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PRESIDENT JENKINS OPENS ACCESSION TALKS ON PORTUGAL

Roy Jenkins, president of the Commission of the nine-nation European Community, called for "an early and successful conclusion" to the accession talks with Portugal Tuesday as negotiations between EC and Portuguese officials opened in Luxembourg.

Portugal expects to become a member of the European Community sometime in the 1980s, perhaps concurrently with Spain, which has also applied for membership. Accession talks with Greece, which is to become the 10th member of the Community, are already nearing completion.

Jenkins' statement at the opening of the talks is printed below:

"On behalf of the Commission of the European Communities, I express my profound satisfaction at this formal opening of the negotiations which are designed to lead to Portugal's accession.

"Our meeting today, and the prospect of Portugal's accession, are made possible by the return of your country to democracy and liberty in 1974. In doing so, you clearly opted for a European future. You have subsequently passed through difficult and testing times, problems inevitably aggravated by the aftermath of decolonization. We rejoice in the reestablishment of democracy in Portugal, recalling as we do so the words of the solemn declaration of our heads of state or government in Copenhagen in April of this year that 'respect for and maintenance of representative democracy and human rights in each member state are essential elements of membership in the European Communities.'

"For the Commission, the opening of these negotiations is a further recognition of the effort to unite all the countries of Europe in a powerful and dynamic Community. The Community rests on the solid foundations of the treaties, and on the achievements which it has already accomplished.

"But it is far from having attained all its objectives. Nor should it be seen as something rigid or static. Rather it is a living organism, evolving and adapting itself to new ways of serving the European idea. As an example I mention current efforts to create a European Monetary System, which should one day be an integral part of the eventual European Union, which is our ultimate objective.

"Perhaps the other single most important development to which I should draw your attention is the forthcoming elections to the European Parliament by direct universal suffrage. These elections will further consolidate democracy in Europe. Already the existing Parliament is following the process of enlargement with the liveliest interest, and the Commission will keep it and its directly elected successor informed of progress in the negotiations with Portugal.

"As far as current and future development of Community policies is concerned, the Commission will of course equally keep the Portuguese delegation fully informed.

"As for the negotiations themselves, I can assure you that the Commission will do all in its power to bring them to an early and successful conclusion. We carried out that role faithfully in previous enlargement negotiations, and we shall do so again. We want arrangements satisfactory to both Portugal and the Community as a whole.

"As the president of the Council has already pointed out, these negotiations with Portugal will concern the terms of accession and the adjustments to the treaties. But there will be many difficulties to be faced and overcome as Portugal progresses toward integration into the Community. We are aware of the economic problems you face at the moment and we appreciate the efforts your government has already made to strengthen and reorganize your economy, efforts which will need to be further intensified if you are to face the challenge of full membership.

"Discussions will have to take place between the Commission and Portugal to see what the Community can do to support your efforts. These discussions should take place separately, but parallel with the accession negotiations.

"These economic efforts will be an important factor in the integration of Portugal into the Community. Their success will necessarily affect the accession arrangements, including the length of the transitional period. We must not be under the illusion that your present economic difficulties will be solved simply by joining the Community.

"I shall not dwell on aid to your balance of payments, nor on the financial protocol . But I underline that the Commission indicated earlier this year that Portugal's integration into the Community should be eased by 'joint actions' to support the reorganization of your economy. The Commission is ready to examine with you such possible initiatives. We believe that contacts should be established as soon as possible to examine those economic sectors which both parties consider sensitive. This will enable the Community and Portugal, even before accession, to coordinate the strategies necessary for rationalization and adjustment. The Commission is ready to open consultations on all these matters as soon as possible, to establish the nature and the scale of your needs, and to see to what extent the Community could support your government."

The Commission had given its positive opinion on the Portuguese application for membership in May this year, slightly more than a year after Mario Soares, then the prime minister of Portugal, had officially submitted his country's application for membership in the EC.

In its opinion, the Commission stated, as did Jenkins Tuesday, that "the Community cannot leave Portugal out of the process of European integration . . . The accession of Portugal, which set its face firmly towards Europe almost as soon as its democracy was restored, can only strengthen the European ideal."

The problems involved with Portuguese accession are considerable, however, because that nation's economy has structural weaknesses that place it below the poorest member-state of the Community. A period of transition will be discussed at the negotiations to allow Portugal, with EC aid, to bolster its economic base and its balance of payments.

The Portuguese government has already sought to stabilize its economy through a 1978-79 plan aimed primarily at reducing the 1978 balance of payments deficit to less than \$1 billion, while limiting inflation to 20 per cent. The Lisbon government now intends to focus on industrial and agricultural restructuring and on the development of services and infrastructures with a view toward reducing regional disparities. The new policy will also try to keep imports within bounds and boost exports.

Some facts about Portugal:

Agriculture accounts for 12 per cent of Portugal's GDP and employs 28 per cent of the working population. In 1975, agricultural products represented 22.9 per cent of total imports in value terms, and only 16.6 per cent of total exports.

Fishing accounts for 1.2 per cent of GDP and employs 0.9 per cent of the working population. Fishery products play a relatively important part in trade, however. Fresh and chilled fish constitute about 10 per cent of agricultural imports and preserved fish about 15 per cent of agricultural exports.

Portugal's industry accounts for 47 per cent of GDP and employs 33.5 per cent of the working population. From the structural angle, industry is still dominated by the traditional sectors (food, textiles, clothing, footwear, wood and cork), which account for a major share of employment and total exports. Industry is heavily concentrated in the coastal strip between Braga and Setubal, where 95 per cent of industrial production and around 80 per cent of jobs are located. It depends heavily on imports of raw materials, intermediate products and capital goods.

The services sector accounts for 41 per cent of the GDP, a relatively low percentage compared with the Community average. In terms of jobs, commerce accounts for about 12.4 per cent, transport for 5.7 per cent and banking and insurance for 2.5 per cent.

Copies of the Commission's "Opinion on Portuguese application for membership," Supplement 5/78 of the Bulletin of the European Communities, can be obtained by writing to the European Community Information Service, Suite 707, 2100 M. Street, N.W., Washington D.C. The booklet is available at a charge of \$2.10.