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Status of Greenland

Commission opinion

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I – Danish Government memorandum
of 19 May 1982

Grounds

On Denmark's entry into the European Community on 1 January 1973 Greenland was included in the Community as part of Denmark.

The idea of altering Greenland's association with the Community became a topical issue with the establishment of Greenland's home government system. The home government system, which is established within the framework of the Danish national community, entails the gradual transfer of certain areas of legislation and administration from Danish to home government control.

The then Minister for External Economic Affairs, Ivar Nørgaard, made a statement on behalf of the government concerning Greenland to the Council on 15 July 1975. In that statement attention was drawn to the fact that a new situation would arise with regard to the question of Greenland's association with the Community in the event of a home government system being established in Greenland. It was further stressed that the government had no desire to oppose 'a possible wish on the part of Greenland for a revision of Greenland's association with the EEC, should there be a majority opinion in Greenland in favour of such a measure'.

The Greenland home government system entered into force on 1 May 1979 and on 3 April 1981 the Greenland Parliament agreed to hold a consultative referendum on whether the European Community Treaties should continue to apply in Greenland.

In the consultative referendum on 23 February 1982, a majority (52%) voted in favour of Greenland withdrawing from the Community, and 46.1% in favour of its continued membership.

The outcome of the referendum was laid before the Greenland Parliament at the latter's spring session, and on 26 March 1982 it agreed that the government should be asked to open negotiations with the European Community in order that the Community's Treaties should cease to apply to Greenland and with a view to achieving Greenland's continued coverage by the Community's regulation on the overseas countries and territories (OCTs).

Greenland states that its desire to change its status *vis-à-vis* the European Community should not be

regarded as being directed against the Community. For Greenland's part, it would like the best possible relations with the Community to continue. Nevertheless, Greenland considers that home government in Greenland can best develop outside actual membership.

It is desired that the amendment to Greenland's status should take place with effect from 1 January 1984.

Proposal

With reference to Article 96 of the Treaty establishing the European Coal and Steel Community (ECSC Treaty), Article 236 of the Treaty establishing the European Economic Community (EEC Treaty) and Article 204 of the Treaty establishing the European Atomic Energy Community (Euratom Treaty), the government hereby wishes to submit a proposal:

(i) amending the provisions which define the geographical scope of the Treaties (Article 79 of the ECSC Treaty, Article 227 of the EEC Treaty and Article 198 of the Euratom Treaty), so that these Treaties and the legal acts adopted pursuant thereto do not apply in or to Greenland following the entry into force of the amending Treaty;

(ii) amending the EEC Treaty, so that the provisions therein concerning the association of overseas countries and territories (Articles 131 to 136) may apply to Greenland with effect from the entry into force of the amending Treaty, and so that Greenland may at the same time be included in the list in Annex IV to the EEC Treaty concerning overseas countries and territories.

The government's proposal for a Treaty is annexed hereto.

Pursuant to the procedure laid down for dealing with proposals for amending the Treaties, the government will request the Council to set in train consultation of the Parliament and the Commission in order that the Council may decide in favour of calling a conference of representatives of the government's of the Member States for the purpose of determining by common accord the amendments to be made to the Treaties.

Copenhagen, 19 May 1982

Proposal for a Treaty

between the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the French Republic, the Hellenic Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland,

amending the Treaties establishing

the European Coal and Steel Community, the European Economic Community, the European Atomic Energy Community,

with a view to amending Greenland's status in the European Communities.

His Majesty the King of the Belgians, Her Majesty the Queen of Denmark, the President of the Federal Republic of Germany, the President of the French Republic, the President of the Hellenic Republic, the President of Ireland, the President of the Italian Republic, His Royal Highness the Grand Duke of Luxembourg, Her Majesty the Queen of the Netherlands, Her Majesty the Queen of the United Kingdom of Great Britain and Northern Ireland,

Having regard to Article 96 of the Treaty establishing the European Coal and Steel Community,

Having regard to Article 236 of the Treaty establishing the European Economic Community,

Having regard to Article 204 of the Treaty establishing the European Atomic Energy Community,

Considering that the Kingdom of Denmark has requested that the Treaties cease to apply in respect of Greenland.

Considering that the Kingdom of Denmark has requested that the special rules in Part Four of the Treaty establishing the European Economic Community should apply to Greenland,

Considering that Greenland forms part of the Kingdom of Denmark,

Anxious to maintain the economic relations between Greenland and the European Economic Community,

Have decided to establish by common agreement the amendments to be made to the Treaties establishing the European Coal and Steel Community, the European Economic Community and the European Atomic Energy Community, and to this end have designated as their Plenipotentiaries:

His Majesty the King of the Belgians,

...

etc.

Who, having exchanged their Full Powers found in good and due form,

Have agreed as follows:

Article 1

The following paragraph shall be added to subparagraph (a) of the second paragraph of Article 79 of the Treaty establishing the European Coal and Steel Community:

'This Treaty shall not apply to Greenland.'

Article 2

The following paragraph shall be added to Article 227(5)(a) of the Treaty establishing the European Economic Community:

'This Treaty shall not apply to Greenland.'

Article 3

The following paragraph shall be added to subparagraph (a) of the third paragraph of Article 198 of the Treaty establishing the European Atomic Energy Community:

'This Treaty shall not apply to Greenland.'

Article 4

1. Denmark shall be added to the Member States specified in the first sentence of Article 131

of the Treaty establishing the European Economic Community.

2. Greenland shall be added to the list in Annex IV to the Treaty establishing the European Economic Community.

3. The association of Greenland shall take effect from the entry into force of this Treaty through a decision of the Council in accordance with Article 136 of the Treaty establishing the European Economic Community.

Article 5

1. This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. The instruments of ratification shall be deposited with the Government of the Italian Republic.

2. This Treaty shall enter into force on 1 January 1984. If not all instruments of ratification are deposited by that date, the Treaty shall enter

into force on the first day of the month following the deposit of the last instrument of ratification. If the last instrument of ratification is deposited less than 15 days before the beginning of the following month, the Treaty shall enter into force on the first day of the second month following the deposit of the last instrument of ratification.

Article 6

This Treaty, drawn up in a single original in the Danish, Dutch, English, French, German, Greek, Irish and Italian languages, all eight texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic, which shall transmit a certified copy to each of the Governments of the other signatory States.

In witness whereof, the undersigned Plenipotentiaries have signed this Treaty.

Done at Brussels this
one thousand nine hundred and eighty-two.

**II – Commission opinion
on the status of Greenland**

Introduction

1. In its memorandum to the Council dated 19 May 1982 the Government of the Kingdom of Denmark submitted a proposal for revision of the Treaties establishing the European Communities in accordance with Articles 96 ECSC, 236 EEC and 204 EAEC. This proposal involves:

- (i) withdrawal of Greenland from the geographical scope of the ECSC, EEC and EAEC Treaties;
- (ii) addition of Greenland to the list of overseas countries and territories in Annex IV to the EEC Treaty and application of the rules laid down in Part Four of the EEC Treaty, governing the association of the OCTs with the EEC, to this territory.

2. The Danish Government states that the proposed amendments flow from the change in Greenland's internal status with the introduction of the Home Rule Act, which took effect on 1 May 1979; the result of the consultative referendum of 23 February 1982, in which a majority (52%) of the Greenland population voted in favour of Greenland ceasing to belong to the Community, is given as a further consideration.

3. By letter dated 8 June 1982 the President of the Council asked the Commission for its opinion on the Danish Government's proposal for amendment of the Treaties. In response to this request, the Commission now delivers the following opinion.

Commission opinion

4. The Commission regrets that the Danish Government has presented a proposal for withdrawal of Greenland from the Community. It considers that the arrangements in force since Denmark's accession have been highly beneficial to Greenland in many ways. It is convinced, in particular, that due consideration has been given to the specific features of this territory, in some cases by changes to certain provisions of Community law¹ but also by the provision of financial assistance of a type and amount which shows that

the Community is making a genuine and realistic effort to display solidarity with a region considered as a priority target for the various types of assistance.²

As the Commission sees it, there has been insufficient awareness and understanding of all the Community has done for Greenland: the Commission has always been attentive to Greenland's needs. Furthermore, the Commission notes that the conditions existing at the time of admission of Denmark to the Community in 1973 would be changed by the withdrawal of Greenland.

5. The Commission is well aware of the territory's special situation – its remoteness from the rest of the Community, the climatic conditions influencing its economic structure³ and the sociological and cultural peculiarities of its non-European population.

The Commission is also aware that the Danish Government has responded to this special situation by choosing to give Greenland the special internal status embodied in the Home Rule Act⁴ and by consulting the population on the type of links it wishes to have with the Community.

6. The Commission welcomes the fact that in opting for a new type of relation between the Community and Greenland the Danish Government, the local authorities and the Greenland population wish to maintain close permanent structural links.

In view of all these factors, the Commission favours any new arrangements which would be the most likely to preserve close links between the Community and Greenland and to make allowance for the interests of both parties.

7. The new arrangements should, therefore, link Greenland and the Community in an institutional and legal framework which would contain provisions to be considered in view of relevant factors arising from Greenland's special position. The Commission is of the view that agreement on the substantive provisions constitu-

¹ See Annex A, page 15.

² See Annex A, page 16 et seq.

³ See Annex A, page 14.

⁴ See Annex A, page 15.

ting the new relationship between the Community and Greenland is the first priority.

8. At practical level, the new relationship between the Community and Greenland could be partly based on the general principles covering the Community's relationship with the OCTs, as Greenland has a number of economic characteristics in common with the developing territories.

9. In practice, some of the dispositions of the OCT status¹ could validly be applied to Greenland.

(a) As far as *trade in industrial products between the Community and Greenland* is concerned, it being understood that the Common Customs Tariff (CCT) may no longer be applied in Greenland, a free trade area system should apply, whereby

(i) for Greenlandic industrial products, *vis-à-vis* the Community, all industrial products originating in Greenland would have preferential treatment giving free access to the Community without any quantitative restrictions, customs duties and charges having equivalent effect. They would, therefore, be subject to rules of origin preventing preferential treatment for importation into the Community, through Greenland, of third-country industrial products, and subject to Community safeguard measures against disturbances on the Community market resulting from deflections of trade as a result of significant differences in external tariff or commercial policy treatment of raw materials or semi-finished products used in manufacture in Greenland; or any serious disturbances on the Community market otherwise resulting from application of the regime;

(ii) for Community industrial products, preferential treatment giving free access to Greenland, although Greenland may introduce customs duties and quantitative restrictions on imports of Community products where this would have the effect of promoting its development and industrialization or produce budget revenue; however, these measures should not produce discrimination between the Member States.

(b) The principle governing *trade in agricultural products* would be that of treatment more favourable than that granted either by the Community or by Greenland to third countries

(the practicalities of this principle are to be spelled out in the implementing arrangements).

(c) As far as *free movement of persons (freedom of movement for workers and right of establishment), services and capital* is concerned, the new arrangements would require equal treatment in Greenland for all Community nationals and legal persons constituted under the national laws of one of the Member States. Provisions would also have to be made for the movement of persons, services and capital between Greenland and the Community to be liberalized by subsequent implementation provisions. These provisions could help to facilitate cooperation in industrial and agricultural research and development and other forms of mutually agreed areas of cooperation between the Community and Greenland.

(d) *Financial assistance* to Greenland should consist of an amount to be determined which should be added to the overall amount appropriated under the existing provisions for overseas countries and territories.

10. The main rules applying to OCT status as at present defined in detail by the Council Decision of 16 December 1980 do not, however, appear to be appropriate for Greenland. The main chapters (Stabex, Sysmin, industrial and agricultural cooperation, etc.) cannot be regarded as consonant with the territory's special features. The decision is in any case valid only until May 1985, when it may be redefined in parallel with the third ACP-EEC Convention.

11. The special circumstances of Greenland's requirements make it necessary that specific implementing arrangements be adopted in the field of fisheries.²

The new regime will incorporate measures binding on Greenland and the Community the application of which must assure, for Greenland, optimal development of the activities of its fishing fleet and of the processing and marketing industries which depend thereon and, for the Community, continuation of its fisheries interests in Greenland waters.

To this end the regime will provide for full liberalization for importation into the Community

¹ Part Four of the EEC Treaty; Council Decision of 16 December 1980 (OJ L 361, 31.12.1980).

² See Annex A, page 17 et seq.

of fisheries products, including processed fisheries products, originating in and coming from Greenland. The free entry and free circulation of these products will be conditional on respecting the mechanism of the common organization of the market, in particular the safeguard clauses, and the regime will also provide for the allocation of quotas to the Community in Greenland waters which, while taking account of Greenland requirements summarized above, should seek to maintain the traditional fishing activities of the fleets of the Member States. An agreement on these quotas and fishing conditions will be concluded between the Community and the authorities responsible for Greenland before the entry into force of the Protocol to be adopted.

As regards the particular question of salmon, the guarantees binding this Greenland fishery will be lost at the end of 1983 and should be replaced by appropriate conservation measures for salmon migrating between Greenland and the Communities.

12. The proposed change of status may, of course, raise certain transitional problems.¹ This applies in particular to the question of the rights acquired by Community nationals in Greenland and vice versa when Community law applied to Greenland. There might also be a need to review agreements concluded with non-member countries in matters for which the Community has

exclusive responsibility, when the contents concern Greenland.²

The Commission is therefore of the opinion that the new arrangements must contain a clause allowing the Council, on a proposal from the Commission, to adopt such transitional measures as may be required.

13. To conclude, the Commission hereby delivers a favourable opinion on the change of Greenland's status in relation to the Community involving the termination of its membership of this Community and the establishment of a new regime the substance of which is set out above.

As for the institutional and legal form of the new regime thus defined, the Commission feels that Greenland should be included among the overseas countries and territories listed in Annex IV to the EEC Treaty, by means of amendment to the Treaties establishing the Communities and of addition of a suitable Protocol to the EEC Treaty, in order, firstly, to bring Greenland within the scope of Part Four of the EEC Treaty on the association to the Community of the overseas countries and territories and, secondly, to introduce specific provisions to take account of the special features of the situation of Greenland.³

¹ See Annex A, page 21.

² See Annex A, pages 19 and 21.

³ See Annex B.

Annexes

Factual situation

Greenland's position: background

Geographical, demographic and economic data

The harsh climate, the geographical expanse and the low population density are major constraints on most economic activities in Greenland.

Unstable weather conditions particularly affect fishing, Greenland's chief economic activity (some 40% of GDP, including fish-processing industries), the stock of the various species of fish depending on marginal changes in temperature. The fishing fleet has expanded considerably since 1977 but is perhaps not sufficiently well equipped for high-sea fishing on a large scale. Although the total fish catch has more than doubled in the last 10 years, it can fluctuate, with a considerable impact on overall economic activity, given the fishing industry's relative importance.

Cattle farming is considered impracticable, but there is some sheep farming in parts of southern Greenland. Its economic value has remained low, however, because of the limited grazing land and the inadequate supply of fodder in winter.

In the past, the extractive industry chiefly comprised coal (mine closed in 1972) and cryolite (exhaustion towards the end of the decade). Lead and zinc mining started in 1974, from one mine only. Exploration has started for various other minerals, petroleum and gas, but present indications do not yet justify extraction, for the high initial development cost and the difficulties in transporting products mean that fairly large deposits are required for commercial production. A preliminary estimate indicates that the extractive industry is contributing some 15% to GDP.

The lack of statistics makes it difficult to evaluate the other sectors of the economy. According to the most recent figures available (1976), employment in manufacturing industry, construction, and the wholesale and retail trades has been relatively stagnant as a proportion of total employment since 1970. General government and services (education, health, social services) have

increased their share in total employment by over one third during the same period at the expense of the primary sector.¹

A large part of available resources has been allocated to developing the economic and social infrastructure. The increasing drift to the towns and the drive to improve employment opportunities have necessitated a major investment effort (almost one third of GDP) which largely depends on imports.

Public expenditure has grown in response to the need to improve public services and infrastructures. Private consumption has been sustained by the rapid growth of real earnings, which is partly due to the growth of exports. Average taxable income in 1980 was DKR 60 130 (7 682 ECU), or DKR 42 770 (5 464 ECU) for native Greenlanders and DKR 106 650 (13 627 ECU) for people born outside Greenland (chiefly employees from the south of Denmark).

There is a wide gap between local wages and wages paid to persons born outside Greenland. Taxable income should not be used as a measure of GDP. A rough estimate produced by Commission departments shows that per capita GDP was close on two thirds of average taxable income (approximately 5 200 ECU) in 1980. On these figures, Greece, Ireland and Italy had a lower standard of living in 1980 than Greenland.

One of the chief problems facing Greenland is how to create sufficient permanent job opportunities for a population whose participation rate has risen considerably.¹ In addition, owing to the population increases of the 1960s almost 30% of the population was in the 10-19 year group in 1981 and these young people will come onto the labour market in the last half of the decade.

Another problem is the scope for increasing labour productivity so that real earnings can rise further. This highlights the continuing need for investment, in order to adapt and develop the economic infrastructure despite the prevailing natural handicaps, the main objective being to diversify existing activities and reduce the fluctuations caused by economic conditions.

An important aspect of the problem of creating paid employment is the enhancement of human capital. Training facilities have increased consid-

¹ See Table 1, page 23.

erably in recent years, and they will need further expansion with the development of new technologies and their use in the mining and processing of primary products.

Sociological, political and legal data

The Eskimo population (approximately 40 000) is for the most part still employed in the traditional sectors of fishing, hunting and sheepbreeding. In an effort to preserve its separate identity by defending its language and special social structure, it considers itself as forming part of a cultural community which includes the Eskimos of Alaska and Canada.

This desire to remain different explains the changing political and legal status of Greenland. Although it has formed an integral part of the Kingdom of Denmark since 1954 – when the territory ceased to have colonial status and total equality of rights was granted to the Greenlanders – Greenland has enjoyed a special status since the Home Rule Act, which was adopted by the Danish Parliament and then submitted by referendum to the local population for their approval, entered into force on 1 May 1979.

Combining the principle of maintenance of the unity of the Danish State and of national sovereignty exercised by the Copenhagen authorities and the introduction of a type of self-government, home rule is based on a division of responsibilities. Thus, defence, external relations and currency matters in particular are the responsibility of the central authorities, whereas, for example, taxation, the activities of fishing, hunting, agriculture and stockfarming, employment and social affairs, the supply and transport of goods, trade legislation and the protection of the environment and of animal life are matters which the Greenland Government may alone decide. This allocation of responsibilities can, however, be changed by a subsequent decision of the central government with the agreement of the Greenland authorities. It is specifically stipulated, moreover, that measures over which the local authorities have jurisdiction must nevertheless, if they have a definite impact on international relations, be discussed with the Copenhagen authorities before they are adopted.

The Home Rule Act confers on the indigenous population of Greenland 'fundamental rights over the natural resources' of the country and provides

for a procedure whereby the agreement of both the central and local authorities is required before mineral resources may be prospected for and exploited. Although the fundamental provisions of the Home Rule Act in this field are essentially a declaration of principle, they can be interpreted as entitling the population, through its local representatives, to take part in determining the objectives and timetable for the implementation of a policy and to protect the environment and the traditional way of life.

Lastly, the Home Rule Act contains a provision requiring the Danish Government, in consultation with that of Godthåb, to make arrangements for safeguarding Greenland's special interests within the European Communities.

Effects of Greenland's membership of the Community

The effects of Greenland's membership of the Community can be judged from the derogations from the provisions of Community law made necessary by the specific situation of Greenland, the aid granted by the Community to that region, the influence exerted there by certain policies, the development of commercial exchanges and the impact of Greenland's position on the Community's relations with its international partners.

Derogations from the application of Community law

The Treaties

Article 1 of Protocol No 4 to the Act of Accession makes the exercise of freedom of establishment in the case of certain commercial activities subject, for an unlimited period, to the condition of a six-month period of residence in Greenland, while at the same time providing for the possibility of subsequent liberalization by the Council, which has yet to be acted on. Article 101 of the Act of Accession extends to 12 sea miles, in the case of Greenland, the limit of waters within which the coastal State may restrict fishing.¹

¹ By the same provision, this extension applies also to the zones associated with Denmark, France, Ireland and the United Kingdom.

Secondary legislation

Apart from certain measures concerning fishing, all the requests made for the exclusion of Greenland, or the adaptation of Community legislation to the specific conditions of Greenland have been granted.

The exemption from the application of VAT, provided for in the Sixth Directive,¹ is also of some importance.

Other derogations have an impact, more limited in practice but not negligible in principle. Thus, Greenland was excluded from the scope of the European Convention for the Protection of Animals kept for Farming Purposes by Council Decision 78/923/EEC of 19 June 1978,² from that of Directive 79/409/EEC on the conservation of wild birds³ and from that of Regulation (EEC) No 348/81 on the importation of whales or other cetacean products⁴ (see list of all such provisions on page 37).

Limited application of certain provisions

Besides these specific derogations, a number of provisions, particularly those relating to freedom of establishment and free movement of workers, appear to have largely gone unheeded for purely factual reasons owing to the lack of migrant worker movements between Greenland and Member States other than Denmark.

Review of Community financial assistance given to Greenland

Overall appraisal of Community aid

Apart from the importance of the fishing industry, the main features of Greenland's economy are the predominance of the public sector, and its very heavy dependence on aid from outside, chiefly Denmark.

The largest enterprises like the shipyards, engineering and fish-processing plants are State-controlled, and private enterprise – essentially hunters, fishing-boat owner-operators, sheep-farmers, craftsmen and traders – has received substantial support from official sources (loans, subsidies and State guarantees).

Since joining the Community, Greenland has received aid from the structural funds, towards its main economic objectives of raising the general standard of living, developing infrastructures, diversifying production structures and improving vocational training for the labour force in an attack on underemployment.

In the case of the main funds (European Social Fund (ESF), European Regional Development Fund (ERDF), Greenland is regarded as a priority region; projects there are therefore given priority treatment and are granted higher rates of aid. The development of the financial instruments clearly shows a growing concentration in favour of the priority regions, and particularly in favour of Greenland (see Table 8, page 28).

The average aid per inhabitant (in 1981 nine times the average Community aid for the priority regions) is the highest in the Community. It is less significant for Greenland than for other regions owing to the small number of inhabitants. However, the aggregate figures are so high in relative terms (amounting in 1981 to almost a fifth of the aid granted to Northern Ireland) that it can be asserted that assistance to Greenland has been more concentrated than in any of the other priority regions. In the new Commission proposals on the Regional Fund,⁵ pursuant to the guidelines set out in the mandate,⁶ Greenland remains a priority region where ERDF efforts are to be concentrated. It may also be noted that Greenland is the only Community region which was not made subject to the ceilings on regional aid granted by Member States.

European Social Fund (ESF)

Greenland is one of the six Community regions given priority in the granting of ESF assistance, which, in this region, is allocated mainly to vocational training. From 1976 to 1981 the average amount of aid per person employed almost quadrupled and reached 19 100 people – about 11% of the labour force – each year. The total aid granted from 1973 to 1981 amounts to

¹ OJ L 145, 13.6.1977.

² OJ L 323, 17.11.1978.

³ OJ L 103, 25.4.1979.

⁴ OJ L 39, 12.2.1981.

⁵ Supplement 4/81 – Bull. EC.

⁶ Supplement 1/81 – Bull. EC.

approximately 30 million ECU. In 1981 it accounted for some 30% of the aid given to Denmark (see Table 4, page 25).

EAGGF Guidance Section

Aid has been granted under the European Agricultural Guidance and Guarantee Fund (EAGGF), Guidance Section, for the building or purchase of fishing vessels based in or using ports in Greenland. This assistance has amounted to a little more than 2 million ECU (see Table 5, page 26) and has had a real influence on the development of Greenland's fleet (see 'Background', point (a), on pages 17 and 18). As far as indirect actions are concerned, a programme was adopted on the development of sheep farming in Greenland in accordance with Council Regulation (EEC) No 1821/80 of 24 June 1980.¹ An amount of 500 000 ECU has been set aside in the 1982 budget for this purpose.

European Regional Development Fund (ERDF)

For ERDF purposes, Greenland is also regarded as one of the top priority regions in the Community. More than 300 projects have been adopted over the period 1975-81. All of the aid has gone to infrastructure projects; three of these involved investments of more than 10 million ECU each, namely the construction of an airport at Godthåb (assistance given in 1976 and 1979) and the building of power stations at Godthåb (1976) and Holsteinsborg (1980). The total assistance granted has almost reached 55 million ECU, i.e. 79% of the amounts committed in respect of Denmark (see Table 6, page 27) and 15% of the amount of public investments in Greenland.

Research and energy projects

Aid for research has been channelled mainly into prospecting for mineral raw materials in Greenland, particularly through remote sensing. The total amount involved is some 2 million ECU, of which two thirds related to uranium exploration contracts and a small proportion to the exploitation of such resources (see page 27).

In the case of the energy policy measures, efforts have concentrated mainly on a hydrocarbons exploration project (NAD project) which is still in

progress and which comprises a geophysical and aeromagnetic survey of the Continental Shelf (involving approximately 3.5 million ECU). Two uranium prospecting projects have been successfully carried out with Community assistance of some 750 000 ECU (see page 27). The various research projects carried out show that Greenland is a potential major supplier of uranium.

European Investment Bank loans

European Investment Bank (EIB) loans for projects in Greenland over the period 1973-81 total 52.2 million ECU and relate mainly to the modernization of the airports of Godthåb and Narssarssuaq and the ports of Frederikshaab, Narssaq and Julianeshaab, the development of telecommunications and the merchant fleet and the construction of thermal power stations (see Table 7, page 28). These loans represent some 10% of the public investments in Greenland.

Agriculture and fisheries

Agriculture

There has been no expenditure on sheepmeat in Denmark as a whole by the EAGGF Guarantee Section, and sheep farming is the only form of agriculture which is to any extent developed in Greenland; so we can conclude that apart from the EAGGF Guidance Section measures referred to above (see this page) expenditure in Greenland has been negligible.

Fisheries

Background

The statistics given in Tables 11 to 16 (pages 32-37) show the size of the fish stocks and the development of Greenland fisheries over the last few years.

The largest stocks are cod, redfish and prawn and capelin for animal feedingsuffs.

(a) Since 1978 Greenland's fisheries have developed very rapidly, as the local fleet, encouraged by Community assistance, has grown by 55% in

¹ OJ L 180, 14.7.1980.

three years (see Table 8); the prawn fishing fleet rose from 1 800 to 5 500 grt between 1978 and 1980. Over the same period Greenland landings expanded substantially, from about 35 000 t in 1973 to about 90 000 t in 1981; they consisted mainly of cod and prawns, species of high commercial value.

This development has taken place in accordance with the Community's policy of reducing fishing by non-Community countries to a minimum, and giving preference to local fishing within the limits of existing resources; it has made possible a large expansion in exports from Greenland, which grew by almost 50% between 1979 and 1980, parallel with the increase in catches (see Table 12).

(b) Greenland waters border on Canadian waters on the west and Icelandic and Norwegian waters on the east; they link two areas of the ocean which are adjacent but ecologically distinct.

Greenland waters act as a migration route in the biological cycle of certain bottom-dwelling stocks, as a feeding ground for young salmon during their migration to and from their home rivers, which are spread over the Community (France, Ireland and the United Kingdom) and North America (Canada and the USA), and as a breeding ground for certain marine mammals; the main living resources are thus dependent both on the coastal waters of the neighbouring non-Community countries and on their 'home States'.

(c) Fishing occupies a very important place in the Greenland economy, employing a quarter of the labour force, not counting activities related to seal-hunting and the like. The bulk of the industry's output is exported after processing (filleting, deep freezing, drying and other preservation processes), and fisheries therefore generated a very large balance-of-payments surplus, three quarters of it on trade with Community Member States. The value of output, after processing and not including marine mammals, amounts to 100 million ECU, or more than 40% of GNP. Although the total reserved for Greenland fishermen is smaller than that of other Community fishermen, the value of their catches is much higher (see Table 13).

Constraints on development

(a) On the production side the fishing industry is obviously dependent on the level of stocks, and on the policies followed by international organ-

izations and, in the case of mixed stocks, by the non-Community country involved (for example, Canada in the case of prawns and halibut, and Iceland and Norway in the case of capelin).

The setting of total allowable catches (TACs), on the basis of scientific advice, has been accompanied by quota proposals which also take account of Greenland fishermen's growing stake in the fisheries (see Table 15).

Thus catches by Greenland fishermen for cod and prawns, the two most important species, trebled in the period between 1973 and 1981. Fishing for Greenland halibut and redfish and for salmon remained more or less unchanged, while capelin fishing fell slightly.

With preference being given to local fishermen, fishing by non-Greenlanders has been reduced, with the exception of redfish in the case of the Federal Republic of Germany. In 1981 German catches of cod, by-catches for the most part, amounted to only 45% of catches in 1973. The improvement in cod stocks means for 1982 a real improvement of the activities of Greenland fishermen on this stock.

In the case of non-Community countries there has in every case been a drastic fall, in some cases to zero, from 1978 onwards (see Table 14).

In the case of salmon, local fishing will be able to continue only within the limits set by international obligations, which entrust management of the fishing and conservation of stocks to the stocks' home States. Output has thus levelled off at 1 190 t per year. In accordance with the accepted international rules, the major roles played by Canada and certain EEC Member States leave no room for significant development here, but would rather tend to lead to a tightening of the technical restrictions on mesh sizes, the length of the fishing season, etc.

(b) On the marketing side, production activities depend directly on outlets; and the bulk of these are outside the territory itself, with 90% of output being exported.

The Community currently takes 80% of exports, by weight and by value, with the major part passing via Denmark; this intra-Community trade is exempt from Common Customs Tariff duties, and benefits under the rules and mechanisms of the common organization of markets. It may be pointed out that, whilst Greenland output has so

far scarcely derived any benefit from intervention by the EAGGF price support mechanism, the advantages of that mechanism nevertheless make themselves felt indirectly in the prices obtaining on the markets in the other regions of the Community when the products are sold.

Community aid

In addition to the aid covered by the various financial instruments referred to above, and especially by the EAGGF Guidance Section, it should be pointed out that as a result of the Council Decision of 1978 Denmark received in full, on behalf of Greenland, the sum of 10 million ECU determined by the Council for the surveillance of fishing zones. With this, Greenland was able to commission seven helicopters for surveillance and rescue at sea and an inshore surveillance vessel, and to modify and update two vessels already in service.

Development of commercial exchanges

In the period 1973-81 Greenland's exports to the Community (excluding Denmark) rose significantly. While total exports expanded during that period at an annual rate of 29% in value terms, exports to Denmark rose by 26%, those to the rest of the Community climbed by 49% and those to non-member countries by 25%.

The share of Greenland's exports going to Denmark fell from close on 62% in 1973 to just over 50% in 1981, while the share accounted for by the other countries of the Community rose from 8% to nearly 26%, with the bulk going to the United Kingdom, the Federal Republic of Germany and France.

Exports are made up almost exclusively of products of the fishing industry, hunting and sheep farming (58% of the total) and lead and zinc ore (38%). The fishing industry and its partially processed products have enabled Greenland to run a trade surplus with the other members of the Community for a number of years (some DKR 145 million in 1981). Trade with Denmark, however, shows a huge deficit (DKR 780 million in 1981).¹

External relations

The following should be noted for the record (this point is covered from the standpoint of examining

the consequences of the possible withdrawal of Greenland from the Community on pages 22 and 23):

(i) As an integral part of the Community, Greenland, covered by the CCT, benefits from Community preferential tariff arrangements (such as generalized preferences) and from Community liberalization arrangements adopted unilaterally or by treaty (for example, EFTA).

(ii) Greenland's fishery resources constitute one of the factors taken into consideration in agreements concluded by the Community with certain non-member countries (Norway, the Faeroes, Sweden, Canada).

(iii) Greenland's special characteristics have to a certain degree had an impact on the Community's external policy on the environment by slowing down its accession to international undertakings, short of excluding Greenland specifically from them (for example, in the case of the Bonn Convention on Migratory Species).

Description of the rules applicable to the overseas countries and territories

On the basis of Articles 132 and 133 of the EEC Treaty, Council Decision 80/1186/EEC of 16 December 1980² laid down the details of and the procedure for the association of the overseas countries and territories with the Community for the period 1 March 1980 to 28 February 1985; these arrangements follow almost entirely the provisions of the Lomé Convention.

The principle underlying the arrangements governing trade in products is exemption from all customs duties and charges having equivalent effect for imports into the Community of products originating in the overseas countries and territories.

Special provisions apply, however, to the products listed in Annex II to the Treaty which are subject to a common organization of the market

¹ See Table 3, page 24.

² OJ L 361, 31.12.1980.

or to specific rules under the common agricultural policy (CAP);¹ two situations are envisaged:

(i) If no other measures, apart from customs duties, are provided for in respect of those products in the Community, the products are automatically exempt.

(ii) For other products, each case is examined individually; the Community has tried to take steps to ensure more favourable treatment than is accorded to third countries enjoying most-favoured-nation status.

These arrangements concern the following products: beef and veal, fishery products, fats and oils, cereals, rice, products processed from cereals and rice, fresh and processed fruit and vegetables, certain products resulting from the processing of agricultural products, raw tobacco and living plants.

In certain cases (beef and veal, rice, fruit and vegetables, raw tobacco) total or partial exemption from import duties on products coming from ACP States/OCTs is subject to certain conditions, and limited to certain annual or pluriannual quantities.²

The Community has also undertaken not to apply quantitative restrictions or measures having equivalent effect. These arrangements are similar to those accorded to the ACP States and have resulted in the complete liberalization of imports of a very large proportion of agricultural products from the ACP countries, including fishery products.³

Moreover, if the application of the trade arrangements involves serious disturbances on the Community market, the Community may take, or authorize one of its Member States to take, the necessary safeguard measures (the scope of these safeguard clauses, and the procedure for giving effect to them, are defined precisely by Article 13 of the OCT Decision).

The overseas countries and territories, however, may retain or introduce, in so far as the Community is concerned, any customs duties or quantitative restrictions they consider necessary for their development, subject only to:

(i) the prohibition of any discrimination between Member States;

(ii) the prohibition of less favourable treatment

for the Member States than that accorded to third countries having the same economic structure.

The rules applicable to the OCTs do not themselves contain any provision for encouraging freedom of establishment for Community citizens in the OCTs. The only obligation on the OCT is to ensure for Member States treatment identical with, or at least as favourable as, that granted to non-member States.

As regards access to economic activities generally, especially fishing, the Community enjoys no preferential treatment. Thus, it may happen in practice that an OCT, or the Member State with which it is associated, grants a non-member country greater facilities than those accorded to the other Member States.⁴

As regards the movement of workers, on the basis of Article 135 of the EEC Treaty, any freedom depends on a unanimous decision of the Member States.

The total amount of financial assistance given by the Community during the period of the OCT Decision (five years) is 109 million u.a., of which 15 million u.a. came from the European Investment Bank in the form of loans.

A sum of 60 million u.a. was made available in the form of special subsidies and loans for individual projects (after deduction for regional cooperation measures, emergency aids, interest-rate subsidies on EIB loans, risk capital and Stabex capital). This sum of 60 million u.a. was divided equally between the French, Dutch and British OCTs, 20 million going to each category. This decision is a compromise between the Member States and takes no account of the per capita GNP and the relative poverty of the OCTs.

¹ 70% of products coming from Greenland are covered by the CAP (see Table 16, page 37).

² Special provisions apply to rum, bananas and sugar.

³ The Community has nevertheless insisted on very strict rules as regards origin in the case of fishery products. There is a special Council declaration concerning the origin of OCT fishery products.

⁴ See the concessions granted by France to Japan as regards fishing in New Caledonian waters.

Effects on the Community of Greenland's withdrawal

If Greenland ceased to be a member and withdrew from the territory of the Community, the mutual rights and obligations at present assumed by the Community and by Denmark in its capacity as Greenland's representative internationally and at Community level would automatically terminate.¹ However, the *acquis* cannot be ignored; it must be borne in mind that the Community has granted substantial aid to Greenland, regarding it as one of its least-favoured regions, with a view to facilitating its economic integration, and that a pattern of trade has been established.

Transitional measures

Financial aid committed or to be committed

It would appear that any solution adopted must reflect both the concern that Greenland be treated in the same way as the other regions of the Community so long as it remains a part of it and the need to resolve the situation as soon as it ceases to be a member and without prejudice to the granting, in other forms, of certain aid determined by its new legal status.

The *de facto* situation in relation to the various financial instruments and the possibility of earmarking annual tranches for most projects should preclude any significant difficulties.

Retention of vested rights

Provision should be made for appropriate measures to protect companies and persons who have exercised the right of establishment as well as Community workers employed in Greenland. The extremely small number of persons affected and the case-law of the Court of Justice that has already been established in favour of the retention of pension rights acquired by workers during periods of employment in a territory which has subsequently ceased to belong to the Community give no reason to suppose that there will be any major difficulties in this area, even if the future status of Greenland were to rule out the principle of free movement. It would, however, be preferable to retain the substance of the Community

rules, at least in respect of Community workers employed in Greenland at the time of withdrawal.

Guidelines to be applied in the definition of new rules

Problems involved in the application of the rules governing overseas countries and territories

(a) As regards the development philosophy, it is essential to bear in mind the principles governing the association with the Community of countries and territories which have a special relationship with certain Member States.

Originally conceived as a means of taking into account the fact that certain Member States had colonial possessions, the rules governing overseas countries and territories have often formed a stepping-stone towards other types of relationship.

The principles, set out in the preamble to the Treaty and in the Association Decision itself, are those of solidarity between the industrialized and the developing countries with a view to achieving a more just and balanced economic order. The association of overseas countries and territories with the Community falls within the general context of North-South relations and is in keeping with the spirit of the most advanced example of such relations, the Lomé Convention, as is evident from one of the recitals to the Council Decision of 16 December 1980 concerning the association: 'Whereas these provisions form part of the European Economic Community's efforts to establish, in particular by means of the Second ACP-EEC Convention, signed at Lomé on 31 October 1979 ... a new model for relations between developed and developing regions ...'.

This explicit reference in the rules on overseas countries and territories to the Lomé Convention is a clear indication of the type and scope of the relations which the Community intended to establish in its association with the overseas countries and territories.

¹ It must be emphasized that the case has no real precedent. The withdrawal of Algeria occurred in completely different circumstances, and its status as a part of the Community was not replaced by a fresh status.

(b) It would be extremely hazardous to predict the volume of transfers from the European Development Fund for which Greenland would be eligible, since these are not directly linked to economic considerations.¹

(c) Except where there are specific provisions such as those adopted in respect of imports of petroleum products from the Netherlands Antilles, there is an inherent imbalance in the rules on overseas countries and territories. Designed to promote development, they provide directly or indirectly for the almost total liberalization of trade for products from the overseas countries and territories, with no corresponding concessions for the Community. However, products from Greenland are much more competitive than those from the overseas countries and territories.

(d) OCT status does not automatically provide for non-reciprocal tariff-free access to the Community. The question of what practical arrangement should apply to Greenland exports (of fisheries in particular) to the Community, after withdrawal, is to be decided in the light of all relevant considerations.

The Community interests to be taken into account

Common fisheries policy

Special attention should be paid to the fisheries sector, which represents the most sensitive aspect of trade between the Community and Greenland and of Community access to Greenland's resources.

Under the new rules, if the latter restricted Community access to Greenland's fishing waters or even included the loss of fishing rights in that area, the Community would have to review its supply requirements taking into account its own fishing fleet's operating bases and conditions, in the light of the specific requirements of coastal regions which are particularly dependent on such activities. It would also have to give special protection to additional possible sources (in particular in French Guiana and Saint Pierre and Miquelon).

The possible counterbalance to this from the standpoint of Greenland would be Greenland's reverting to autonomous control of its stocks and

relative control (subject to consultations with third countries) of mixed stocks, with the possible loss of free access to the Community market, which absorbs 90% of its production, and the loss of all or part of the financial support granted by the Community.

It will be necessary to take fully into account in any eventual arrangement:

(i) Community fishing patterns in Greenland waters;

(ii) the question of the proper control of Greenland fishing by interception of salmon of Community origin.

Raw materials and energy

Greenland has considerable natural resources, although they are still difficult to evaluate and very underexploited; this situation leaves open the possibility of future opportunities for cooperation in this field.

External relations

On the basis that the CCT, the preferential tariff arrangements and the Community liberalization arrangements adopted unilaterally or by treaty would no longer be applicable under the new rules, the Danish authorities would have to negotiate, on a multilateral (GATT) and bilateral basis, a new external tariff and new liberalization arrangements for Greenland.

The free trade agreements concluded by the Community with the EFTA countries, which at present enjoy exemption from customs duties and free access without quantitative restrictions to the Greenland market, would automatically cease to apply to Greenland. The question whether the Community would have to negotiate with its partners compensation for the rights and benefits which those countries would lose as a result of the 'shrinking' of the Community would not arise if the same rights and benefits were granted by Greenland.

¹ As an example, the Netherlands Antilles is the most favoured country in terms of the allocation of available resources, namely 20 million ECU over a period of five years for a population five times that of Greenland.

There is a similar but more specific problem with fisheries agreements concluded with some non-member countries:

(i) firstly with Norway and the Faeroes, which implies reciprocal fishing relations in the waters of the contracting parties, thereby including access to the waters off Greenland;

(ii) secondly with Canada, which implies a relationship between access to waters and access to markets, where the balance of concessions is

assessed by comparison with the preferential systems granted in respect of EFTA members, particularly Iceland.

The change in the status of Greenland would certainly, to the extent that it casts doubt on the arrangements for fishing in coastal waters and on the trade system, result in an alteration in the balance in these fisheries relationships as a whole with the countries in question and give rise to revision of some fisheries agreements.

Table 1

Population

	Total population	Born in Greenland	Born outside Greenland
1965	39 600	88.7%	11.3%
1970	46 531	83.6%	16.4%
1981	50 643	81.9%	18.1%

Breakdown by sex and by age

	1965			1970			1981		
	(<i>%</i>)								
Male	51.4	52.5	54.4	48.6	47.5	45.6			
Female									
0-4 years	19.3	15.2	8.6						
5-14 years	26.9	28.2	20.0						
15-19 years	7.6	7.7	12.5						
20-64 years	43.8	46.2	55.3						
65 and over	2.4	2.7	3.6						

Breakdown of population by sector of economic activity

	1965			1970			1976		
	(<i>%</i>)								
1. Fishing, hunting, sheep farming, etc.	27.5	19.2	15.1						
2. Mining and quarrying	2.3	0.8	1.8						
3. Manufacturing	11.7	14.3	14.9						
4. Building and construction	11.7	15.1	14.5						
5. Wholesale and retail trades	11.6	11.3	10.1						
6. Transport	10.0	10.2	8.6						
7. Administration and other services	25.2	29.1	35.3						
Participation	100.0	100.0	100.0	33.4	39.2	43.1			

Table 2

Danish Government current and capital transfers to Greenland

	(<i>million DKR</i>)									
	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
Current transfers	285	311	353	419	474	536	616	660	820	847
Capital transfers	270	266	349	317	353	400	452	559	538	585
Total	555	577	702	736	827	936	1 068	1 219	1 358	1 432

Table 3

Foreign trade, by country

	Exports				Imports			
	1969	1973	1977	1981	1969	1973	1977	1981
	<i>million DKR</i>							
Denmark	64.0	118.3	250.2	750.6	343.8	485.4	788.9	1 529.3
Rest of EEC.	3.9	15.4	132.7	381.0	22.6	4.0	174.9	237.2
<i>of which:</i>								
- France	-	8.2	40.9	181.3	-	-	-	1.2
- FR of Germany	-	7.2	80.7	104.8	-	-	-	10.1
- United Kingdom	1.4	-	-	75.4	-	2.0	80.1	115.2
Spain	1.7	-	1.6	23.2	0.9	-	0.7	5.4
Sweden	-	-	-	16.9	-	-	-	27.7
Norway	-	-	0.5	42.0	8.5	0.7	-	155.8
Finland	-	6.4	92.4	101.6	-	-	-	7.7
USA	18.1	50.9	77.8	120.1	-	-	-	120.6
Other	-	-	-	44.9	1.2	75.5	-	45.9
Total	87.7	191.0	555.2	1 480.3	377.0	565.6	964.5	2 129.6
	<i>%</i>							
Denmark	73.0	61.9	45.1	50.7	91.2	85.8	81.8	71.8
Rest of EEC	4.4	8.1	23.9	25.7	6.0	0.7	18.1	11.1
Sweden, Norway and Finland	-	3.4	16.7	10.8	2.5	0.1	-	9.0
USA	20.6	26.6	14.0	8.1	-	-	-	5.7
Other	2.0	-	0.3	4.7	0.3	13.4	0.1	2.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Production and exports, by product

	1970	1975	1980
Fish (tonnes)	39 078	47 907	89 576
Seal skins (number)	52 463	54 764	63 928
Other skins (number)	1 970	1 833	2 022
Sheep			
- Wool (tonnes)	56	24	33
- Live lambs and sheep (number)	15 470	10 212	14 927
- Lamb and sheep skins (number)	5 580	4 553	2 204
Other products			
- Cryolite (tonnes)	56 000	35 000	49 000
- Zinc concentrates (tonnes)	-	153 000	151 000
- Lead concentrates (tonnes)	-	32 000	42 000

Main exports, by country of destination

France	: Fishery products, shrimps, zinc and lead concentrates
FR of Germany	: Fishery products, shrimps, zinc and lead concentrates
United Kingdom	: Fishery products, shrimps
Finland	: Zinc concentrates
USA	: Frozen fish fillets

Table 4

European Social Fund

Comparison of aid committed to Greenland with aid committed to Denmark

Year	Description	Aid committed to Denmark (a)	Part of (a) intended for Greenland (b)	(b) as a percentage of (a)
		<i>million u.a.</i>		
1973		5.05	0.85	16.83
1974		11.97	0.62	5.18
1975		8.94	1.52	17.00
1976		10.43	1.95	18.70
1977		14.34	2.49	17.36
	Total	50.73	7.43	14.65
		<i>million ECU</i>		
1978		14.28	3.80	26.61
1979		14.70	5.60	38.10
1980		19.43	5.70	29.34
1981		24.40	7.41	30.37
	Total	72.81	22.51	30.92

Payments to Greenland outstanding

Year(s) of commitment	Amount
1973-77	0.00 million u.a.
1978-80	0.00 million ECU
1981	2.54 million ECU

Table 5

EAGGF Guidance Section

(DKR)

Project No	Regulation	Project	Total investment	Aid granted
DK/13/81 ¹	(2992/81)	Construction of a fishing vessel based in Christiansháð	257 660	90 181
DK/70/81 ¹	(2992/81)	Construction of a fishing vessel based in Pamiut	381 000	133 350
DK/71/81 ¹	(2992/81)	Construction of a fishing vessel based in Pamiut	2 275 000	701 000
DK/72/81 ¹	(2992/81)	Construction of a fishing vessel based in Godthåb	2 060 000	703 152
DK/73/81 ¹	(2992/81)	Construction of a fishing vessel based in Rodebay	325 000	113 750
DK/74/81 ¹	(2992/81)	Construction of a fishing vessel based in Rodebay	325 000	113 750
DK/75/81 ¹	(2992/81)	Construction of a fishing vessel based in Nanortalik	770 000	264 624
DK/4/80	(1713/80)	Construction of a fishing vessel based in Nanortalik	295 450	103 407
DK/10/80	(1713/80)	Construction of a fishing vessel based in Arsuk	308 460	107 961
DK/12/80	(1713/80)	Construction of a fishing vessel based in Arsuk	205 000	71 750
DK/13/80 ²	(1713/80)	Construction of a fishing vessel based in Arsuk	400 000	136 150
DK/23/80	(1713/80)	Construction of a fishing vessel based in Sukkertoppen	335 450	117 407
DK/24/80	(1713/80)	Construction of a fishing vessel based in Holsteinsborg	410 000	137 730
DK/1/79 ³	(592/79)	Purchase of three coastal fishing vessels for Greenland waters	1 250 000	417 060
DK/40/79	(592/79)	Construction of a shrimp trawler based in Kangatsiak	6 369 000	1 854 852
DK/11/78 ³	(1852/78)	Purchase of 22 coastal fishing vessels for Greenland waters	5 545 000	1 940 750
DK/39/78	(17/64)	Construction of a shrimp trawler based in Holsteinsborg	5 000 000	1 057 500
DK/40/78	(17/64)	Construction of a shrimp trawler based in Godhavn	6 786 445	1 475 361
DK/67/78	(17/64)	Construction of a shrimp trawler based in Egedesminde	6 700 000	1 478 750
DK/75/78 ³	(17/64)	Purchase of two coastal fishing vessels for Greenland waters	8 370 000	1 737 237
DK/14/77	(17/64)	Construction of a shrimp trawler based in Jacobshavn	2 100 000	525 000
DK/15/77	(17/64)	Construction of a shrimp trawler based in Godhavn	2 230 000	557 500
DK/38/77	(17/64)	Construction of a shrimp trawler based in Godthåb	7 350 000	1 837 500
DK/2/75	(17/64)	Construction of a vessel for catching shrimps off Greenland	12 300 000	2 311 200
DK/23/75	(17/64)	Construction of a vessel for catching shrimps off Greenland	2 000 000	500 000
			74 348 465	18 486 922

¹ No applications for payment.² Currently being paid.³ Partly paid.

Table 6

ERDF grants to Denmark and Greenland, 1975-82

	1975	1976	1977	1978	1979	1980	1981	1982 ¹	Total ² 1975-82
	million u.a. (%)			million ECU (%)			million ECU (%)	million ECU (%)	
Denmark	0.62 (16%)	1.90 (30%)	1.21 (18%)	— —	1.93 (17%)	3.03 (28%)	5.07 (29%)	— —	14.70 (21%)
Greenland	3.25 (84%)	4.25 (70%)	5.37 (82%)	5.58 (100%)	9.21 (83%)	7.82 (72%)	12.38 (71%)	3.03 (100%)	54.99 (79%)
Total	3.87	6.42	6.58	5.58	11.14	10.85	17.45	3.03	69.69

¹ Decisions taken on 4 June 1982 – not yet published.

² Total calculated by converting total aid in DKR into ECU at the exchange rate obtaining on 1 January 1982.

Annex A, Supplement 1

Research sector 1: Prospecting

Total: 8 proposals submitted
 6 proposals accepted (5 contracts signed)
 (1 contract cancelled following the non-availability of the project director)

077 DK: Northern Mining Company
 EEC contribution: DKR 2 964 000
 (367 300 ECU)
 Project: Study of scheelite mineralization in East Greenland

078 DK: Technical University of Denmark
 EEC contribution: DKR 639 130
 (79 200 ECU)
 Project: Research into the geochemical mapping of an outcrop region in East Greenland
 Completed – first phase only

079 DK: Greenland geological survey
 (in collaboration with GDTA, France)
 EEC contribution: DKR 1 136 500
 (140 830 ECU)
 Project: Aerial reconnaissance in East Greenland

112 DK: Technical University of Denmark
 EEC contribution: DKR 1 095 800
 (135 800 ECU)

Project: Use of remote sensing for discovering mineral deposits

Total EEC contribution: 723 130 ECU

Annex A, Supplement 2

Energy

Uranium prospecting – Article 70 EAEC

The following three financing contracts for two uranium prospecting projects have been signed with the Greenland geological survey:

1976

Contract PU/2/76, Kvanefjeld project
 Phase I
 Duration: one year
 Community aid: 272 000 ECU

1977

Contract PU/3/77, Kvanefjeld project

Phase II

Duration: one year

Community aid: 26 133 ECU

Contract PU/11/77, South Greenland regional uranium exploration programme

Duration: two years

Community aid: 435 067 ECU

These contracts have now expired and all the payments have been made.

One Narssaq Risø project which was selected for Community financial aid in 1979 was eventually withdrawn by the Danish authorities since they did not feel that they could sign the contract sent to them in 1979.

No projects are now in progress or being examined by the Directorate-General for Energy.

Table 7

European Development Bank loans for projects in Greenland

Borrower: Danish Government

(million ECU)

Year	Project	Amount
1973	Thermal power station	3.3
1973	Harbour installations	3.5
1974	Telecommunications	5.4
1977	Airport installations	7.1
1978	Freight vessels	11.3
1979	Electric power and district heating	6.3
1979	Telecommunications	3.8
1980	Airport installations	4.7
1981	Telecommunications	6.8
	Total	52.2

Table 8

Breakdown of structural aid to regions with highest priority

(million ECU)

Priority regions	1973	1974	1975		1976				1977			
	EAGGF Guidance, individual projects 17/64		EAGGF Guid., indiv. projects 17/64	ERDF	Total	EAGGF Guid., indiv. projects 17/64	ERDF	Total	EAGGF Guid., indiv. projects 17/64	ERDF	ESF	Total
Mezzogiorno	12.0	17.5	17.5	77.4	94.9	16.9	115.8	132.7	15.8	94.0		109.8
Ireland	5.7	9.8	8.1	14.8	22.9	15.2	23.1	38.3	11.5	19.3		30.8
Northern Ireland	3.5	4.2	5.4	13.2	18.6	2.7	14.3	14.3	3.4	14.3	n.d.	17.7
Greenland	0.0	0.0	0.4	3.5	3.9	0.0	5.1	5.1	0.4	5.9		6.3
French overs. dept.	0.0	0.0	0.0	4.3	4.3	0.0	6.8	6.8	5.4	2.1		7.5
Total	21.2	31.5	31.4	113.2	144.6	34.8	162.4	197.2	36.5	135.6		172.1

(98.3) (270.4)

Table 9 (continued)

Loans	1973	1974	1975	1976	1977	1978	1979	1980	1981
				<i>Per capita loans (in ECU)</i>					
Mezzogiorno	5.50	12.64	16.19	14.86	21.93	35.55	34.21	42.54	63.4
Ireland	7.15	15.83	12.73	18.25	25.03	36.44	108.20	110.29	101.4
Northern Ireland	—	3.17	—	—	18.03	—	50.23	53.03	6.8
Greenland	139.3	107.1	—	—	144.3	229.7	205.3	95.91	138.8
FODs	—	—	—	—	—	—	—	—	—
Greece	—	—	—	—	—	—	—	—	16.4
Total	5.16	11.61	13.49	13.20	20.61	31.21	42.16	50.08	50.0
				<i>Per capita loans (EUR 10 = 100)</i>					
Mezzogiorno	149	260	238	178	243	325	267	271	453
Ireland	194	325	163	218	277	333	843	703	724
Northern Ireland	—	65	—	—	200	—	392	340	49
Greenland	3 790	2 200	—	—	1 600	2 100	1 600	612	991
FODs	—	—	—	—	—	—	—	—	—
Greece	—	—	—	—	—	—	—	—	117
Total	140	238	173	156	228	286	328	320	357
				<i>Percentage of total loans (EUR 10)</i>					
Mezzogiorno	11.3	17.5	15.6	13.3	17.4	24.3	19.8	23.0	33.9
Ireland	2.3	3.9	2.0	2.7	3.3	4.1	10.6	9.2	9.3
Northern Ireland	—	0.4	—	—	1.1	—	2.3	2.0	0.3
Greenland	0.7	0.4	—	—	0.3	0.4	0.3	0.1	0.2
FODs	—	—	—	—	—	—	—	—	—
Greece	—	—	—	—	—	—	—	—	4.2
Total	14.3	24.2	17.5	16.0	22.1	28.8	39.0	32.4	47.8

Table 10

Breakdown of structural subsidies and loans to regions with highest priority

(million ECU)

Priority regions	EAGGF Guid., indiv. proj.	ESF	ERDF	EMS interest-rate subsidies	Total subsidies ¹	EIB	ECSC	Euratom	NCI	Total loans
1980										
Mezzogiorno	98.7	172.7	489.7	102.9	864.0	793.8	-	-	66.7	860.5
Ireland	10.6	79.7	77.8	67.2	235.3	334.4	1.0	-	41.7	377.2
Northern Ireland	2.9	45.0	29.6	-	77.5	81.5	-	-	-	81.5
Greenland	0.0	5.7	7.8	-	13.5	4.7	-	-	-	4.7
French overs. dept.	0.2	29.1	31.3	-	60.6	-	-	-	-	-
Total (five regions)	112.4	332.2	636.2	170.1	1 250.9	1 214.4	1.0	-	108.4	1 323.9
1981										
Mezzogiorno	111.9	209.8	722.0	91.3	1 135.0	879.3	26.6	-	383.6	1 289.5
Ireland	21.4	105.7	108.9	66.6	302.6	325.3	10.9	-	17.3	353.5
Northern Ireland	4.9	52.9	51.7	-	109.5	10.5	-	-	-	10.5
Greenland	0.1	7.4	14.3	-	21.8	6.8	-	-	-	6.8
French overs. dept.	0.4	28.9	20.7	-	50.0	-	-	-	-	-
Greece	17.4	29.9	250.2	-	297.5	159.2	-	-	-	159.2
Total (six regions)	156.1	434.6	1 167.8	157.9	1 916.4	1 381.1	37.5	-	400.9	1 819.5

¹ Not including EAGGF Guidance Section (indirect measures) or the ECSC budget.

Table 11

The Greenland fleet has increased fairly substantially in recent years, partly because of EAGGF finance

(tonnes)

	1978		1979		1980		1981	
	Number	Total grt						
Motor vessels – total	310	11 886	321	12 792	330	14 573	383	18 354
<i>Breakdown</i>								
5- 49,9 grt	282	4 321	288	4 322	291	4 339	335	4 786
50- 99,9 grt	12	820	12	820	12	826	13	893
100- 149,9 grt	5	610	7	907	7	907	8	1 055
150- 499,9 grt	5	1 806	8	2 414	14	4 172	19	5 553
500- 999,9 grt	6	4 329	6	4 329	6	4 329	8	6 067
1 000-1 999,9 grt	–	–	–	–	–	–	–	–
2 000 grt and over	–	–	–	–	–	–	–	–

The table shows that the total number of vessels increased by 23.5% from 310 in 1978 to 383 in 1981.

The increase is most marked as regards small coastal vessels. The number of vessels in the 150-499.9 grt category, mainly shrimpers, went up from 5 to 19, thus reflecting the substantial growth in shrimp fishing. The reason why the Greenland fleet is so important for the country's economy is that about 25% of the active population works in fisheries.

Table 12

Sales by type of product

	1979		1980	
	Quantity (tonnes)	Value ('000 DKR)	Quantity (tonnes)	Value ('000 DKR)
Fish and fish products – total	32 386	510 576	42 760	774 773
Fresh, chilled	–	–	128	1 864
Frozen	10 716	145 677	11 039	171 659
<i>of which:</i>				
frozen filets	7 292	82 107	7 278	94 856
Salted, dried, smoked	7 872	69 734	8 477	85 780
Shellfish (fresh, chilled, salted, dried, frozen)	9 545	214 482	18 190	401 923
Canned	1 680	63 204	2 900	101 859
Meal	1 477	3 213	1 457	2 892
Oil	86	141	–	–
Other products	1 010	14 125	569	8 796

Table 13

Estimate of the value of fishing possibilities in Greenland in 1981

Species	Average price (ECU/t)	Quota for Greenland fishermen		Quota for other Community fishermen		Quota for third countries		Grand total
		(tonnes)	(million ECU)	(tonnes)	(million ECU)	(tonnes)	(million ECU)	
Cod	602	51 000	30.7	7 000	4.2	0	0	
Redfish	720	4 500	3.2	52 800	38.0	0	0	
Greenland halibut	482 ¹	7 500	3.6	26 000	12.5	1 500	0.7	
Halibut	1 502 ²	700	1.1	0	0	0	0	
Shrimp	1 259	29 000	36.5	3 200	4.0	5 800	7.3	
Roundnose grenadier	74 ³	1 000	0.1	5 400	0.4	0	0	
Catfish	363 ⁴	4 000	1.5	2 000	0.7	0	—	
Salmon	6 258	1 190	7.5	—	—	0	—	
Capelin ⁵	74 ³	—	—	10 000	(0.7)	140 000	(10.3)	
Total			84.2		59.8		8.0	152.0
%			55.40		39.34		5.26	100

¹ 80% of the value of cod.

² 250% of the value of cod.

³ Value/tonne industrial landings in Denmark, 1977 (roundnose grenadier mainly used for industrial purposes in Greenland).

⁴ 60% of the value of cod.

⁵ Excluded from economic calculations and totals for this table.

Table 14

Catches in Greenland waters

	GR		DK		D		F		EC 9 (excl. GR)		EC 10 (incl. GR)		
	NAFO I	XIV	NAFO I	XIV	NAFO I	XIV	NAFO I	XIV	NAFO I	XIV	NAFO I	XIV	
Cod	73	17 715	191	—	—	5 944	9 262	38	—	6 475	9 923	24 190	10 114
	74	19 932	68	—	—	1 681	2 309	—	—	2 947	2 808	22 879	2 876
	75	19 314	224	—	—	10 842	1 552	—	—	11 001	1 552	30 315	1 776
	76	16 282	372	—	—	5 842	7 075	—	—	5 997	8 589	22 279	8 960
	77	24 220	1 833	—	—	2 069	3 564	—	—	2 609	4 957	26 829	6 790
	78	37 470	1 347	—	—	1 057	3 936	—	—	1 057	3 979	38 527	5 326
	79	46 384	2 755	—	—	1 344	1 062	139	—	1 482	1 062	47 830	3 817
	80	46 606	1 453	—	—	1 104	3 193	—	—	1 104	4 646	47 710	3 197
	81	51 408	1 442	—	—	332	7 264	—	—	332	7 264	51 740	8 706
Halibut	73	3 655	4	5	—	65	7	—	—	71	8	3 726	12
	74	4 054	2	—	—	2	0	—	—	20	1	4 074	3
	75	3 436	1	2	—	24	64	—	—	35	66	3 471	67
	76	3 546	1	3	—	93	191	—	—	96	196	3 642	197
	77	6 110	4	—	—	590	224	—	—	590	235	6 700	239
	78	5 985	6	—	—	4 965	2 156	—	—	4 965	2 157	10 950	2 163
	79	5 273	—	—	—	12 784	6 227	—	4	12 784	6 231	18 057	6 231
	80	5 307	—	—	—	1 175	2 146	—	—	1 175	2 146	6 482	2 146
	81	4 959	—	—	—	10	2 994	—	—	10	2 994	4 969	2 994
Shrimps	73	8 135	—	196	—	—	—	—	—	196	—	8 231	—
	74	10 244	—	308	—	—	—	—	—	308	—	10 552	—
	75	9 789	—	1 142	—	—	—	—	—	1 142	—	10 931	—
	76	9 778	—	2 717	—	—	—	803	—	3 520	—	13 298	—
	77	14 881	—	5 842	—	31	—	924	—	6 766	—	21 647	—
	78	13 131	—	3 382	—	—	—	805	—	4 187	—	17 318	—
	79	20 027	—	1 327	—	—	—	353	—	1 680	—	21 707	—
	80	24 203	—	872	711	—	—	247	57	1 119	768	25 322	768
	81	26 850	1 004	996	581	—	—	556	353	1 560	934	28 390	1 938
Redfish	73	1 112	—	—	—	2 078	4 491	—	—	2 094	4 566	3 206	4 566
	74	2 405	—	—	—	568	2 632	—	—	642	2 759	3 047	2 759
	75	1 046	—	—	—	3 120	4 979	—	—	3 163	5 035	4 569	5 035
	76	2 696	129	—	—	5 074	4 403	—	—	5 077	4 692	7 773	4 821
	77	1 098	1	—	—	29 379	13 347	—	—	29 379	13 969	30 477	14 433
	78	671	3	—	—	7 369	19 085	4	—	7 373	19 098	8 044	19 101
	79	251	—	—	—	8 592	15 393	1	490	8 596	15 883	8 847	15 883
	80	1 205	—	—	—	6 287	30 245	—	—	6 287	30 245	7 492	30 245
	81	533	—	—	—	5 132	38 337	314	—	5 446	38 337	5 979	38 337
Salmon	73	1 585	—	385	—	—	—	—	—	385	—	1 970	—
	74	1 162	—	505	—	—	—	—	—	505	—	1 667	—
	75	1 171	—	382	—	—	—	—	—	382	—	1 553	—
	76	1 175	—	—	—	—	—	—	—	—	—	1 275	—
	77	1 420	6	—	—	—	—	—	—	—	—	1 420	6
	78	984	8	—	—	—	—	—	—	—	—	984	8
	79	1 389	5	—	—	—	—	—	—	—	—	1 389	5
	80	1 194	—	—	—	—	—	—	—	—	—	1 194	—
	81	1 264	—	—	—	—	—	—	—	—	—	1 264	—
Capelin	73	3 214	—	—	—	—	—	—	—	—	—	3 214	—
	74	3 471	1	—	—	—	—	—	—	—	—	3 471	1
	75	1 034	1	—	—	—	—	—	—	—	—	1 034	1
	76	474	1	—	—	—	—	—	—	—	—	474	1
	77	322	1	—	—	—	—	—	—	—	—	322	1
	78	297	—	—	—	—	—	—	—	—	—	297	—
	79	261	—	—	—	—	—	—	—	—	—	261	—
	80	298	—	—	12 574	—	—	—	—	—	12 574	298	12 574
	81	—	—	555	—	—	—	—	—	555	—	555	—

Table 15

TACs and quotas

(tonnes)

	TAC		Quota											
			GR		DK		D		F		UK		Non-member countries	
	NAFO 1	XIV. Va	NAFO 1	XIV. Va										
Cod	1978	—	—	25 000	3 000	—	—	—	—	—	—	—	—	—
	1979	—	—	—	—	—	—	—	—	—	—	—	—	—
	1980	—	—	50 000	3 000	—	—	—	—	—	—	—	—	—
	1981	50 000	8 000	50 000	1 000	—	—	—	3 000	—	—	—	—	—
	1982	65 000	15 000	50 000	3 500	3 000	—	11 000	10 000	—	—	1 000	1 500	—
Shrimps	1978	40 000	—	13 500	—	5 025	—	—	—	1 675	—	—	—	19 500
	1979	29 500	—	16 500	—	1	—	—	—	1	—	—	—	11 182
	1980	29 500	—	22 000	—	310	—	—	—	310	—	—	—	7 880
	1981	30 000	8 000	27 600	—	400	2 900	—	—	400	900	—	—	1 600
	1982	30 000	5 500	27 850	2 000	400	525	—	—	400	525	—	—	1 350
Redfish	1978	13 000	80 000	5 000	500	—	—	6 500	20 000	—	2	3	2	1 497
	1979	28 000	70 000	—	—	—	—	—	—	—	—	—	—	—
	1980	10 000	65 000	4 000	500	—	—	5 800	34 000	—	—	—	—	200
	1981	10 000	85 000	6 000	—	—	500	4 000	42 000	—	—	—	—	42 500
	1982	10 000	42 000	4 000	500	—	—	5 400	40 800	—	—	100	100	500
Halibut	1978	25 000	20 000	7 500	—	—	—	14 500	18 500	—	—	—	—	3 000
	1979	25 000	15 000	—	—	—	—	—	—	—	—	—	—	—
	1980	25 000	15 000	7 500	—	—	—	12 150	9 250	—	—	—	5 750	5 350
	1981	20 000	15 000	13 350	—	—	1 140	5 700	1 860	—	—	—	—	750
	1982	20 000	3 950	6 000	—	—	50	1 200	3 000	—	—	50	150	12 750

¹ 1 848 EC.² A total of 20 500.

Table 16

Community imports from Greenland

Imports	1978		1979		1980	
	tonnes	'000 ECU	tonnes	'000 ECU	tonnes	'000 ECU
Total	151 456	54 487	154 025	80 067	191 172	105 174
<i>of which:</i>						
Fish, crustaceans, molluscs	8 673	13 018	16 068	26 528	21 939	37 953
Fish products	3 548	17 243	4 567	24 530	5 884	34 181
Salt, sulphur, clay, stone, etc.	53 606	1 856	45 933	2 354	67 056	3 479
Lead and zinc ores	82 644	16 245	84 446	20 345	92 673	22 887
Skins and furs	49	1 922	72	2 498	86	3 404

Annex A, Supplement 3

Legal instruments containing derogation with respect to Greenland

Common organization of the market in fishery products

Council Regulation (EEC) No 100/76 of 19 January 1976 (OJ L 20, 28.1.1976). It is recognized that by virtue of Article 2 of Protocol No 4 to the Act concerning the conditions of Denmark's accession to the European Community, the common organization of markets in the fisheries sector (in particular the regulation fixing prices) does not apply to Greenland.

VAT directive

Council Directive 77/388/EEC of 17 May 1977 (OJ L 145, 13.6.1977) does not apply to Greenland (Article 3(2)).

Directive on taxes on manufactured tobacco

Council Directive 77/805/EEC of 19 December 1977 (OJ L 338, 28.12.1977) does not apply to Greenland (Article 4).

Directive on manufactured tobacco

Council Directive 79/32/EEC of 18 December 1978 (OJ L 10, 16.1.1979) does not apply to Greenland (Article 9(2)).

Labelling and presentation of foodstuffs

Council Directive 79/112/EEC of 18 December 1978 (OJ L 33, 8.2.1979) does not apply to Greenland (Article 25).

Conservation of wild birds

Council Directive 79/409/EEC of 2 April 1979 (OJ L 103, 25.4.1979) does not apply to Greenland (Article 1(3)).

Coordination of procedures for the award of public supply contracts

Council Directive 80/767/EEC of 22 July 1980 (OJ L 215, 18.8.1980), supplementing Directive 77/62/EEC, represents the European Community's follow-up as regards international arrangements to the Agreement on Government Procurement. KGH, GTO and two other institutions are listed among the procurement entities subject to the Agreement. However, footnote 1 states that

products for resale are not included in the case of KGH.

Summer time

Council Directive 80/737/EEC of 22 July 1980 (OJ L 205, 7.8.1980) makes a derogation for Greenland (Article 3).

Protection of employees in the event of the insolvency of their employer

Council Directive 80/987/EEC of 20 October 1980 (OJ L 283, 28.10.1980) does not apply to Greenland since the Greenland labour market differs from that of the other parts of the Community because of the geographical situation and current job structures (Article 1(3)).

Annex B

Institutional and legal analysis

1. The purpose of this Annex is to provide further elements for an appreciation from a legal and institutional point of view.

2. It should be recalled first of all that as the Commission was seized by the Council of a request for an opinion on the application to Greenland of OCT status, it was of necessity required, both by formal and by logical considerations, to examine first of all whether Greenland fulfils the conditions under the EEC Treaty for access to OCT status and whether the existing provisions, subject to the possibility of derogation therefrom in a manner compatible with the general system of OCT status, allowed sufficient account to be taken of the objectives laid down for the establishment of a new relationship between the Community and Greenland.

3. The substantive conditions regarding access to OCT status are limited pursuant to Article 131 of the EEC Treaty to the following factors:

(i) the country or territory concerned must have special relations with a Member State;

(ii) that country or territory must be non-European;

(iii) that country or territory must display the characteristics of a developing country.

The formal condition is the amendment of the EEC Treaty under the procedure laid down in Article 236 thereof at the initiative of a Member State or of the Commission and upon a favourable opinion of the Council requiring the assent of the Member States and ratification in accordance with their respective constitutional requirements.

4. It is the Commission's opinion that the substance of the new system to be instituted with respect to Greenland as described in the opinion is not incompatible with the general system of OCT status in that it involves either provisions substantially identical to those applicable to the OCTs or specific provisions relating to problems different from those created by the situation of the present OCTs (fisheries).

5. Furthermore, it should be emphasized that recourse to a known legal formula does in principle have the advantage of legal clarity and certainty by comparison with the solution involving the institution of an *ad hoc* system; in the present case, the desire to avoid the proliferation, at the level of the Treaties, of instances of special status reinforces the preference for the use of OCT status;¹ subject to the considerations set out under point 2.

6. As regards the institutional mechanisms arising from the use of OCT status, it should be recalled that the implementing measures fall within the competence of the Council, acting unanimously (second paragraph of Article 136 of the EEC Treaty) on a proposal from the Commis-

sion. This is therefore an autonomous Community decision-making process.²

¹ It should be noted that this line of thought coincides with considerations of a more political nature which tend to minimize the 'precedent' which the solution adopted for Greenland might constitute; the OCT formula, applied in conjunction with strictly limited special provisions, rules out its use for a European territory and restricts the possibility – which is in theory infinite if *ad hoc* formulas are used – for specific application which a Member State might claim for a non-European territory with which it has special relations.

² However, the special provisions to be laid down with regard to access by Community fishermen to Greenland waters involve, whatever the legal framework, the conclusion of a bilateral agreement between the Community and the authority responsible for Greenland on the basis of Article 43 of the EEC Treaty.

Draft amendments to Treaties

[List of Heads of State]

Having regard to Article 96 of the Treaty establishing the European Coal and Steel Community,

Having regard to Article 236 of the Treaty establishing the European Economic Community,

Having regard to Article 204 of the Treaty establishing the European Atomic Energy Community,

Whereas the Government of the Kingdom of Denmark has submitted a proposal to the Council for the purpose of revising the Treaties establishing the Communities so that they cease to apply to the territory of Greenland and introducing new arrangements governing relations between the Communities and Greenland;

Whereas, in view of the special features of the territory, this proposal should be accepted and arrangements introduced permitting close links between the Community and Greenland to be maintained and mutual interests, notably the development needs of Greenland, to be taken into account;

Whereas the arrangements applicable to overseas countries and territories set out in Part Four of the Treaty establishing the European Economic Community provide an appropriate framework for these relations, although additional specific provisions are needed to cater for Greenland,

Have decided to determine by common agreement new arrangements applicable to the territory of Greenland and have, to this end, designated as their Plenipotentiaries:

[List of Plenipotentiaries]

Who, having exchanged their Full Powers, found in good and due form,

Have agreed as follows:

Comments

Article 1

The following sentence shall be added to subparagraph (a) of the second paragraph of Article 79 of the Treaty establishing the European Coal and Steel Community:

'This Treaty shall not apply to Greenland.'

Article 2

Denmark shall be inserted in the list of Member States in the first sentence of the first paragraph of Article 131 of the Treaty establishing the European Economic Community.

Article 3

The following Article 136a shall be added to Part Four of the Treaty establishing the European Economic Community :

'Article 136a

The provisions of Articles 131 to 135 shall apply to Greenland, subject to the specific provisions for Greenland set out in the Protocol annexed to the Treaty introducing special arrangements for Greenland.'

Article 4

Greenland shall be added to the list of countries in Annex IV to the Treaty establishing the European Economic Community.

Article 5

1. This Treaty shall be ratified by the High Contracting Parties in accordance with their respective constitutional requirements. The instruments of ratification shall be deposited with the Government of the Italian Republic.

2. This Treaty shall enter into force on the first day of the month following the deposit of the instrument of ratification by the last signatory State to take this step.

The ECSC Treaty does not apply to territories granted OCT treatment by the EEC Treaty. Nor does it make provision for any special arrangements for these territories.

These clauses add Greenland to the list of OCTs.

Standard formula used in previous treaties amending the original Treaties.

It would be inappropriate to make entry into force of the new arrangements subject to an implementing decision by the Council (Danish draft, Article 4(3)) or to indicate a tentative date of entry into force (Danish draft, Article 5(2)).

Article 6

This Treaty, drawn up in a single original in the Danish, Dutch, English, French, German, Greek, Irish and Italian languages, all eight texts being equally authentic, shall be deposited in the archives of the Government of the Italian Republic, which shall transmit a certified copy to each of the governments of the other signatory States.

In witness whereof, the undersigned Plenipotentiaries have affixed their signatures below this Treaty.

Done at Brussels this ... day of ... in the year one thousand nine hundred and eighty- ...

[Signatures of Plenipotentiaries]

Protocol on special arrangements for Greenland

This Protocol replaces Protocol No 4 on Greenland annexed to the Act of Accession.

Article 1

1. The treatment of fishery products, including processed products, originating in Greenland and imported into the Community shall comply with the mechanisms of the common market organization, particularly the protective clauses, and shall reflect the possibilities for access to Greenland fishing zones and the conditions granted to Community fishing vessels by an agreement to be concluded between the Community and the authority responsible for Greenland before the entry into force of this Protocol. Imports of these Greenland products into Community territory shall be fully exempted from customs duties and charges having equivalent effect and shall not be subject to quantitative restrictions or measures having equivalent effect if the arrangements for access to Greenland fishing zones are satisfactory to the Community.

2. There shall be agreed between the Community and the authorities responsible for Greenland appropriate conservation measures in respect of salmon migrating between Greenland and Community waters.

Basic principle of recognizing the mutual interests of the Community and Greenland (access for Greenland products to Community territory; access for Community fishermen to Greenland waters).

Article 2

1. The Council, acting unanimously on a proposal from the Commission, shall periodically lay down conditions for applying Article 1.

2. The Commission shall make proposals to the Council, which shall act by a qualified majority, for the transitional measures which it considers necessary by reason of the entry into force of the new arrangements, notably with regard to the maintenance of rights acquired during the period when Greenland was part of the Community, the regularization of the situation with regard to financial assistance from the Community to Greenland during the said period and the existence of fisheries conventions between the Community and third countries.

3. If application of the arrangements defined in the Treaty to which this Protocol is annexed and in the acts adopted in implementation thereof gives rise to difficulties on either side, the Commission shall make proposals to the Council without delay for the protective measures which it considers necessary, setting out the conditions and the implementing rules. The Council shall act by a qualified majority within one month.

Clauses which should make it possible to tackle various problems, foreseeable or not, linked with Greenland's withdrawal from the Community.

European Communities – Commission

Commission opinion on the status of Greenland

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Following the referendum in Greenland organized by the local government in February 1982 (which showed a majority of the electorate in favour of withdrawing from the Community), the Danish Government asked that the Treaties be amended so as to bring Greenland within the provisions governing the association of overseas countries and territories.

The Commission stated its views on this request in a formal opinion which is reproduced in this Supplement.

