activities more intensively with a view to co-ordinating and promoting industrial research and development in the principal advanced sectors, in particular by means of common programmes, and to supply the financial means for the purpose.
- (c) They further agreed on the necessity of making fresh efforts to work out in the near future a research programme for the European Atomic Energy Community designed in accordance with the exigencies of modern industrial management, and making it possible to ensure the most effective use of the Common Research Centre.
- (d) They also acknowledged the desirability of reforming the social fund, within the framework of a close concertation of social policies.

Work on these various subjects, as on others, is being actively continued within the Community, and we may congratulate ourselves that discussions have since then been initiated with the Applicant States, as with a certain number of other European countries, in the fields of technology, industrial research, and patents.

I refer to this work, because it is the Community's intention that, as the examination of these problems leads, within the Community, either to guidelines or to resolutions for action, these will be put to the Applicant States in the negotiations as Community positions.

As for the decisions in question, the Applicant States will be asked to accept them on the same basis as the other decisions which have been taken since the Treaties came into force.

Finally, attention must be drawn to the work which has been undertaken in accordance with paragraph 15 of the Communiqué issued at The Hague. Pursuant to this paragraph, the Ministers of Foreign Affairs of the Member States of the Community are now studying the best methods of making progress in the field of political unification, while bearing the enlargement of the Communities in mind.

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III. THE COMMUNITY'S POSITION

We must now describe to you the positions and procedures which the Community has decided upon for the purpose of the negotiations.

- (a) We assume in principle that your States accept the Treaties and their political objectives, all the decisions of every type which have been taken since the Treaties came into force, and the choices made in the field of development.

These decisions also include the agreements concluded by the Community with third countries.

- (b) Under these conditions, the Community wishes, at the opening of the negotiations, to state a certain number of principles which it intends to apply:
1. The rule which must necessarily govern the negotiations is that the solution of any problems of adjustment which may arise must be sought in the establishment of transitional measures and not in changes in the existing rules.
 2. The object of the transitional measures will be to allow for the adjustments which prove to be necessary as a consequence of the enlargement. Their duration must be restricted to that required to achieve this aim. As a general rule, they must incorporate detailed time tables and must commence with an initial significant mutual tariff reduction on the entry into force of the accession treaties.
 3. The transitional measures must be conceived in such a way as to ensure an overall balance of reciprocal advantages.
- With this in mind, it will be necessary to ensure an adequate synchronisation of the progress of freedom of movement of industrial goods with the achievement of the agricultural common market. This consideration must be taken into account in respect of the duration of the transitional measures in the industrial and agricultural sectors.
4. In the field of trade, the duration of the transitional period should be the same for all the applicants.
 5. In the other fields in which transitional measures prove to be necessary, the duration of such measures could, if possible and desirable, be varied according to their subject matter and the applicants involved. These questions will be examined during the negotiations.
 6. The various accession treaties should come into force on the same date.

- (c) It is the Community's opinion that the accession of new members will lead to the enlarged Community having new responsibilities towards developing countries, which it will have to meet in appropriate ways.

With this in view, the enlarged Community must be ready to continue its policy of association, both as regards the existing Associated African and Malagasy States and for the benefit of the independent African countries of comparable structure and level of development which request association with a view to promoting their economic and social development.

The enlargement of the Community and, with it, the possible extension of the policy of association should not lead to a weakening of relations with the present Associated States.

The terms and conditions of association with all these African countries could be defined during negotiations which might take place at the same time as the negotiations with the States at present associated with the Community, which are to be held as from 1 August 1973.

In connection with the new responsibilities of the enlarged Community to which I have just referred, it would also be desirable for the Six and the Applicant States to consult each other, preferably in the initial stage of negotiations, with a view to adopting a joint position on the problem of generalised preferences.

When, during the course of the negotiations we reach the most important problems concerning relations with the Commonwealth, we will suggest guidelines as regards Commonwealth countries other than the African countries which I have mentioned.

- (d) The Community is prepared to open discussions with the European States which are members of EFTA but which have not applied for Membership of the Community, with a view to seeking possible solutions to the problems raised by enlargement, and thus to enable these States to contribute to the construction of Europe.

With reference to these discussions, I would remind you that it follows from the decisions taken at The Hague that it is not possible to conceive of an enlarged Community except in equality of rights and obligations of all the Member States.

The Community would agree to discussions starting in the autumn with a meeting at ministerial level with any of these countries which so desire.

The agreements concluded with these countries would be binding on the enlarged Community. It will therefore be necessary to seek appropriate formulae which will enable the States which have applied for Membership to be associated in due course with the preparation and conclusion of these agreements.

The Community considers that it would be desirable, for practical reasons and in the interest of all the countries concerned, for these agreements to come into force at the same time as the accession treaties.

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- (e) The Community is aware that the applications for membership raise both problems peculiar to each of the Applicant States and problems which will have to be examined jointly.

The organisation of the negotiations must therefore take this situation into account, it being understood that, during the first stage in any case, most of the work will have to be done on a bilateral basis.

This situation raises the problem of providing each of the Applicant States with adequate information on the progress being made in other negotiations.

The Community proposes to put forward appropriate suggestions to this end at a later date, so that the exchange of information and the necessary consultations take place to the satisfaction of all concerned.

- (f) The statement which I have just made on the Community's position is not exhaustive and does not therefore touch on all the problems which will arise during the negotiations. I am thinking here, in particular, of the questions raised by the Treaty establishing the European Atomic Energy Community and the Treaty establishing the European Coal and Steel Community, and also of the discussions which we shall be having with the United Kingdom on certain special questions relating to the economic, monetary and financial problems connected with accession.

The Community will have the opportunity to set out its views on these questions, in more detail during the negotiations.

- (g) Finally, the Community will employ a uniform negotiating procedure at all levels and for all questions. This time, therefore, the negotiations will take place in the framework of a Conference between the Communities and the States which have applied for Membership of the Communities.

IV. CONCLUSIONS

Your Excellencies, Ladies and Gentlemen and dear colleagues,

The work which we are undertaking today is of considerable importance for the destiny of Europe.

It is arousing among our peoples an interest and a hope which we must not, which we cannot, disappoint.

If we have the political aims of the Treaties, the development of the Communities, so much at heart it is because we have the profound conviction that the European Communities have been the original nucleus around which European unity has taken shape, has burgeoned and will continue to grow unchecked in the future.

The enlargement of the Communities which we all wish to achieve together will give new dimensions and new possibilities to the undertaking which we have successfully brought so far.

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At present, we can only glimpse these prospects of future developments. But we must ensure that they trace a picture of the Europe of the future which will be attractive to our peoples, presenting not only a vision of increased prosperity, but also of human, social and cultural values.

Your Excellencies, Ladies and Gentlemen and dear colleagues, I have presented to you some of our reflections at this initial stage of our work.

I am certain that our views, together with the declarations which you may wish to make, can constitute a good start for the negotiations which are commencing under such excellent auspices.

The task which awaits our negotiators is vast; the problems which they will have to solve are numerous and complex. But their efforts, and ours, will be sustained by a common political will to spare no effort to reach agreement in the shortest possible time.

The Community will do everything in its power to achieve this end.

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Declaration of Mr. Jean Rey

President of the Commission of the European Communities

President of the Council,
Ministers,
Your Excellencies, the Ambassadors,
Ladies and Gentlemen,

1. It is with deep satisfaction that the Commission of the European Communities takes part in this session and it is a great joy to us, as members of the present Commission, that the last important political act in which we are able to participate before the expiry of our mandate should be precisely the reopening of negotiations for the enlargement of the Community to which we have looked forward for many years and in the preparations for which we have endeavoured to assist to the best of our ability.

Without going back as far as the negotiations of 1961-1963 in which the Commission of the European Economic Community, under the Presidency of Professor Hallstein, had actively participated, the Commission of which I am President expressed the opinion almost three years ago, in its Statement of 29th September 1967, that the time had come to open negotiations with the applicant countries. This opinion was reiterated and elaborated in the Commission's complementary statement of 1st October 1969, and we are happy to be able to reaffirm that opinion once more today.

The Commission sees in this opening of negotiations, on the one hand, proof of the advanced stage of development which the present Community has reached and, on the other, a common realisation on the part of the states of Europe that the time has come to unite all European forces in a powerful and dynamic organisation.

2. The present Community has by no means reached the end of its task of construction. Although it has concluded its transitional period and has decided to go ahead, according to a plan and in stages, with the construction of its economic and monetary union, this task of construction is far from finished.

It is essential in the interests of the present Community, but also in the interests of the enlarged Community itself, that this development should be neither arrested nor slowed down by the negotiations on enlargement. The projects at present under execution must be completed - whether it be a question of reforming agricultural structures, developing industrial and technological policy, working out a common energy policy, whether it be a question of regional policy, harmonisation of taxation systems, development of social policy, creation of European companies or - the major task of the present decade - the creation in stages of the economic and monetary union.

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It is important that the applicant states should be kept abreast of these developments, with which they are eminently concerned. The Commission, for its part, is ready at any time to supply them with all the information they may require.

3. Strengthening the Community is not merely a question of the pursuit of internal policies; the institutional machinery is also concerned. In paragraph 13 of its Statement of 29th September 1967, the Commission wrote that any increase in the number of Member States was liable to make the institutional machinery of the Community cumbersome and unwieldy. It is for this reason, the Statement continued, that the adaptation which is indispensable and, moreover, stipulated in article 237, must be accomplished in such a way as to maintain the efficiency of the system and to compensate for the effect which enlargement might have on the institutional machinery.

The Commission feels that this aspect of the problems must be borne in mind while the negotiations are in progress. As was pointed out in the conclusion to the Statement to which I have just referred, it is of fundamental importance that the conditions necessary in order to maintain the cohesion and dynamism indispensable to an enlarged Community should be satisfied.

4. The President of the Council showed, in his excellent address, a few moments ago, the spirit in which the Community approaches these negotiations and stated its position on the main issues.

Of course, we must, during the course of the negotiations, jointly examine the difficulties which entry into the Community may raise for the applicant states themselves. The Commission, for its part, will approach them with imagination and good will and it will not hesitate, when the time comes and where necessary, to use the resources of its experience and the powers vested in it by the treaties to devise solutions acceptable to all.

Even if we concentrate on the main issues and avoid getting lost in details which can be settled at a later stage by the institutions of the enlarged Community, there are nevertheless important and difficult problems which must be resolved, and moreover, since the Community anticipates a transition in a single stage from a membership of six to one of ten states, all solutions worked out in the course of bilateral negotiations must be finally accepted by all the applicant states and by the Community itself.

5. Public opinion has shown in one or two of the applicant countries a certain nervousness with regard to the negotiations which are now opening. We must not lose sight of the fact that the agreements, which will be negotiated, must ultimately be submitted to the parliaments of all the applicant states and Member States of the Community for their approval. It will thus be of great importance to keep the parliaments appropriately informed of progress in the negotiations, and it is the Commission's intention to keep the European Parliament regularly up to date as it has done in all the negotiations which it has conducted in the name of the Community over the past twelve years.

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Perhaps too heavy an emphasis has been laid here or there on the difficulties - which are moreover of a temporary nature - which entry into the Community may raise for the applicant states. It is essential, in the Commission's opinion, not to lose sight of what is truly at stake in the negotiations.

It is not simply a case of eliminating a few customs or tax barriers or of organising a market. What we are really doing is building a continent. For the project Europeans embarked upon, twenty years ago, at the prompting of Robert Schuman, was indeed the construction of a continent, a united and reconciled continent, having its own institutions, its own laws, strong at home, generous abroad, a force for stability, peace and progress in the world. Looking beyond the real difficulties of negotiations and the conflict of interests, it is the stature of the goal and the political will to achieve it which will bring to a successful conclusion the task which we begin today.

Statement made by the Rt. Honourable Anthony Barber, M.P.,

Chancellor of the Duchy of Lancaster

Mr. Chairman,

I should like to begin by saying what a pleasure it is to be able to start our proceedings here in Luxembourg, and to thank the Luxembourg Government for the facilities and the hospitality which they are so generously providing today.

2. May I also tell you, Mr. Chairman, since this is I believe the last day of your term of office as President of the Council of Ministers of the European Communities, how much we appreciate all that you and your colleagues have done in the last six months to enable us all to meet together now? Since your historic meeting at The Hague last December, held at the initiative of the President of the French Republic, we have all moved along converging paths to Luxembourg.

3. I would also like to pay tribute to Monsieur Rey for all that he and his colleagues in the European Commission have done for the cause of a united Europe, and for the enlargement of the European Communities. I know all the member Governments of the Communities will miss him; and so shall we.

4. Mr. Chairman, before I turn to the substance of today's meeting, I hope that I may be allowed a purely personal word. After 20 years of political life, I can think of no greater challenge than to conduct these negotiations on behalf of Her Majesty's Government. I come new to the details of European affairs, but I have followed these matters for long enough to recognise, on the one hand, the great advantages for all of us if these negotiations succeed, but, on the other hand, our need to face up to the very real problems which, together, we shall have to solve.

5. None of us in this room knows whether we shall succeed - whether we shall ultimately be able to agree upon the terms which are mutually acceptable. But at least we can say this. We meet today with goodwill on all sides and, I believe, with a determination on the part of all of us to do everything possible to reach a fair solution.

6. Nine years ago we began negotiations for membership of the European Communities. We entered those negotiations with high hopes, but they were not to be fulfilled. Then, in May 1967 the previous British Government applied to join. And now, today, I want my colleagues in the Communities to know that the new Government in Britain are confident that with goodwill these negotiations now beginning can succeed. Our task is, together, to work out terms which are fair. And if none of us loses sight of the compelling reasons for uniting and strengthening Europe - reasons which have grown stronger with the years - then fair terms will be found.

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7. The fact is that none of us acting alone can gain the ends which we desire for our own people in terms of physical security or economic or social advance. Looking beyond our own frontiers, there are still dangers, and it is right that Europe should assume a greater share of responsibility for its own defence. That too is our joint concern.

8. And it is wholly unrealistic to separate the political and economic interests of Europe, because our place in the world, and our influence, will be largely determined by the growth of our resources and the pace of our technological development. Economic growth and technological development today require that we integrate our economies and our markets.

9. Europe must, of course, take full account of the views of its friends and allies in other parts of the world. But let none of us who is taking part in these negotiations lose sight of our common objective of European unity. And let no one who is not taking part think it could be in his interest that we should fail to achieve that objective. For given this base, we can not only hope for, but more effectively work for a closer and more fruitful relationship between East and West. We can do more to promote the growth of international trade. And we can make a fuller European contribution to solving the problems of less prosperous countries.

10. These are the reasons why we want a united Europe. We want Europe to prosper. But we do not seek prosperity for Europe alone, any more than you do. We believe with you that Europe still has its contribution to make beyond its own frontiers and we believe that Europe cannot make its full contribution unless the Communities are enlarged to include Britain.

11. The Governments of Denmark, the Irish Republic and Norway have also decided to apply to join the Communities, and we warmly welcome their decisions. We also believe that a number of European countries which do not join the Communities as full members will nevertheless have a valuable contribution to make to many of our common objectives, and that it will therefore be in the interest of all of us that these countries should find a mutually satisfactory relationship with the enlarged Communities.

12. Both Mr. Heath, in a speech last month, and the previous British Government have made it clear that we accept the Treaties establishing the three European Communities and the decisions which have flowed from them. I confirm that this is the position of Her Majesty's Government, subject to the points to which I now turn.

13. The list of questions which we wish to see covered in negotiations remains the same as those put forward by the previous British Government in July 1967. For Euratom and the European Coal and Steel Community we seek only a very short transitional period. Adaptation to the obligations of the European Economic Community will clearly require more time than that. And it would be unrealistic not to face up to the fact, at the outset, that there are some very difficult problems to be solved. Our main problems, as you know, concern certain matters of agricultural policy; our contribution to Community budgetary expenditure; Commonwealth sugar

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New Zealand's special problems; and certain other Commonwealth questions.

14. The position which the previous British Government took in July 1967 was, of course, subject to developments in the Community in the meantime. Fisheries policy may prove to be one such development. In the field of Community budgetary arrangements, recent developments have made the problems facing our membership more difficult. As you know, our predecessors had looked forward to Britain's taking part as a full member in the negotiation of the financial arrangements for the period after the end of 1969. Had we done so, the resulting agreement would no doubt have made fair provision for us as it has for each of the existing members of the Communities. But we were not party to your agreement. And the arrangements which must in any case be agreed to enable a new member to take part in the budgetary provisions of the European Communities will constitute one of the crucial elements in the negotiation on which we are embarking. When the European Commission gave its Opinion on our candidature in September 1967, it was recognised that the existing financial arrangements would, if applied to Britain, "give rise to a problem of balance in sharing of financial burdens". I think it will be generally agreed that the new decisions have for us made that problem of balance more severe. And so we have to work together to find a solution to this basic problem which will be fair and sound for the enlarged Community and for all its members. If I appear to labour this point, it is only because, unless such a solution is found, the burden on the United Kingdom could not be sustained and no British Government could contemplate joining. Moreover, without such a solution, the whole basis of stability and confidence, essential to the further development of the Communities, would be lacking.

15. A few weeks ago Mr. Heath spoke about the future development of the Communities. He said that we shared your determination to go on from what has already been achieved into new spheres of co-operation beginning with economic and monetary matters, but at the same time laying the foundations for a new method of working together in foreign policy and defence. In all these problems, he added, we should seek to achieve solutions which are Community solutions. We welcome the moves which you have already made towards closer economic and monetary integration and are ready to play our full part. And there are other aspects of policy where we shall likewise welcome further progress; in industrial policy, in regional policy, and of course in the field of technology where we are already working together, but where so much more could be done once the Communities had been enlarged.

16. I have said enough today to show you that the new British Government is determined to work with you in building a Europe which has a coherent character of its own. If the Communities are to develop; and if we are to find Community solutions to our common problems, we shall need the machinery to take the decisions. That means sharing in the continued development of effective institutions - effective to do those things which our joint experience shows to be necessary and advantageous to all. That has always been our practical approach to institutional change. What matters - to you and to us - is that our objectives are the same, and we no less than you, will want the institutions to match those objectives.

17. I have said that we accept the Treaties and their objectives. But it is not simply a question for us of accepting what you have done. Like you we look to the future. As the Commission recognised in its Opinion of last October, the accession of additional countries will be of great value for the Communities both in their internal development and in the exercise of increased responsibilities in the world.

18. I have referred to the main points which we wish to see covered in negotiations. We hope the negotiations can be kept short and confined to essentials. I am told that the problems which you have been discussing for the last six months in preparation for these negotiations are very much the same as ours. So these are common problems for us and for you - how to enable an enlarged Community to function most effectively for the advantage of all. Our wish is to look together in the spirit of the Community for solutions which in the words of the Commission's Opinion of 1969 will ensure the cohesion and the dynamism which will be indispensable in an enlarged Community.

19. Mr. Chairman, after many years we now have the opportunity to realise together a Europe which has a coherent character of its own. We have the same defence interest; our political interests are growing every day progressively closer. As we develop new policies together we shall, as I have said, find it natural to develop the institutional machinery which we shall need to execute those policies. If we can together succeed in the negotiations now begun then, as Sir Winston Churchill said, there will be no limit to the happiness, to the prosperity and glory which Europe's people will enjoy. So let none of us spare any effort in these negotiations. Inspired by goodwill and united by so many aims and hopes and interests, this time we can succeed.

20. Mr. Chairman, in view of the importance of this meeting, I am arranging for the text of my statement to be made public in the United Kingdom.

Statement by Dr. P.J. Hillery, T. D.,
Minister for External Affairs of Ireland

1. It is a great honour for me to represent the Government of Ireland at this meeting today to open the negotiations on the enlargement of the European Communities. Our meeting marks a further historic step towards political and economic unity in Europe, an objective to which the Governments of the member States of the European Communities and of the applicant countries have clearly demonstrated their commitment.
2. At the outset I wish, on behalf of my Government, to pay tribute to the member States for what has already been accomplished. The European Communities with their impressive record of achievements are vital manifestations of a common will and purpose that is already a European reality. The ideal of European unity which inspired the founder-members of the Communities has, however, to be fulfilled. My Government are convinced that the fulfilment of this ideal can best be served by the full participation in an enlarged Community of those countries which are prepared to accept all the aims and obligations of membership and are ready to join with the present member States in creating a wider and stronger Europe. This is certainly what the founder-members of the Communities envisaged and gave expression to in the Preamble to the Treaty of Rome when they called upon the other peoples of Europe who shared their ideal to join them in their efforts.
3. The meeting of Heads of State or Government of the member States of the Communities at The Hague in December last has given fresh impetus to the development of the Communities. We have seen, as a result, the successful completion of the transitional period and the entry upon the definitive stage. We have also noted with great interest the steps being taken by the member States in such vital areas as political unification and economic and monetary union. Moreover, the agreement of the member States on the opening of negotiations with the applicant countries, which has culminated in our presence here today, has closely associated the question of enlargement with the completion and the strengthening of the Communities.
4. When applying for membership of the European Economic Community in 1961, the Irish Government affirmed without qualification that they shared the ideal which inspired the parties to the Treaty of Rome and accepted the aims of the Community as set out therein, as well as the action proposed to achieve those aims. This was reiterated by our present Prime Minister in 1967 when he formally requested the re-activation of Ireland's application for membership. I now reaffirm, on behalf of the Irish Government, our full acceptance of the Treaties of Rome and Paris, their political finality and economic objectives and the decisions taken to implement them. We look forward to participating in the strengthening of the Communities and their further development.
5. My Government accept that the political objectives, in the words of The Hague Communiqué, give the Community "its meaning and purport". We are

following closely the deliberations of the member States on political unification and stand ready to join as a member of the Community with our fellow member States in working towards the achievements of this goal.

6. My Government welcome the declaration by the member States at The Hague meeting and their readiness to promote the development of the Community towards an economic and monetary union. They will be prepared, in due course, to participate fully in this very important work, confident that it will be aimed at achieving a harmonious and steady economic growth in all parts of the enlarged Community.

7. The Irish Government accept equally the economic obligations arising from the provisions of the Treaties and of the action and decisions taken by the Communities in implementing them. They are anxious to join with the other countries of the Communities in concerted action for the economic and social advancement of the member States and their peoples; and they feel confident that, as a member of the Communities, Ireland will have a valuable contribution to make.

8. In these negotiations we shall be concerned with the integration of the economies of the applicant countries into the Communities' systems and the transitional arrangements necessary for this purpose. In Ireland's case the most important aspects of these arrangements will be concerned with the agricultural and industrial sectors.

9. With regard to agriculture the Irish Government accept the objectives of the common agricultural policy as set out in the Treaty of Rome and fully support the action taken by the Community to implement that policy. We have followed with close attention the evolution of that policy and member States may be assured that we will play a constructive and co-operative part in its further development.

10. In view of the importance of agriculture in the Irish economy, rational and orderly conditions of international trading in agricultural products are essential for Ireland's economic well-being. Participation in the common agricultural policy should afford a secure basis for the balanced development of our agriculture.

11. We do not expect that the application of the common agricultural policy will present us with any major difficulty. We would, however, wish to discuss with the Community certain specific aspects of the Community's agricultural arrangements. These would include, for example, the Community regulations relating to animal and plant health, which may require to be modified in their application to Ireland in view of her freedom from certain major animal and plant diseases. It may also be necessary to raise particular points in regard to other agricultural matters, including future arrangements for fisheries, which may be the subject of Community decisions before the accession negotiations are completed.

12. Turning now to industry, I should like to emphasise that, in the past decade, the sustained growth of the Irish economy has been due mainly to the marked expansion in the industrial sector. The volume of industrial production

has increased by about 100 per cent in the period 1960 to 1969, equivalent to 7 per cent per annum. Over the same period the volume of our industrial exports increased threefold and in 1969 for the first time accounted for over half our total merchandise exports.

13. A major policy aim of the Irish Government has been to secure the most rapid expansion of the industrial sector consistent with maintenance of the internal equilibrium of the economy and of a reasonable balance in our international payments position. Throughout the 1960's the emphasis has been on the preparation for conditions of freer trade and, specifically, for eventual membership of the European Economic Community. This policy was given a special impetus when our application for membership of the Community was originally made. The Government have continued to pursue this policy vigorously.

14. As a result we are confident of the increasing capacity of Irish industry generally to meet the competitive challenges involved. Indeed, Irish industry looks forward to membership of the European Economic Community recognising that, while there will be some problems in the shorter term, the structure and efficiency of Irish industry generally will be strengthened in the longer term. We see in the market of the enlarged Community the trading environment most likely to provide scope for the industrial advances necessary to achieve the economic and social goals which we have set ourselves as a nation.

15. Participation in the Community will require some adjustments and adaptations in the Irish industrial and commercial sectors, but we expect that for the most part any particular problems that may arise would be met by transitional arrangements and the safeguard provisions of the Rome Treaty, which I assume will form part of these arrangements. There is, however, a very small number of sensitive industries for which these arrangements may not be adequate and this is a matter we will wish to discuss in the course of the negotiations.

16. I have mentioned the substantial industrial growth in Ireland in recent years. It has been my Government's policy in its programme for industrial development to encourage the rapid expansion of industry by means of financial and fiscal incentives. Continuing industrial development is dependent on those incentives and their position in the context of Ireland's membership of the Community is, therefore, a matter which we will wish to explore during the negotiations.

17. The small size of the Irish market and of our industrial units leaves the Irish economy particularly vulnerable to dumping and we would hope that a satisfactory solution to this difficulty would also be found in the negotiations.

18. Apart from the few matters I have mentioned, it is not expected that membership of the Communities would create exceptional problems for Ireland. This is assuming of course that appropriate transitional arrangements will apply to the implementation by Ireland of the obligations of the Treaties, not only in the agricultural and industrial sectors but also in other areas.

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19. In the consideration of the transitional arrangements, an important factor which clearly will have to be taken into account is Ireland's special trading relationship with the United Kingdom. Member States will appreciate the fundamental importance to the Irish economy of our trade with the United Kingdom which is the market for over 70 per cent of total Irish exports and supplies over 50 per cent of our imports. Traditionally, Ireland has received preferential treatment in the British market for her products and the United Kingdom in turn has had a special position in our market. Trading arrangements between the two countries are governed by the Anglo-Irish Free Trade Area Agreement of 1965, which provides for free trade between the two countries and for special arrangements for Irish agricultural exports to the United Kingdom. Ireland's treaty obligation to accord free trade treatment to British industrial goods is being implemented over a nine-year period ending in mid-1975. This progressive dismantlement of industrial protection has also served to prepare Irish industry for the more comprehensive obligations and challenges which membership of the Community will entail.

20. Because of its importance to the Irish economy, it is essential that agricultural and industrial trade between Ireland and the United Kingdom during the transitional period should continue with the least possible disturbance, due regard being had to the special arrangements which already exist under the Anglo-Irish Free Trade Area Agreement and subject, of course, to the obligations which both countries will be assuming on entry to the Communities. In other words, movement of the two countries to a wider European common market should advance from the present position which already involves some elements of a common market between them.†

21. I should now like to refer to the procedures to be adopted for the conduct of the negotiations. My Government consider that these procedures should be settled before substantive negotiations take place and that all four applicant countries should be parties to any discussions which are undertaken for this purpose. We also consider that the procedures should provide for a reasonable degree of parallelism in the negotiations with each applicant country. Simultaneous accession to the Communities by the applicants is of course essential.

22. There is another aspect of the procedural arrangements to which my Government attach particular importance. Matters will inevitably arise in one set of negotiations which will be of major interest to one or more of the other applicant countries. For example, negotiations with the United Kingdom on certain matters in the agricultural sector will be of vital interest to Ireland. It is important that decisions are not taken without reference at all stages to the other applicant countries directly involved. My Government, therefore, would wish to see established, at an early stage in the negotiations, procedures which would permit of the participation of each applicant country in negotiations on all matters affecting its interests. Of particular importance in this regard are the transitional measures relating to the movement of goods and the common agricultural policy, and also the institutional and financial arrangements to apply in the enlarged Communities.

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I was particularly glad to learn from you, Mr. Chairman, that the Community full appreciates our desire in this respect and that it proposes to make arrangements accordingly.

23. Mr. Chairman, the European Communities and the applicant countries, in embarking on these negotiations for enlargement, are taking a step which is of great potential significance for the creation of a wider European Community pledged to unity and peace. The outcome of these negotiations will have a decisive influence on the future of this continent and its role in the world. More important still, it will have a profound effect on the welfare of our peoples and, after all, it is the welfare of our peoples that must always be our paramount concern. The Preamble to the Treaty of Rome wisely stressed not alone the resolve of its signatories "to strengthen the safeguards of peace and liberty" but also their determination to pursue "the essential purpose of constantly improving the living and working conditions of their peoples". This means all our peoples. We must not promote the interests of some at the expense of others.

24. If Europe can promote an ever closer union of its peoples and work together for the steady improvement of their welfare then this greater Europe can be a vital force for peace in the world and make an ever-increasing contribution to the prosperity of the developing nations everywhere. We are encouraged by what has already been achieved. We are sure that the vision and determination shown by the member States are shared by the applicant countries. For the sake of Europe and its peoples, for the sake of peace and prosperity in the world, these negotiations must not fail. It is our responsibility that they should succeed.

Statement by Mr. M. Nyboe Andersen,
Danish Minister of Economic Affairs and European Market Relations

Mr. President,

In May 1967 the Danish Parliament adopted a resolution which authorized the Government to resume negotiations for Danish membership of the European Communities together with the United Kingdom.

In the same resolution, Parliament expressed the expectation that the other Scandinavian countries would also find solutions for their relations with the Communities.

This is the basis on which today I have the honour, on behalf of the Danish Government, to state our views on the great task before us, to establish a framework for European co-operation in the coming decades. We are faced with a heavy responsibility to find a reasonable and durable solution to this problem. My Government is prepared to contribute in a constructive way to the achievement of such a solution through the coming negotiations.

The Communities have established three main conditions for adhesion:

First, the applicant countries must accept the European Treaties and subsequent decisions.

Secondly, they must accept the plans for the further development of the Communities.

Thirdly, they must accept the political aims of the treaties.

Denmark is ready to accept the Treaties and the subsequent decisions. In this connection I hope that the Communities will bear in mind that the Treaties and the subsequent decisions are the outcome of many and lengthy negotiations which have inevitably been influenced by the special conditions and interests of the six countries at the time when the negotiations took place. Even now the Member States feel the need to supplement the Treaties by new agreements and decisions. When, nevertheless, we declare ourselves ready to accept the existing Community Treaties, the reason is, in the first place, that we find the basic principles right, and, secondly, that we want to contribute towards a positive outcome of the negotiations. This doesn't mean, however, that we find all the Treaty provisions equally reasonable or expedient, and we hope, that the Communities will avail themselves of the existing opportunities to take into consideration the special problems which the adjustment to the Treaties will inevitably entail for Denmark.

My country is also ready to accept the plans for the further development of the Communities, which we find suitable for maintaining the dynamic character of European integration. In our view, a further expansion of co-operation in the monetary, economic, industrial and technological fields will be important elements in this development. In view of the far-

reaching implications of these questions, we want, during the period of negotiation, to discuss the detailed elaboration of these plans with the Communities. Opportunities for such discussions have already been provided in the field of technology which is an important element in co-operation on industrial policy. We hope that suitable forms may be found also for discussion of monetary and economic problems as well as of fishery policy. Three of the applicant countries are, as you will know, among the biggest fishing countries of Western Europe, and the common fishery policy should be formulated with due regard to their participation in the Community.

Finally, Denmark is ready to accept the political aims of the Community Treaties. The preliminary suggestions concerning political co-operation, as outlined by the working party set up by the foreign ministers in accordance with paragraph 15 of The Hague Communiqué, are also acceptable to Denmark. We have noted that this co-operation is to take place outside the institutions of the Communities. We regard this political co-operation as a natural and necessary consequence of the far-reaching integration which has been realized or planned within the framework of the Treaties in other fields.

While the Danish Government finds it natural and necessary to accept European co-operation to the full extent of its "depth", we find it equally necessary that this co-operation should have the widest possible geographical "width". I am thinking primarily of the Nordic countries. This group of five nations, of which, so far, only Norway and Denmark, have applied for membership, have, on a pragmatic basis, achieved a co-operation which, in many respects, exceeds the scope of the co-operation established within the Communities, for instance in the labour market, in social security, harmonisation of laws, education, and in the cultural sphere. The Danish Government wants to promote a continuation and further expansion of this intra-Nordic co-operation, and we hope and trust that the Communities will agree that this is not only a natural policy for a Nordic country, but also a policy which will serve common European interests.

During the last ten years, the member States of EFTA have established a co-operation of far-reaching importance. It is the Danish Government's hope that the present members of the European Communities, the four applicant countries, and the other EFTA countries will have the will to seek solutions aiming at a new and stronger European Community and at the same time preserving the significant results of European co-operation within EFTA and among the Nordic countries. It will be essential to the future of an enlarged Community that it should form the centre of a broad and stable European construction comprising all European countries which are willing to take part. They should be drawn into co-operation with the Community to the widest extent which is practicable when we combine the imagination, political will and foresight of all parties concerned. If not, we shall not have accomplished our task, and important aspects of the European problem will remain unsolved.

The Danish Government has indicated that, all factors considered, we want no period of transition and that we are ready to accept the full obligations of membership, beginning immediately when the treaties enlarging the Community have been ratified. The reason for this point of

view is simple: for more than ten years Denmark has now borne what we find to be a disproportionate share of the burden caused by the economic division of Europe, in particular through the damage to our traditional agricultural exports. These difficulties have forced us to accelerate a structural diversion of our exports towards manufactures. The difficult marketing conditions for agricultural products and the heavy investments made necessary by the rapid industrialisation have led to balance-of-payments difficulties and large-scale capital imports. Though Danish farmers are very efficient producers, the structural change in our economy cannot, and should not, be held up. Our difficulties would, however, be substantially reduced if the common agricultural policy could take effect for the enlarged Community immediately after ratification.

We realise, however, that other applicant countries wish a transitional period and that the Communities are disposed to accept this. We must therefore accept that the negotiations may result in a transitional period. In return, we would expect our partners in the negotiations to agree that part of the task in formulating the transitional period should be to avoid unreasonable repercussions on a country which has no desire, no interest, and certainly no responsibility for a period of transition which may have to apply to all applicant countries.

Mr. President, I have referred to the adjustments which Denmark, like the other applicant countries, will have to go through in connection with our entry into the European Communities. I could easily give you a long list of problems arising in that connection. I shall refrain from that. The Danish Government is firmly resolved to confine the problems of our negotiations to a minimum of significant questions.

I should like, however, already at this stage to inform you, Mr. President, that in various fields we feel a need for clearing up, together with the Communities, questions about the correct interpretation of the many decisions and provisions, and we also want to clear up how we can implement, in the manner most practical to both parties, such amendments of Danish legislation and changes in administration as our membership will involve.

These two groups of questions - subjects for negotiation and subjects for clarification - make up the substance of what Denmark want to discuss with the Communities. They are explained in more detail in a Memorandum which we shall hand over today to the Communities and the other applicant countries. Here, I propose to deal briefly with only the first group, that is problems for negotiation. These negotiations can in our view be confined to a few main items.

1. The Customs Union

We foresee no serious problems as a result of Denmark's participation in the Customs Union. We agree that the initial step towards the Common External Tariff and the initial internal tariff reduction should be of a substantial magnitude. We want the gradual adoption of the Common External Tariff to be effected at a tempo which does not exceed that of the removal of the internal tariff barriers. In the light of the outcome of the

negotiations as a whole including the formulation of the transitional period, Denmark must also reserve the right to use the provisions of the Rome Treaty relating to tariff quotas for certain commodities. Finally we want to discuss certain practical details in connection with the implementation of the Customs Union.

2. The transitional arrangements in the agricultural sector

If such a transitional period should prove necessary, our principal views are that

it should be as short as possible;

it should begin, as soon as the treaty of accession enters into force, with a substantial step towards EC price levels, in line with the first approximation of tariffs;

the new member countries should benefit from a Community preference immediately when their entry takes effect;

there should be parallelism between the growing advantages obtained during the transitional period and the contributions paid to the FEOGA during the various stages of the transitional period;

the obligations in the field of establishment in agriculture should at the earliest enter into force at the end of the transitional period, and, finally

the removal of Denmark's existing benefits on the British market under Danish-British agreements should be viewed in the light of the other provisions of transitional arrangements and should be the subject of discussions between the United Kingdom, the Communities and Denmark.

Naturally Denmark is vitally interested in the continued development of the common agricultural policy, including the structural aspects. We would therefore appreciate at suitable occasions to be informed about the plans of the Communities and to have the opportunity to present our views on these plans.

3. Economic and monetary co-operation

I have previously mentioned that we should like to participate in deliberations on this subject, so I shall deal now with only one aspect, the liberalization of capital movements. In the light of her balance-of-payments situation, Denmark may have to request that a transitional period in the agricultural sector be accompanied by a transitional arrangement also with regard to the liberalization of capital movements.

4. The Faroe Islands and Greenland

These two areas are faced with inherent problems which make it necessary to discuss with the Communities the possibilities of obtaining special arrangements in the same way as has been agreed for overseas territories of the present member States. We do not visualize an association of the Faroe Islands and Greenland but a solution within the framework

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of Denmark's membership. The Danish Government has already asked the Communities for exploratory talks on this matter. The problems of the two areas are of marginal importance from a Community point of view but their solution is of vital importance to the populations of Greenland and the Faroe Islands which number only some 40,000 each.

5. Institutions

The Danish Government does not expect any special problems to arise if the negotiations on this matter are based on the proposal discussed by the EC Council of Ministers. My Government recognizes that an enlarged and strengthened Community needs effective institutions. We consider it also important that the European Parliament should be given an increasingly significant role.

As regards Denmark's contribution to the common funds and our membership in CECA and Euratom, I can confine myself to refer to the problems mentioned in the Danish Memorandum.

6. Finally, a number of minor questions will have to be considered. An example is the Nordic labour market which we want to preserve concurrently with the obligations following from the rules of the Community in this field.

Mr. President, when Denmark and the Communities meet again, we shall revert to the views which you have presented today on behalf of the Communities.

As for the procedure to be followed during the forthcoming negotiations, our attitude is flexible. I shall make only a few observations on what is known as "parallelism" in the negotiations with the applicant countries. We have noted with satisfaction the decision of the Council that negotiations are to start simultaneously, to be completed simultaneously and, as far as possible, to be conducted concurrently. To Denmark, parallelism does not necessarily mean the same number of meetings or meetings on the same dates for all applicant countries. To us, the essence of parallelism is first that problems of common interest to several applicant countries should not be considered solved until they have been discussed in substance with all interested countries. For certain defined areas we suggest that it should be agreed not to finalize negotiations with any single country without giving other interested countries a fair chance to have their interests taken suitably into account. As far as Denmark is concerned, we regard the length of the transitional arrangements for the agricultural sector, the financial arrangements, the institutions, the fishery policy and discussions on new areas of co-operation first of all the monetary and economic union, as questions necessitating combined solutions. Reasonable solutions to these problems can only be found if they are discussed with all interested parties and not as separate bilateral problems. The solutions in the different fields should be seen in their context as main elements of the overall compromise, which should be the final result of the negotiations.

Second, our idea of parallelism implies that each applicant country should be given the chance to advance in its negotiations to the same extent

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as other countries so that it becomes possible for all the negotiations to reach approximately the same level of completion at any given time. This would be the easiest way of ensuring uniform solutions for all negotiating countries to similar although independent problems. We find it also important that negotiations are arranged in such a way that the representatives of the Community who are responsible for the negotiations gain the necessary comprehensive view of the negotiations with all four countries.

We hope that it will be possible to complete the negotiations within a short period and in a manner that will not delay the continued development of the Communities. Indeed, we wish, that the deliberations on future problems will proceed and that the prospective member States will be able to contribute to positive solutions.

Mr. President, we all hope that this meeting is the beginning of a process of historical importance to Europe. The outcome of the negotiations which have opened today will determine whether Europe is to become a harmonious entity, organised with due regard to the differences in mode of life and outlook determined by cultural and historical factors which, in my opinion, are part of Europe's heritage which it must be our common task to preserve also in the process of integration. I am convinced that the applicant countries will be able to make their important contribution to this end. The ability to find solutions embracing the different national backgrounds and characteristics will decisively affect the attitude of our peoples and of the rest of the world to the enlarged European Community. Only through greater knowledge of the national background and character of the individual European countries will it be possible to secure full understanding among the peoples of Europe and to achieve the broad support of the Communities which is so important for their future development.

We hope therefore that the Communities, in their future plans, will find it possible to take up new tasks which may help to achieve this goal, such as extended co-operation in social, educational and cultural fields. It is of crucial importance that such new tasks should take a form that will appeal to the coming generations. This is indeed a challenge worthy of a European Community wishing to live up to its ambitious name and to preserve its dynamic strength and its appeal to future generations.

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MEMORANDUMDenmark's Negotiations with the European Communities

The questions Denmark wants to discuss with Community authorities are of two categories:

- (A) Problems for negotiation with the Communities;
- (B) Questions calling for exploratory talks with Community authorities about the interpretation and implementation of Community rules.

The most important questions of each category are indicated in the following paragraphs. The enumeration is not exhaustive and questions of Category B may be transferred to Category A as a result of exploratory talks.

The Common Fishery Policy is not included in the list because no decisions have been taken in this field. As already indicated to the Communities, Denmark wishes that the applicant countries in due time might present their comments on this policy.

(A) Questions for negotiation

1. Customs union

- (a) Denmark agrees with the Communities that a period of transition for the applicant countries' adaptation to the common agricultural policy must imply a transitional period of the same duration and with the same speed of adaptation for the industrial sector's incorporation in the customs union.

Denmark's application of the Common External Tariff on imports from third countries will lead to a reduction of Danish tariff rates for certain manufactures, whereas customs duty will have to be imposed on various raw materials and semi-manufactures which at present are imported free of duty. Denmark's adaptation to the Common External Tariff should not be faster than the internal reduction of tariffs principally in order to avoid increases in costs caused by higher tariffs on raw materials and semi-manufactures before marketing conditions for our exports are improved through the internal reduction of tariffs.

- (b) In the light of negotiations with the other applicant countries and of the overall result of Denmark's negotiations, the Danish Government reserves the right to use the provisions of the Treaty of Rome relating to tariff quotas for certain commodities.

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(c) Agreement must be reached on a number of practical arrangements, including in particular:

- the basic duty for internal and external tariff adaptation. Denmark would find it appropriate to use the tariff rates in force after the Kennedy Round, i.e. on January 1, 1972;
- the basic duty on goods which at present under special provisions are imported to Denmark free of duty or at reduced tariff rates, should be zero or the reduced rate, respectively;
- the use of drawback allowed in respect of materials in manufactured products exported during the transitional period;
- the treatment of EFTA goods which, during a period of transition, have been imported free of duty into a new member State and exported, unprocessed or processed, to another member State of the Communities.

2. The common agricultural policy

Denmark's obligations and rights under the common agricultural policy should, in principle, take effect without any transitional arrangements immediately from the entry into force of a treaty on Denmark's membership of the European Communities.

If the negotiations with other countries should result in transitional arrangements, also for the other applicant countries, Denmark wants to make the following comments:

(a) Denmark accepts in principle the Communities' proposal that the mechanisms of the common agricultural policy should be applied by the new member States immediately from the beginning of the transitional period and that the applicant countries in the transitional period gradually should undertake the Communities' common prices of agricultural products.

(b) While Denmark wants the period of transition to be as short as possible, the Danish Government has not committed itself to any specific term of years. The Government finds, however, that a transitional period of five years would imply such a delay in obtaining the benefits which Denmark, being an important agricultural producer, might expect from participation in the common agricultural policy, that it could make the adaptation of Denmark to the co-operation in general more difficult.

(c) Denmark therefore wants the first approximation to the price levels of the Community to be as large as possible. The Danish Government proposes that the new member States as a first step reduce the difference between their prices and the common prices by one third, that a new step by one third is taken in the middle of the transitional period, and that they apply the common prices from the expiry of the transitional period.

(d) The reference prices for the adaptation of prices to Community price levels should be the internal prices of the applicant countries when the

treaty enters into force or during a representative period prior to that. Prices for dairy products and minimum prices for beef-and pigmeat, eggs and poultry sold in Denmark are fixed under special home market arrangements. The prices for the two thirds of Danish agricultural production which are exported follow the world market prices, which generally speaking are inferior to home market prices. Prices for cereals are fixed on a higher level than world market prices. Imports of animal products are regulated by quantitative restrictions and imports of cereals by levies. It would not be appropriate to reduce certain prices on the Danish home market during the first phase of the transitional period only to increase such prices later. The first price adaptation towards the EC-level should therefore be so substantial that the price levels for the total agricultural production as a minimum are increased to the existing level of the home market prices, cfr. item (c) above.

(e) The gradual adaptation of the price level in the new member States to the common prices will necessitate special levies and refunds to compensate for the price differences between the member States of the enlarged Communities and between the new member States and the world market. The Danish Government presumes that a preference will be established inside the enlarged Community when the transitional arrangements enter into force and that levies and refunds will be fixed on a non-discriminatory basis. If the preference is not fixed at a sufficiently high level, it could prove difficult to abolish existing quantitative restrictions on imports in Denmark.

(f) For commodities where the Communities only use tariffs as protection, new member States which maintain quantitative import restrictions on these goods should be allowed to remove these restrictions gradually under rules analogous to Article 33 of the Treaty of Rome.

(g) Denmark's contribution to the FEOGA should correspond to the benefits accruing from Denmark's gradual participation in the Common Agricultural Policy.

(h) The price level of farmland and farms in Denmark will adapt to the higher common agricultural prices only after the end of a transitional period. On this background Denmark wishes that obligations relating to establishment in the agricultural sector enter into force at the end of the transitional period, at the earliest.

(i) The gradual elimination of Denmark's preferential position on the United Kingdom market for certain goods under Danish-British arrangements should be viewed in the light of the other provisions in the transitional arrangements. This question should be discussed between Denmark, the Communities and the United Kingdom. Denmark should not be placed in a position inferior to the present butter quota system in the United Kingdom. Transitional arrangements should accordingly take a form that will ensure that Danish sales at least can be maintained.

3. Denmark's contributions to the Budget of the Communities

Denmark's contribution during a transitional period to the common agricultural policy should be determined on the background of our rights

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under the terms of the transitional arrangements.

In the view of the Danish Government the distributions among the present six member States under the existing financial provisions should be the starting point for the determination of the contributions of the new members.

During the period up to 1978 when the "ressources propres" are brought into full play, our percentage shares should in our view not be larger than they would have been if Denmark had been a member of the Communities since their establishment.

4. Economic and monetary Co-operation

It is in the general interest of Denmark to promote such co-operation. Denmark wants to participate in the elaboration of arrangements for co-operation in economic and monetary matters if decisions are to be taken during the period of negotiations.

In the 1960s, Denmark's agricultural exports which still in the 1950s accounted for more than half of the country's total exports were seriously hampered by the EC policy on imports of agricultural products from third countries. In the same period Danish industrial exports expanded vigorously, but the stagnation in agricultural exports and the need for imports of raw materials for the expanding manufacturing industry caused balance-of-payments deficits.

The Danish Government is determined to eliminate this deficit. To this end, monetary and financial policies have been tightened and reforms have been adopted to promote savings and strengthen the steering of the economy. Danish membership of the European Communities will mean, that discrimination against Danish agricultural exports to EC markets would cease and the prospects of achieving the necessary balance-of-payments equilibrium would be increased. In that situation Denmark would be prepared for participation in the planned economic and monetary co-operation.

If the advantages of full membership are delayed as a result of a transitional period for the agricultural sector, it is possible, however, that Denmark will have to request that such a transitional period is accompanied by a gradual Danish undertaking of the commitments of the Communities with regard to liberalization of capital movements, principally the freedom from restrictions on in- and outgoing of portfolio investments.

The removal of Danish restrictions on payments to and from foreign countries, which has taken place within the framework of the OECD, is not sufficient to meet the requirements of the existing provisions of the Communities. We do not find it appropriate, in the present balance-of-payments situation, to start a further gradual liberalization in the nearest future. Seeing that developments in these fields over the last few years have taken an erratic course, Denmark is of the opinion that a decision in this matter can be taken only during the period of and in the light of the overall result of the negotiations.

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5. The Faroe Islands and Greenland

Accession of the Faroe Islands and Greenland to the EC would pose a number of problems, notably with regard to

- (a) fishery policy;
- (b) general economic development;
- (c) establishment and Government support;

In regard to fishery policy, the decisive point is the access to the fishing territory which Denmark wants to be preserved for the local population which rely on fishery as almost the only possible occupation.

The general economic development of the two areas is characterized by endeavours to build up an industry which for several years to come would have difficulties in competing in a large market. For this reason and as an element of Denmark's social and regional policies, provision must be made for continued Danish Government support of the two areas.

The problems of establishment arise particularly in the fishing industry, but the special demographic and geographic conditions also raise problems.

A general problem is the partial autonomy of the two areas and their limited administrative resources which must be foreseen to pose practical problems, at least in the next few years, in connection with the implementation of certain decisions of the Communities.

Before entering into discussions with the Faroese and Greenland authorities, the Danish Government needs to clarify with the Communities how these problems could practicably be solved. To this end, the Danish Government has asked for preliminary, exploratory talks between Danish government officials and the institutions of the Communities and has submitted a memorandum with a more detailed description of the problems concerned.

6. EURATOM and CECA

Membership of CECA would not present any particular problems to Denmark.

The main questions relating to Danish membership of EURATOM are:

(a) Denmark has noted that the size of the contribution which Denmark would have to make in order to obtain access to the results achieved so far in the co-operation of EURATOM will depend on the extent to which Denmark would benefit from these results.

(b) Under the treaty on the non-proliferation of nuclear weapons, Denmark, like several of the present member States, has undertaken to conclude an agreement on safeguards and controls with the IAEA. Denmark understands that it is intended to conclude an agreement on safeguards and controls between EURATOM and IAEA. Such an agreement would solve the problems of Denmark as well as those of other applicant countries which are in the same

situation as Denmark.

(c) Denmark has concluded bilateral agreements with a number of non-EC countries. In addition, the Nordic countries are collaborating on certain specific projects. Denmark wants to discuss the preservation of the existing co-operation in this field with the Communities.

7. The institutions

Denmark does not foresee a need to put forward any special wishes in this field if negotiations are to be based on the proposals for the inclusion of new member States in the institutions which have been discussed in the Council of Ministers.

8. Other questions

Among these questions are:

(a) Continuation of the free Nordic labour market. Denmark does not expect the preservation of the Nordic labour market to present any problems unless existing rules in the Communities demand that employees of other member States should be given absolute priority with regard to assignment of work in relation to employees from third countries.

In view of the situation in the European labour market and the considerable demand for workers from countries outside the area, Denmark presumes that it will be possible to find a satisfactory solution to this question of small practical significance.

(b) In a number of fields the application of the provisions of the EC in an enlarged community are to be negotiated, for instance, the number of community quotas for the right of road haulage contractors to engage freely in transportation within the enlarged Common Market and production quotas for the growing of sugar.

(c) Negotiations are needed on Denmark's accession to the association agreements and trade agreements which the European Communities have concluded with a number of third countries and on the adjustment of the tariff quotas which the Communities intend to grant to the developing countries.

B. Questions for clarification

In October 1970, Denmark will submit a list of the most important questions calling for exploratory talks. Among such questions are :

- the EC rules on social security for migrant workers, which will necessitate amendments of Danish social security legislation;

- the modification of several Danish laws and regulations, including agreements on concessions, etc., in order to bring them in accordance with the rules of the Communities should be discussed in the light of a transitional period for the customs union and the agricultural policy.

Statement by Mr. Sverre Stray,
Norwegian Minister of Foreign Affairs

Monsieur le Président,

On behalf of the Norwegian Government, I wish to thank you for your invitation to come to this meeting at Luxembourg. The fact that ten European foreign ministers meet here today to open negotiations on the enlargement of the European Communities signifies that the market situation in Western Europe is about to enter a new and important phase.

The Norwegian Government have on two occasions, in 1962 and 1967, asked for negotiations on the basis of article 237 of the Treaty of Rome, article 98 of the Treaty of Paris and article 205 of the Treaty of EURATOM. We should like to express our satisfaction that the meeting of heads of state or government at The Hague has now made it possible to start these negotiations.

The Communities that you, Mr. Chairman, represent, is a Community in development. Completion, deepening and enlargement have been the guidelines for the activities of the Communities during the past year.

In the view of the Norwegian Government the co-operation between the nations of Europe should be extended and strengthened. This would contribute to an effective utilization of our joint resources, and give Europe increased possibilities to make its influence felt in accordance with our common democratic and cultural traditions. This co-operation must take place in such a way as to serve the interests of all European countries, both large and small.

The prospects for building a bridge between the two market groupings in Western Europe appear today more favourable than they have been for a long time. It is to be hoped that during the negotiations the will to find solutions to the problems with which we are faced will manifest itself, and that the result of the negotiations will be advantageous not only to each participating country, but to Europe as a whole.

The Norwegian Government consider the Treaty of Rome, with the objectives and rules embodied in the existing treaties and the subsequently adopted regulations and directives, to be a suitable basis for an extended European co-operation. The application in Norway of some of these regulations and directives will raise substantial problems which we wish to discuss during the forthcoming negotiations. These problems have their origin in conditions that are peculiar to Norway.

The Norwegian economy is to a high degree oriented towards the outside world, as it has been necessary to find an international market for a substantial part of our goods and shipping services. Total exports of goods and services amount to about 40 per cent of the gross national product. Our exports are, moreover, centred on a limited number of important markets and with a

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strong concentration on a few categories of products. We have therefore taken an active part in the efforts to liberalize world trade and develop international economic co-operation. Four fifths of Norwegian commodity exports find their markets in Western Europe, and the European integration has been followed with great interest in Norway.

Our trade with member countries of the EEC has substantially increased, but our trade with EFTA, and more particularly with the Nordic countries, has increased much more. Our experiences from the co-operation within the EFTA are good. Strong economic ties have been established between these countries. The Norwegian Government attach decisive importance to the preservation of the free market thus created.

Of particular importance is the Nordic market established through EFTA. It would create very great problems if trade barriers, that have been removed, should be restored. During the negotiations now about to begin, solutions must be found which will secure the continuation of the free trade already achieved between the Nordic countries. The co-operation between the Nordic countries covers both the economic and other fields and has ancient and strong traditions. On the Norwegian side, we consider it important that this co-operation can be maintained and further developed. I wish in this connection to underline the importance of the common Nordic labour market.

The questions that we wish to raise during the negotiations are primarily related to our country's geographical situation and natural conditions. In Norway great importance is attached to regional development policy, and we consider it essential to be able to continue to apply the necessary measures in this field.

Of the total population of an enlarged Community, Norway's population will amount to 1,5 per cent. In a far-flung and sparsely populated country like ours, the maintenance of settlement in the various regions will always be a problem of primary importance. This presupposes that satisfactory conditions for agriculture and fisheries exist. In order to secure a settlement in all parts of the country, the preservation of an agricultural industry of about the same extent and character that we have in Norway today is necessary. Also for the purpose of maintaining a state of preparedness it is of decisive importance to have an agricultural industry that offers possibilities for providing the population with a minimum supply of food-stuffs.

As far as Norway is concerned, it should be possible to limit the subjects of negotiations in the main to agriculture, fisheries, capital movements and establishment questions. Allow me, Mr. Chairman, already at this stage to touch briefly on these topics.

As far as agriculture and the fishing industry are concerned, I may recall the declaration made on the 4th of July, 1962, on behalf of the Norwegian Government by Mr. Halvard Lange, then Norwegian Minister of Foreign Affairs, in connection with the opening of the negotiations taking place at that time. I shall not therefore repeat the description he gave of the competitive handicaps under which Norwegian agriculture has

permanently to operate, compared with the agriculture on the Continent of Europe. However, I would like to stress the following facts: the area of arable land amounts to only 3 per cent of the country's total area. The agricultural production of Norway amounts to only 0,5 per cent of the total agricultural production in an enlarged Community. On a European scale this production is marginal, and special arrangements of lasting character in favour of Norwegian agriculture should accordingly not have any perceptible effect on European agriculture.

As a result of natural conditions, the agricultural production is centred on forage and the products derived from domestic animals, which products account for about 80 per cent of total agricultural income. In certain regions the production of fruit and vegetables is very important. Norway covers by import practically all her requirements of sugar and cereals for human consumption, half her needs of fodder grain, as well as considerable quantities of vegetable and fruit. Norwegian agriculture taken as a whole covers less than 40 per cent of the country's calorie needs and my country is a considerable net importer of foodstuffs.

Owing to the large imports of foodstuffs, membership in an enlarged Community will entail substantially increased foreign exchange expenses.

Norway has no surplus problem in so far as agricultural products are concerned.

Norwegian agricultural policy aims at securing for the agricultural population the same level of income as that enjoyed by people engaged in other industries. This means a relatively high price level. If Norwegian agriculture had to adapt itself to current prices within the EEC, there would result a loss of income estimated at 40 to 50 per cent. It will be necessary during the negotiations to find satisfactory arrangements securing to the farmers an economic result of their production which gives them the necessary economic basis for continuing their profession. Since the competitive handicaps under which Norwegian agriculture operates are of a permanent character, such arrangements must also be made on a permanent basis.

In the coastal districts fisheries are to a large extent the basis of settlement, and what industrial activity exists is associated with fishing. In many districts there are few or no employment alternatives.

As a consequence of geographical and natural conditions the Norwegian fisheries are to a large extent coastal fisheries. Questions connected with the fishery limit are therefore of vital importance to Norway. To secure an economic basis for the coastal population is an essential national task. We consider it essential that in connection with the elaboration of a common fishery policy a satisfactory solution is found to these questions.

We assume that since negotiations for an enlargement of the communities now have been opened, the applicant countries will be given the opportunity to express their view on the common fishery policy.

Also the rules governing capital movements and establishment will raise certain problems for Norway. Norway is traditionally a capital

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importing country, and will continue to need foreign capital for her further development. The form and size of such capital imports may, however, raise special problems owing to the structure of Norwegian industry with small enterprises disposing of little capital of their own. We have in Norway developed a legislation embodying a concession system which makes it possible to control the exploitation of our natural resources with due regard to economic and social considerations. This legislation occupies a central place in Norwegian economic policy. The Community rules may raise special problems for Norway that we would like to discuss in the course of the negotiations.

We believe, for our part, that it will be possible during the mutual transitional periods to be agreed, to make the necessary internal preparations with a view to the common application of the rules and regulations of the Community. There are, however, certain questions that will need further clarification. In relation to the Treaty of Paris certain questions will *inter alia* arise in connection with our coal production at Spitzbergen.

Participation in the co-operation within EURATOM does not appear to raise problems of importance, apart from the special problem connected with the security control, which, however, must find its solution in a larger context.

We have noted with interest existing plans for co-operation in matters of industrial policy. We consider it of particular importance that regional policy should constitute an essential element of the future European industrial policy.

We are also most interested in measures designed to intensify co-operation in regard to technological and scientific matters, and Norway, for her part, accepted with pleasure the invitation to this effect received from the Community a year ago.

We have in this connection noted with interest the increased international recognition of the fact that many of the problems raised by the development of modern society cannot be satisfactorily solved exclusively within the framework of the individual country. I have here primarily in mind all the problems connected with pollution and protection of the environment.

The Community is engaged in discussing plans concerning an extended co-operation in the economic and monetary fields. On our side, we have in our participation in international co-operation always stressed the importance of the best possible co-ordination of the economic and monetary policies of the various countries. Norway attaches great importance to stable conditions in this field and is interested in participating in an extended co-operation concerning these questions. We assume that we shall have an opportunity to submit our views on the development of the future co-operation.

The Norwegian Government favour a constructive European co-operation designed to strengthened the peoples of Europe economically and politically, so as to enable them to play an ever increasing part in the efforts to safeguard international peace and security. It is understood that discussions on a future political co-operation will take place in other contexts.

Such co-operation should also offer possibilities for even greater efforts in favour of the large group of developing countries.

Before concluding I should also like to mention that a referendum of a consultative character is envisaged before the Storting takes a final stand on the result we reach in our negotiations.

With regard to the procedure for the coming negotiations, we consider it important that the time-table should be the same for the negotiations with all the countries which have asked to take part in an enlarged Community. This means that the negotiations should be terminated at the same time in respect of all the participating countries.

In principle, the negotiations with the various applicant countries should proceed at the same pace. It is necessary to establish an effective consultation procedure for the negotiations with the various countries. On the Norwegian side, we wish, for instance, to take part in all negotiations which touch upon questions relating of fishery policy.

We agree to the time-table proposed, according to which the negotiations with our country will continue on the 22nd of September.