

COMMISSION
of the European Communities

The Enlarged Community

Outcome of the negotiations with the applicant States

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Brussels, 22 January 1972

THE ENLARGED COMMUNITY

Outcome of the negotiations with the
applicant States

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CORRIGENDA

Section 21 : — Last paragraph, read :

Following requests by certain applicant States, it was also agreed to suspend certain CCT duties and to allow tariff quotas in respect of tea, paper pulp, newsprint, unwrought lead, unwrought zinc, mimosa extract, phosphorus, plywood panels, etc. and alumina.

Section 69 : — Subtitle, read as follows :

Anglo-Irish Free Trade Area and quantitative restrictions

— Paragraph 3, read :

Ireland will be able to maintain quantitative restrictions on imports and exports of certain products

Section 75 : — First paragraph, third subpara, read :

— wine in quantities exceeding 2 litres.

Section 85 : — Replace the first and second paragraphs by the following :

On 22 January 1972 the ceremonial signing of the Final Act of the Conference with the countries applying for membership, of the Treaty of Accession and the other texts drawn up by the Conference, took place in the Egmont Palace in Brussels.

By signing the Final Act, the Plenipotentiaries of 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 Ireland, the President of the Italian Republic, His Royal Highness the Grand Duke of Luxembourg, Her Majesty the Queen of the Netherlands, His Majesty the King of Norway, Her Majesty the Queen of the United Kingdom of Great Britain and Northern Ireland and the Council of the European Communities adopted the texts which were drawn up by the Conference between the European Communities and the States which had applied for accession to these Communities.

These texts were then signed by the Plenipotentiaries of the Member States and of the four applicant countries.

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**Speech made by Mr Franco Maria Malfatti,
President of the Commission, at the signing
of the Acts of Accession,**

Brussels, 22 January 1972

More than forty years ago Winston Churchill compared the idea of European unity to a spark rising from a human hearth and flying upward. Among innumerable sparks, he said, that flash and fade away, there now and again gleams one that lights up not only the immediate scene but the whole world.

We representatives of the Community of Six are proud to have made today's historic meeting possible, having fanned the spark into a flame. It is now for the Community of Ten to transform it into the great flame of united Europe.

The signatures placed today under the Acts of Accession are the culmination of a political process pregnant with extraordinary and positive implications. The beginning was more than ten years ago, and today we are creating the dimensions and the conditions that are required if our Community is to develop and complete the political design which inspired the Treaties of Rome and Paris. We are consequently aware that the responsibilities resting on the Community's institutions, on the Governments and the peoples of the ten countries of the new Community must be measured by the immense hopes that are raised by the idea of European unity.

Like all great ideas in history, the idea of Europe has in the course of time been supported on different grounds and for different reasons.

In the immediate postwar period it stemmed mainly from the agonizing contemplation of two civil wars in Europe which have so cruelly scarred our recent history. Today, the idea of European unity draws its strength from the feeling that it is the answer to the worries of the present, the only effective way to banish the uncertainties of the future and to make realities of our hopes, that it offers a chance of playing a part in the building of a better world.

It is not only the headlong pace of scientific and technical progress, the evident need of wider continental dimensions for

rapid and harmonious development in the economic and social fields, and the aim of a better quality of life that are thrusting us along the road to the unification of Europe. We are also being driven on by the need to rebuild from the bottom up, and on more solid and broader foundations, the splintered sovereignty of the peoples of Europe, preventing the decay of this noble continent, which has been the cradle of modern civilization.

Our edifice is not, and cannot be, built for trade alone. For the system we have so laboriously built up in our Community of Six and which we will continue to build up in the Community of Ten will be unable to provide satisfactory answers to the complex problems of our era or to guarantee fully the existence of the Community unless we operate with all our strength and with an unflinching will to achieve the economic integration and political unification of our countries.

The difficulties we will encounter are of course many and serious, but the difficulties we will encounter if we do not advance would be greater and more serious. United, we will be able to write a new chapter of history, to be a powerful factor working in the cause of liberty, of security, of progress and of peace in the world. Divided, we will be no more than spectators on the fringe of history.

We must, of course, be realistic, but not in order to restrain our imagination. We must, of course, be pragmatic, but not in order to curb our ardour; we must, of course, be prudent, but not in order to undermine our courage.

Our edifice is revolutionary and original. It is revolutionary when compared with earlier historic experiments, for the unifying process we have set in motion is a joint venture undertaken by all the Member States, linked within the Community by complete equality of rights and duties. It is original because it is characterized by an institutional structure for which no equivalent can be found in earlier models. This structure rests on a European Parliament consisting of representatives of the peoples of the Community—and the strengthening of the democratic features and powers of this Parliament call for action by all the member countries of the new Community; it rests further on a Council consisting of the representatives of the Member States and endowed with a power of decision; on a Commission with real powers of its own, whose duty it is to propose and watch

over Community rules and to share in shaping the acts of the Council; and, finally, a Court of Justice which ensures that Community law is observed.

These, then, are the essential features of the edifice which we must defend and strengthen in a democratic framework, since it is they which confer on the budding Community its particular character.

The new Community is not, and does not seek to be, a new block, but a wide community of free and peaceful States and peoples each of which is bringing to the common edifice its own genius, its own glorious heritage. It is a Community of the democratic countries that are amongst the most highly developed in the world, and it is determined to make the process of unification irreversible in order to consolidate our friendships, in order to contribute decisively, on a footing of equality, to the development of the less favoured nations, and in order to develop, as a new element of equilibrium in a better international order, new cooperative relationships with all the peoples of the earth.

Never before has one generation had so many opportunities to contribute in concrete manner to the unity of Europe, the task to which so many eminent statesmen have in the past devoted their efforts and their thought.

This is the stirring challenge of our day, a challenge that we can, we must take up.

The future before the enlarged Community

by Mr Jean-François Deniau, member of the Commission

After the signature, on 22 January 1972, of the Treaty uniting to the Community of the Six, Great Britain, Denmark, Ireland and Norway, the Community will be neither wholly the same nor fundamentally different. It will not be the same inasmuch as the addition of four new members, among them Britain, make it an entity of very substantial size and weight in the world. It will not be different inasmuch as the negotiations now completed have produced a balanced Treaty in which account has been taken of the concerns and problems of the applicant countries, but formulas devised that leave fully intact what the Community has built up to date. It should be added that the negotiations proceeded in a genuine spirit of cooperation among all concerned—an encouraging point which may be most important for the future.

For so long as Britain and other European countries remained outside, the Community was incomplete, and uncertainty in this matter acted as a drag, both from the practical and from the political angle, on all plans for progress in depth. With Britain's entry the position is now clear-cut, and the new, enlarged Europe thus afforded a fresh opportunity, in the ability to seek new horizons and draw new breath—though it will have problems enough and to spare, some of them increased by the very fact of enlargement.

Internally, Community cohesion will sometimes be harder to secure with a larger number of members than before and a variety of often very special circumstances to be taken into consideration. Externally, the sheer size of the new Community, and its further ramifications through its numerous agreements of association, have already given rise to apprehensions and attacks.

One of the first tasks of the enlarged Community will thus be to frame for itself in relations to the Third World a role befitting its responsibilities. It must not present the image of a club of affluent countries engaged in working out their affairs among themselves : it must play a more active part vis-à-vis those countries that have not yet reached an adequate level of

development. And it must do so while duly preserving, and indeed reinforcing, the established Community arrangements in respect of the present associated countries, and pursuing alongside these an appropriate policy in respect of the other parts of the world.

Again, it will certainly need to negotiate changes in its relations with the United States and the other leading industrialized countries. This negotiation will yield sound and lasting results only if it is conducted on a basis of reciprocity and the acceptance of certain disciplines by all. Granted that it is well to establish at international level rules and terms of reference applying to all alike, to enable trends in trade to be carefully observed and where necessary corrected, by the same token it is unacceptable that the Community be placed under a sort of permanent supervision on plea of possible adverse effects on international trade. In a different context, the problem of the Community's relations with Eastern Europe is the risk of commitments liable to restrict its possibilities of internal development.

To acknowledge that the enlarged European Community means a changed situation for both ourselves and the rest of the world is merely stating the obvious. To agree to discuss the whole complex of our relations in order to strike a happier balance, on the basis of reciprocity, is straight common sense, and in the general interest as well. To preserve the Community's development potential and autonomy is an absolute essential, inseparable from the European idea itself and its deepest underlying grounds. The greatest danger to the European idea in the coming years is "freezing", *status quo*—call it what you will, but meaning inability to go ahead and do things, whether by reason of internal difficulties of decision-making or of external pressure or restriction.

Europe is meaningful only if it is able steadily, day after day, to push on into new fields and to make steady progress in them, or at any rate if no fresh field, no line of advance is ruled out, *a priori*. It has always needed pragmatism in its actions and vision in its aims, the two being indissociable. And what has been true in the past will be still more true in the future.

1. Recapitulation

1. The Preamble of the Treaty of Rome provides for the possibility of accession to the Community by any European State. The founder members declared that they were:

“Determined to establish the foundations of an ever closer union among the people of Europe”

and

“Resolved to strengthen the safeguards of peace and liberty by establishing this combination of resources, and calling upon the other peoples of Europe who share their ideal to join in their efforts.”

Articles 237 of the EEC Treaty, 205 of the EAEC Treaty and 98 of the ECSC Treaty specify the conditions under which a candidate country's application can lead to accession to these Treaties.

Article 237 of the EEC Treaty specifies that:

“Any European State may apply to become a member of the Community. It shall address its application to the Council, which, after obtaining the opinion of the Commission, shall act by means of a unanimous vote.

“The conditions of admission and the adjustments to this Treaty necessitated thereby shall be the subject of an agreement between the Member States and the applicant State. Such agreement shall be submitted to all the contracting States for ratification, in accordance with their respective constitutional rules.”

Applications for accession

2. On the basis of these Articles the British Government had formulated an official application for accession on 10 May 1967. The day after the British application, the Danish Minister for Commerce and European Integration, Mr Tyge Dahlgaard, had handed a letter to Mr Renaat van Elslande, the President-in-office of the Council of the European Communities, in which Denmark applied for admission to the EEC as a member. On 11 May, Mr John Lynch, Prime Minister of Ireland, also had a letter handed to the President-in-office of the Council, in which Ireland applied for membership of the EEC. This application stressed the need for negotiations to be held parallel to those envisaged with the United Kingdom, particularly in view of the Anglo-Irish agreement of December 1965, setting up a free trade area. On 21 July 1967 Mr John Lyng, Norwegian Minister for Foreign Affairs, addressed a letter to the President-in-office of the Council, Mr Karl Schiller, in which his Government requested the opening of negotiations, with a view to Norway's accession.

The reasons for the United Kingdom's request for accession were explained in Mr George Brown's declaration on 4 July 1967 to the Council of Western European Union meeting in The Hague, when he said: "We in Britain are conscious that this is a decisive moment in our history. The issue will shape our future for generations to come. We believe the same is true for Europe as a whole. And we believe that the present opportunity may not easily come again. Unless Europe is united and strengthened she will not be able to meet the challenge of the world today." After mentioning the enormous economic advantages which enlargement would bring, Mr Brown said: "The advantages for all of us of this unity will reach far wider than Western Europe itself. We see this as a major step towards a reconciliation and a revival in that larger Europe which has remained too long divided between East and West."

The British Government's most important questions concerned firstly the transition period in the various fields—these were to be "very short" for Euratom and the ECSC and longer for the obligations under the EEC Treaty—and, secondly, the major problems of the British application, namely certain points of agricultural policy, the contribution to the Community's budgetary expenditure, sugar exports from the Commonwealth, special problems of New Zealand, and a number of other questions relating to the Commonwealth.

Commission Opinion of 29 September 1967

3. In accordance with the first paragraph of Article 237 (EEC), the Commission addressed to the Council, on 29 September 1967, a preliminary Opinion in which the chief problems involved in the enlargement of the Community were analysed.¹ This Opinion particularly stressed that the accession of new members such as the United Kingdom, Ireland, Denmark and Norway, whose political and economic structures and level of development are very close to those of the present Member States, could both strengthen the Community and afford it an opportunity for further progress, provided the new members accepted the provisions of the Treaties and the decisions taken subsequently.

First, the Commission was of the opinion that the new members should, as a general rule, accept the arrangements adopted by the founder members before extension, subject to any exceptional adjustments that may be made. In particular, they would have to accept:

- (1) The Community customs tariffs in their entirety and their gradual application to all third countries;

¹ This Opinion was published under No. 8220-1967 by the Publications Office of the European Communities.

- (2) The basic principles of the common policies with the provisions for their implementation;
- (3) The contractual obligations of the Communities towards third countries;
- (4) The institutional machinery of the Communities as established by the Treaties, subject only to those adjustments rendered necessary by the representation of the new Member States.

Furthermore, the Commission recommended to the new members that they agree with the founder members on the solution of a number of problems of vital importance for the harmonious development of an enlarged Community. These were in particular the relations to be established with European countries—notably any EFTA countries which did not join the Community—and with the Commonwealth countries.

Finally, the Commission considered that, if full advantage was to be taken of the opportunities which extension opened up for the Community, it was necessary that the Member States be in a position within the not too distant future to make progress along the road to political union.

The Council's work from 18 December 1967 to 22 July 1969

4. The Council session on 18 and 19 December 1967, devoted to considering the applications for membership from the United Kingdom, Denmark, Ireland and Norway, did not result in agreement to open negotiations with the applicant countries. This difference of opinion was a point of major concern throughout 1968, during which period Member States formulated a number of suggestions all aimed at making interim arrangements between the Community and the countries seeking membership.

For instance, on 19 January 1968, the three Benelux countries put a proposal before the other Member States and the Commission for the establishment:

- (a) in the economic field, of a procedure for consultation between the Community and the applicant countries;
- (b) in the political field, of closer cooperation in order to achieve the political unification of Europe.

Similarly, the meeting between the French President and the German Federal Chancellor in *Paris* on 16 February 1968 ended with a joint declaration in which the two Governments affirmed that, until enlargement became possible, they were willing to envisage such arrangements between the Community and the applicant countries as would help to expand trade in industrial and agricultural products and to facilitate subsequent adhesion to the Community of the countries which had requested it.

On 23 February 1968 the *Italian* Government drew up its own proposals, according to which the six Member States were to adopt measures to reduce the gap between the Community and the candidate countries and would, in particular:

- (a) ask the Commission to continue studying the matter of the applicants' membership;
- (b) authorize the Commission to propose suitable measures for coordinating short-term economic policies within the OECD;
- (c) reach agreement on participation of their Ministers of Economic Affairs and of Finance in the quarterly meetings of the WEU.

Finally, on 27 February 1968, the *Belgian* Government submitted a memorandum on technological cooperation in Europe. This document emphasized the need for joint action based on a clearly defined political will.

5. The *Commission* was requested by the Council to analyse the various proposals and rendered an Opinion to the Council on 2 April 1968. In this Opinion it said that the Member States would seem not to disagree on certain fundamental points, and suggested the general lines which could be followed in drafting an agreement that would pave the way to membership for the four applicant countries. The Commission believed that this agreement should:

- (a) be regarded as providing for a phase of adaptation, notably to facilitate as much as possible the rapid re-establishment of lasting economic equilibrium in the United Kingdom;
- (b) serve as a framework for endeavours to bring the Community and the applicant countries closer together, so that, not too long after their accession, they would be able to assume all the responsibilities and enjoy all the advantages of membership of the Community.

The Council session of 27 September 1968, which was devoted to this matter, was preceded by the submission of a memorandum from the *German* Government. This document stressed the need, so long as new members could not be admitted, for interim measures to strengthen ties between the Communities and the applicant countries and to facilitate and prepare the way for their ultimate membership. It recommended action in three fields: trade relations, technological cooperation, and permanent contacts.

Since no agreement was reached on these proposals, the matter was postponed to 4 and 5 November 1968. At this Council session, the French Foreign Minister explained the nature and limits of the arrangements he envisaged, stressing the fact that trade arrangements would not be a substitute for the procedure leading to membership.

During the first half of 1969 the work done by the Commission and Council on enlargement of the Community was mainly concerned with studies on the possibility of concluding arrangements with the applicant countries.

But from July 1969 on the task of examining the applications for membership was resumed by the Council, which asked the Commission to bring up to date the Opinion it had rendered on 29 September 1967.

Commission Opinion of 1 October 1969

6. The Commission submitted its supplementary Opinion on 1 October 1969, pointing out that the general lines and conclusions of its Opinion of 1967 were still valid.¹

However, as a result of developments since then, the Commission concluded that the close links existing between the problem of strengthening and the problem of enlarging the Community meant that it was no longer possible to deal with them separately and that they should therefore be considered simultaneously, because "only a strong Community can provide a suitable framework for receiving the applicant States."

The Commission affirmed that the aim of the negotiations should be to find solutions which would make it possible to establish conditions guaranteeing the cohesion and the dynamism essential to an enlarged Community, and expressed the opinion that these negotiations should be opened as soon as possible.

Conference of Heads of State or Government at The Hague

7. This Opinion has formed the basis of the work carried out since then, especially in preparing for the Summit Conference. On the initiative of the French Government and at the invitation of the Netherlands Government, the Heads of State or Government and the Ministers of Foreign Affairs of the Member States of the European Communities met at The Hague on 1 and 2 December 1969.

The guidelines laid down at the Conference were published in a communiqué from which the following extracts should be given here:²

... (4) ... "The European Communities remain the original nucleus from which European unity has been developed and intensified. The entry of other countries of this continent to the Communities—in accordance

¹ This Opinion was published under No. 4001/1969 by the Office for Official Publications of the European Communities.

² *Third General Report (1969)*, Annex — Documents on the Summit Conference.

with the provisions of the Treaties of Rome—would undoubtedly help the Communities to grow to dimensions more in conformity with the present state of world economy and technology. The creation of a special relationship with other European States which have expressed a desire to that effect would also contribute to this end. A development such as this would enable Europe to remain faithful to its traditions of being open to the world and increase its efforts on behalf of developing countries.

... (13) ... "The Heads of State or Government reaffirmed their agreement on the principle of the enlargement of the Community, as provided by Article 237 of the Treaty of Rome.

"In so far as the applicant States accept the Treaties and their political objective, the decisions taken since the entry into force of the Treaties and the options made in the sphere of development, the Heads of State or Government have indicated their agreement to the opening of negotiations between the Community on the one hand and the applicant States on the other."

2. Negotiating positions

The Communities

8. At its meeting on 8 and 9 December 1969, the Council of the Communities, taking the view that a common negotiating basis would need to be established if the negotiations were to be effectively begun, decided to undertake the indispensable preparatory work on the following matters: the necessary adjustments to the various institutions in the light of enlargement, the transitional period for agriculture and industry, the major issues concerning relations with the Commonwealth, the problems with regard to ECSC and Euratom, and the negotiation procedure.

Accordingly, at the conference with which the negotiations opened, in Luxembourg, on 30 June 1970, the President-in-office of the Council, the Belgian Foreign Minister Mr Pierre Harmel, informed the applicants of the positions and methods the Community was adopting for the negotiations on a number of basic points. The Community posed the principle, he said, that the applicant States "accept the Treaties and their political objectives, all decisions taken since the Treaties came into force, and the options chosen in the field of development". These decisions included the agreements concluded by the Community with third countries.

For the Community, "the rule which must govern the negotiations is that the solution of any problems of adjustment which arise must be sought in the establishment of transitional measures and not in changes of existing rules".

If transitional measures should, however, prove necessary as a result of enlargement, they must not exceed the time required to complete the transition. "As a general rule, they must incorporate precise time-tables." An initial significant tariff reduction must be made by both sides upon the entry into force of the accession treaties. The transitional measures would have to be "conceived in such a way as to ensure an overall balance of advantages" for all concerned.

Similarly, "it will be necessary to ensure that the advances made in freedom of movement for industrial goods are kept in step with the establishment of the common agricultural market". The length of the transitional period must be the same for all the applicants.

If transitional measures were needed in other fields, their duration might vary with the subject matter and the applicant concerned, "provided this is possible and desirable".

Mr Harmel drew the applicant States' attention to the need for the several accession treaties to come into force on the same date.

On the relations of the enlarged Community with the developing countries, he said that the accession of new members would entail new responsibilities towards these countries, which would have to be met in appropriate ways. "With this in view, the enlarged Community must be ready to continue its policy of association with the Associated African States and Madagascar and with any other independent African countries of comparable structure and level of development which request association with a view to promoting their economic and social development." However, the enlargement of the Community and "the possible extension of the policy of association must not lead to a weakening of relations with the present Associated States".

The representatives of the applicant countries then outlined in their turn respective negotiating positions.

United Kingdom

9. On behalf of his Government, Mr Barber, Chancellor of the Duchy of Lancaster and Minister with special responsibility for European affairs, renewed the previous Government's assurance that the Treaties establishing the three European Communities and the decisions flowing therefrom would be accepted.

While in favour of a short transitional period in the case of Euratom and ECSC, Mr Barber envisaged a longer one for Britain's adjustment to the EEC Treaty, more particularly in connection with the British contribution to expenditure from the Community budget under the financial regulations adopted by the Community, with certain points in the agricultural policy (including the common fisheries policy), with Commonwealth sugar exports, with the special problems of New Zealand, and with certain other Commonwealth matters.

Denmark

10. Mr Nyboe Andersen, the Danish Minister of Economic Affairs and European Integration, confirmed Denmark's willingness to accept the Treaties and subsequent decisions, the political objectives of the Treaties, and the choices made for the further development of the Community in the monetary, economic, industrial and technical fields. He touched on the importance of the fishing industry to his country, on Denmark's close ties with the other Nordic countries and those of EFTA, on manpower problems in the context of the Nordic labour market, and on points arising with respect to the Faroes and Greenland. Denmark did not in fact feel a transitional period was necessary, but was prepared to accept the principle in view of the difficulties other applicant States might have to face.

Ireland

11. Mr Hillery, the Irish Foreign Minister, said his Government unreservedly shared, as it had done in 1961 and in 1967, the ideals of the parties to the Treaties of Rome and Paris, and accepted their political and economic aims and the decisions taken to implement them.

With regard to such transitional measures as might prove necessary, Mr Hillery emphasized that, while the common agricultural policy as such presented no difficulties for Ireland, the specific regulations on plant and animal health, and the Community's common fisheries policy, could create some problems. On the industrial side, in view of the small dimensions of Irish industry, transitional measures would be needed for certain sectors. Mr Hillery added that his country was most anxious to conserve the advantages of the Anglo-Irish free trade area.

Norway

12. Mr Stray, the Norwegian Foreign Minister, stressed the special problems of Norwegian agriculture, which by reason of its geographical distribution called for special solutions. Other major items which would need to be carefully studied in Norway's case were fisheries, capital movements, right of establishment, and the Svalbard coalmines. Mr Stray also emphasized the importance to Norway's economy of the close ties it had developed and wished to maintain with the other EFTA countries, and the value it placed on the existence of the Nordic labour market.

3. Procedure for the negotiations

The role of the Council

13. In its Opinion of 1 October 1969, the Commission drew the Council's attention to the question of the negotiation procedure and advocated dividing the negotiations into two phases:

"The first phase would be conducted on the same lines as the Kennedy Round. The Commission would be given a mandate to negotiate on behalf of the Community; it would keep the Council constantly informed and would follow the directives given it by the Council. It will be remembered that this method worked well for four years during the Kennedy Round and led to the success of the negotiations, to the satisfaction of the Council and of the Member States. This phase of the negotiations would embrace the problems posed by common policies already in operation or in course of elaboration (common external tariff, common agricultural policy and so on), for which Community-type negotiations seem particularly appropriate.

"There would then be a second phase, conducted by the Member States meeting within the Council. Once they had decided on the acceptability of the results achieved during the first phase, the Member States would devote themselves first and foremost to the more specifically political issues, such as the general political problems resulting from the enlargement of the Community, institutional problems, and the adjustments to be made to the texts of the Treaties.

"The Commission is convinced that a procedure of this kind, which has proved its worth in the past, would allow of more coherent, more dynamic and also more rapid negotiations and that it would offer a greater chance of success. When the time comes, it would be well to discuss this procedure with the non-member countries concerned."

14. At its session of 8 and 9 June 1970, however, the Council rejected the Commission's suggestions and decided that the European Communities would employ the following "uniform procedure at all levels and for all questions".¹

"Acting on a proposal from the Commission, the Council will settle the joint position of the European Communities on all the problems raised by the membership negotiations. Pursuant to Article 4 of the Treaty of 8 April 1965 establishing a single Council and a single Commission of the

¹ See *Bulletin of the European Communities* 8-70, Part Two, sec. 101.

European Communities, the relevant Council discussions will be prepared by the Committee of Permanent Representatives of the Member States.

"The negotiating meetings between the European Communities and the candidate countries will, on the European Communities' side, be presided over at all levels by the country currently presiding over the Council of the European Communities (paragraph 5).

"In the negotiations with the candidate countries, the European Communities' joint position will be stated and defended either by the President-in-Office of the Council or, if the Council so decides, by the Commission, particularly in cases where a common Community policy has already been adopted (paragraph 6).

"The rules set out in paragraphs 5 and 6 above will also apply where the negotiations are carried out at the level of the Permanent Representatives or of any working parties that may be set up.

"Furthermore, the Council hereby states its readiness to instruct the Commission to seek, in liaison with the candidate countries, possible solutions to specific problems arising in the course of the negotiations. The Commission will report back to the Council, which will then give it any directives required to pursue the matter further, if necessary, with a view to working out the basis of an agreement to be submitted to the Council.

"This provision will apply in particular in cases where a common policy has already been adopted."

In the light of the outcome and achievements of the Conference, it should be said that this procedure decided on by the Council—which may sometimes have seemed somewhat cumbersome in its workings—owes its success largely to the complementary nature of the two institutions, the Council and the Commission.

The role of the Commission

15. The Commission's role in the negotiations proper cannot be discussed without mentioning the importance of its action which found expression in the Opinions of 29 September 1967, 1 October 1969 and 19 January 1972, and in the numerous memoranda it submitted to the Council on the preparation of a Community negotiating position. The Commission played a vital role in this groundwork.

The absence of a negotiating mandate did not limit the scope of the Commission's activities in connection with the negotiations. The Commission's task is to reflect and to take action, and whenever the occasion arose it submitted one or more compromise solutions which provided a

basis for a joint position of the Six and subsequently for an agreement with the candidate country concerned. It also had the very difficult task of explaining the scope of Community legislation to the delegations of the applicant countries. The result of these explanations was that many requests made in the Conference by these countries were subsequently withdrawn.

In the course of arduous negotiations on key political issues, the Commission was frequently instructed by the Council to sound out one or other of the candidate countries' delegations in pursuit of an arrangement acceptable to both sides. The Commission thus acted as a go-between in the process by which the Council and the candidate countries reached agreements.

In addition, the Commission was entrusted with a task of undoubted importance in both complexity and scope: in liaison with the candidate countries' delegations, it studied the technical adaptations to be made to Community rules and regulations to allow for the new situation which would be created by enlargement. The corpus of secondary Community law—covering some ten thousand pages of the *Journal officiel* which will come into force on 1 January 1973 was reviewed with the delegations of the four candidate countries. In accordance with its mandate, the Commission submitted 36 interim reports to the Council. Furthermore, the Commission was also instructed to finalize the English, Danish and Norwegian versions of the Treaties and of existing Community rules and regulations—close on 35 000 pages being involved in this case. Finally, the Commission translated the Common Customs Tariff into English, and dovetailed the customs tariffs of the United Kingdom, Ireland, Denmark and Norway into it.

4. Results of the negotiations

16. The negotiations which opened in Luxembourg on 30 June 1970 were completed in nineteen months. They comprised 13 ministerial and 38 deputy-level meetings with the United Kingdom, 10 ministerial and 17 deputy-level meetings each with Norway and Ireland, and eight ministerial and 16 deputy-level meetings with Denmark. In addition, there were the very numerous internal Community meetings to agree the negotiating position, and the multilateral meetings on specific matters, notably the adaptation of the secondary legislation and the drafting of the Treaty of Accession.

At the outset, in accordance with the Commission's statements of its views on 29 September 1967 and 1 October 1969, the Community laid down the basic principle that the applicant States should accept the Treaties and their political objectives, the decisions of all kinds taken since their entry into force, including agreements with third countries, and the choices made in the development field.

As the negotiations proceeded it became clear that this principle, which was accepted in outline by the applicant countries on the opening day, 30 June 1970, was indeed being respected. All the problems of adjustment which were raised were duly dealt with by providing for transitional measures and not by altering the existing rules governing Community affairs; moreover the majority of these measures are to run for five years or less.

17. This stand adopted by the Community from the start of the negotiations is clearly reflected in the arrangements worked out in the course of the proceedings, and in the principles governing the Treaty of Accession.

These are as follows:¹

From the date of accession, the provisions of the original Treaties and the acts adopted by the institutions of the Communities shall be binding on the new Member States and shall apply in those States under the conditions laid down in those Treaties and in this Act.

The new Member States accede by this Act to the decisions and agreements adopted by the Representatives of the Governments of the Member States meeting in Council. They undertake to accede from the date of accession to all other agreements concluded by the original Member States relating to the functioning of the Communities or connected with their activities.

¹ Articles 2, 3 and 4 of the Act concerning the Conditions of Accession and the Adjustments to the Treaties.

The new Member States undertake to accede to the conventions provided for in Article 220 of the EEC Treaty, and to the protocols on the interpretation of those conventions by the Court of Justice signed by the original Member States, and to this end they undertake to enter into negotiations with the original Member States in order to make the necessary adjustments thereto.

The new Member States are in the same situation as the original Member States in respect of declarations or resolutions of, or other positions taken up by the Council, and in respect of those concerning the European Communities adopted by common agreement of the Member States; they will accordingly observe the principles and guidelines deriving from those declarations, resolutions or other positions and will take such measures as may prove necessary to ensure their implementation.

The agreements or conventions entered into by any of the Communities with one or more third States, with an international organization or with a national of a third State shall, under the conditions laid down in the original Treaties and in this Act, be binding on the new Member States.

The new Member States undertake to accede, under the conditions laid down in this Act, to agreements or conventions concluded by the original Member States and any of the Communities, acting jointly, and to agreements concluded by the original Member States which are related to those agreements or conventions. The Community and the original Member States shall assist the new Member States in this respect.

The new Member States accede by this Act and under the conditions laid down therein to the internal agreements concluded by the original Member States for the purpose of implementing the agreements or conventions referred to in the above paragraphs.

The new Member States will take appropriate measures, where necessary, to adjust their positions in relation to international organizations and international agreements, to which one of the Communities or other Member States are also parties, to the rights and obligations arising from their accession to the Communities.

GENERAL MATTERS

Interim period

18. During the period running from the close of the negotiations until the entry into force of the Treaty of Accession, joint procedures will be

implemented so as to ensure that the decisions made by the Community's institutions take due account of the interests of the applicant countries as future members of the Community.

At Council level

19. Consultations will take place prior to any decisions being adopted.

This procedure will also apply to any decisions to be taken by the applicant countries which might have an effect on the undertakings they have made as future members of the Community. Administrative decisions should not as a general rule involve consultation.

Consultations will take place within an Interim Committee, made up of representatives from the Community and from the candidate States.

On the Community side, the members of the Interim Committee will be the members of the Committee of Permanent Representatives or their nominees, who, as a general rule, will be their alternates. The Commission is invited to be represented on this Committee.

The Interim Committee will be assisted by a Secretariat; this will be the Secretariat of the Conference, which will be kept in being for this purpose.

Consultations will take place as a matter of course as soon as the preparatory work done at Community level with a view to the adoption of decisions by the Council of the Communities has defined common guidelines in accordance with which these consultations may usefully be held.

If the consultations should leave major difficulties still unsolved, the question at issue could be brought up at ministerial level at the request of a candidate State.

At Commission level

20. The Commission will inform the candidate States of all its proposals or memoranda which might lead to Council decisions, once these have been submitted to the Council. Beforehand, it will have gathered all the facts necessary to assess the effects of these proposals in the light of the prospects of an enlarged Community.

In addition, in order to ensure that its own decisions take proper account of the interests of the candidate States, the Commission will consult them before adopting any decision likely to affect them as future members of the Community.

Free movement of goods

Industrial

21. Customs duties between the new Member States and the Community are to be scaled down to nil by five successive steps of 20% each, the first scheduled for 1 April 1973 and the last for 1 July 1977. The new members' tariffs vis-à-vis third countries are to be approximated to the common external tariff of the Community by four steps, 40% on 1 January 1974 and 20% on 1 January 1975, 1 January 1976 and 1 July 1977.

In the case of a small number of products for which there are agreed preference margins between Britain and certain other Commonwealth preference countries, Britain may defer the first tariff cut until 1 July 1973.

Following requests by Britain and Ireland, it was also agreed to allow tariff quotas in respect of tea, unwrought aluminium, silicon carbides, ferro-silicon, ferro-chromium, paper pulp, newsprint, unwrought lead, unwrought zinc, mimosa extract, phosphorus, plywood panels, etc. and alumina.

Agricultural

22. The Treaty of Accession lays down that, as from 1 February 1973, the new Member States shall apply the common rules and regulations concerning agriculture at both internal and external level. This means:

- (i) The implementation in the new Member States of the machinery and instruments of the common agricultural policy;
- (ii) Simultaneously, the abolition of all those measures incompatible with the market organizations and particularly quantitative import restrictions, vis-à-vis both the other Member States and third countries, wherever this is required under the Community regulations.

23. A number of transitional measures are to be introduced with regard to agricultural prices, to the new Member States' customs duties, and to certain fixed components.

(a) *Approximation of prices.* In the case of all products subject to price-fixing, the new Member States are to approximate their prices to the common level by six steps over the five-year transitional period ending 31 December 1977, following a set rate and time-table. To help enable the integration to proceed smoothly, a tolerance of not more than 10% on either side of the price adjustment for any one marketing year may be allowed (see Table 1).

To offset the effects of any price differences still remaining during the transitional period, there is to be a system of "compensatory amounts".

In intra-Community trade the charging or refunding of the compensatory amount itself will be the only arrangement applying, while in trade between the new Member States and third countries the Community levies and refunds will operate minus or plus the compensatory amount, as the case may be.

The compensatory amount equals the difference between the price that would result from the straight application of the common price level without transitional measures and the price actually applied in the new Member States at each stage of the transitional period.

(b) *Tariff adjustments.* For products dutiable on importation into the Community, the duties between the Member States of the enlarged Community will be phased out, while the new Member States' duties vis-à-vis third countries will be approximated to the CCT.

The two processes are to take place, for intra- and for extra-Community trade, as follows:

- (i) *Beef and veal:* five steps of 20%, each at the beginning of the marketing year;
- (ii) *Horticultural products:* five steps of 20%, at the beginning of the calendar year, the first on 1 January 1974 and the last on 1 January 1978, subject to a maximum 10% tolerance from 1 January 1975 onwards;
- (iii) *Other products, including fishery products:* as for industrial products (see Table 1), except for the first "intra" reduction, scheduled for 1 July 1973.

(c) The fixed components designed to protect the processing industry in respect of processed cereals, rice, fruit and vegetables are to be reduced in both "intra" and "extra" trade, and aligned in five steps on the Community components at the beginning of the marketing year for the basic products from which they are derived.

(d) On the other hand, the fixed components for the processing industry for products not included in Annex II (Regulation No. 1059/69) will move in accordance with the time-table for the industrial sector (see Table 1).

24. The application by the new Member States of the Community agricultural system in conjunction with the transitional measures will mean that as soon as these are put into effect Community preference in respect of agricultural products will extend to the whole of the Community.

TABLE 1

Time-Table for enlargement :
Dates of reductions or approximations

Agricultural products												
Industrial products and fixed components Regulation No. 1059/69 (processed agricultural products not listed in Annex II)			Price approximation		Tariffs adjustments							
			Proportions of differences remaining between Community prices on new member's prices in each marketing year		Beef and veal		Horticultural products ¹		Other products		Agricultural products with Fixed components for cereals, rice and fruit and vegetables sectors	
extra	intra		intra		extra		intra		extra		intra ²	
—	1-4-73	20%	start of marketing year		{ '73 20% '74 20% '75 20% '76 20% '77 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }	
40%	1-1-74	20%	start of marketing year		{ '73 20% '74 20% '75 20% '76 20% '77 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }	
20%	1-1-75	20%	start of marketing year		{ '73 20% '74 20% '75 20% '76 20% '77 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }	
20%	1-1-76	20%	start of marketing year		{ '73 20% '74 20% '75 20% '76 20% '77 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }	
20%	1-7-77	20%	31-12-77		{ '73 20% '74 20% '75 20% '76 20% '77 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }		{ 20% 20% 20% 20% 20% }	

¹. Subject to tolerance of 10% of price or tariff adjustment for step concerned.

². Each "start of marketing year" is for the basic products from which these are processed.

Fisheries

Fishing rights

25. Notwithstanding the provisions of Article 2 of Council Regulation (EEC) No. 2141/70 dated 20 October 1970 on the establishment of a common structural policy for the fishing industry, the Member States of the Community will be authorized until 31 December 1982 to restrict fishing in waters under their sovereignty or jurisdiction, situated within a limit of six nautical miles calculated from the base lines of the coastal Member State, to vessels traditionally fishing in those waters from ports in that geographical coastal area.

Member States availing themselves of this derogation must not adopt provisions dealing with conditions for fishing in these waters which are less restrictive than those applied in practice at the time of accession.

To enable a satisfactory overall balance of fishing operations to be established within the Community during the above period, it was agreed that the Member States need not make full use of the opportunities presented by the derogation in certain areas of the maritime waters under their sovereignty or jurisdiction.

Member States are to inform the Commission of the measures they adopt for this purpose; on a report from the Commission the Council will then examine the situation and, where necessary, issue recommendations to the Member States accordingly.

The six-mile limit is to be extended to twelve miles for the following areas:

United Kingdom: the Shetlands and Orkneys; the north and east of Scotland, from Cape Wrath to Berwick; the north-east of England, from the river Coquet to Flamborough Head; the south-west from Lyme Regis to Hartland Point (including twelve miles around Lundy Island); County Down.

Ireland: the north and west coasts, from Lough Foyle to Cork Harbour in the south-west; the east coast, from Carlingford Lough to Carnsore Point, for crustaceans and molluscs (shellfish).

Denmark: the Faroe Islands; Greenland; the west coast, from Thyborn to Blaavandshuk.

Norway: the coast between the Norwegian-Soviet frontier and Egersund.

France: the coasts of the *Départements* of Manche, Ille-et-Vilaine, Côtes-du-Nord, Finistère and Morbihan.

These provisions will not affect any special fishing rights enjoyed at 31 January 1971 by individual Member States of the Community in regard to one or more other Member States.

From the sixth year after accession at latest, the Council, acting on proposals from the Commission, will determine conditions for fishing with a view to ensuring protection of the fishing grounds and conservation of the biological resources of the sea.

Before 31 December 1982, the Commission is to present a report to the Council on the economic and social development of the coastal areas of the Member States and the state of stocks. On the basis of that report, and of the objectives of the common fisheries policy, the Council, acting on a proposal from the Commission, will examine what arrangements should follow the derogations in force until 31 December 1982.

Special protocol on Norway

26. This instrument acknowledges the very great importance of the fishing industry for Norway in consequence of Norway's special geographical situation. Fisheries and related industries constitute an essential activity for the population of a large part of the coastal areas where other possibilities of employment are limited. It adds that the Conference shares the objectives of the Norwegian Government regarding the maintenance of a satisfactory demographic balance in the areas of Norway that are essentially dependent on inshore fishing. The institutions of the Community are accordingly recommended to take particular account, in the examination of the Commission report provided for in the Act of Accession,¹ of the problems facing Norway in the field of fisheries, both in the context of its general economy and for reasons stemming from the particular demographic and social structures of the country, and so to act that the provisions then to be made are drawn up accordingly; these may include, among other measures, extension of the derogations beyond 31 December 1982, to an appropriate degree and in accordance with rules to be determined.

Common organization of the market

27. It was agreed that the institutions of the Community will adopt a number of provisions concerning, among other matters, adjustment of withdrawal prices, extension of the rules of the producers' organizations,

¹ Sec. 18 (II,1).

fish meals and fish oils, deep-frozen fish, export refunds, and marketing rules in respect of certain kinds of fresh and chilled fish.

Veterinary legislation

28. The new Member States are to be allowed transitional periods running in most cases to 31 December 1977 for the application of Council Directive No. 64/432 on veterinary health inspection questions in intra-Community trade in cattle and pigs.

The Commission is to submit to the Council by 1 July 1976 a report and, where necessary, proposals, relating to developments in the veterinary field in the Community as a whole and in its various parts.

Five years is also to be allowed for the application of Directive No. 64/433 on health protection questions in intra-Community trade in fresh meat.

Other measures

Dumping

29. Should it be found during the transitional period that dumping is being practised between the Community as originally constituted and the new Member States or between the new Member States themselves, the Commission will issue a recommendation to the offender or authorize the injured States or States to take protective measures. Ireland is to be permitted to take the necessary measures itself and then notify them to the Commission, which may decide to modify or abolish them.

As regards dumping in relations with third countries, the new Member States will be able to adopt national measures during the transitional period, as under Article 26 of the anti-dumping regulation.

Abolition of quantitative restrictions

30. Quantitative import and export restrictions between the original and the new Member States, and between the new Member States themselves, are to be abolished from 1 January 1973, except in regard to scrap, for which a transitional time-limit¹ is to be allowed. Measures of equivalent effect to quantitative restrictions are to be abolished by 1 January 1975.

Application of the CCT nomenclature

31. For technical reasons Britain, Denmark and Norway will not be applying the Common Customs Tariff nomenclature until 1 January 1974.

¹ See also sec. 33b(II, 1).

Also, in the case of agricultural products and of processed agricultural products covered by special trade arrangements, the CCT nomenclature is to be applied in full in trade between Member States and with third countries at the latest on 1 February 1973.

Implementation of the system of own resources

32. From 1 January 1973 the new Member States will implement the decision of 21 April 1970 on Community provisions for own resources, in particular, with respect to the allocation to the Community budget of agricultural levies, customs duties and, in 1975, of part of VAT corresponding to 1% of a uniform basis of assessment for the whole of the Community. The new Member States' financial shares will, however, become due only gradually during the transitional period of five years (45% in 1973; 56% in 1974; 67.5% in 1975; 79.5% in 1976; 92% in 1977).

The financial contributions of the future Member States to the budget of the Communities are allocated as follows:

Denmark	2.42%
Ireland	0.60%
Norway	1.66%
United Kingdom	19.00%

These percentages have also been chosen to calculate the theoretical relative share of the future Member States in the 1972 budget. In this way, for example, the theoretical relative share of the United Kingdom in the 1973 budget will be between 19.19% (1972 share plus 1%) and 18.715% (1972 share less 1.5%) of all expenditure. However, the actual financial participation of this country in 1973 will be only 45% of the relative share thus calculated.

33. From 1 January 1978 the new Member States will be required to pay their full contributions, although the following corrective factors will be applied:

- (a) The increase in the relative financial contribution of the applicant States for 1978, the first year of post-transitional corrective factors, must not exceed two-fifths of the difference between their relative actual financial contribution for 1977 and what would have been their relative actual share if the final system of own resources had been applied in full;
- (b) For 1979, the second year of post-transitional corrective factors, the increase in the financial contributions of the applicant countries, expressed as a percentage of the Community budget, must not exceed that of the preceding year.

34. Up to 31 December 1979 the part of the Community budget which is not covered by the financial contributions of the new Member States is to be divided between the original members according to the provisions of the decision of 21 April 1970.

Institutions of the enlarged Community

The institutions of the Community will have to be adapted on enlargement.

Council

35. The Council will consist of ten members, one for each country.

1. Qualified majority with weighting of votes

The votes of the members of the Council will be weighted as follows: Germany 10, France 10, Italy 10, United Kingdom 10, Belgium 5, Netherlands 5, Denmark 3, Ireland 3, Norway 3, Luxembourg 2, total 61.

For a decision to be adopted by qualified majority on a proposal of the Commission, at least 43 votes must be cast in favour of the proposal. When the Council acts without a proposal of the Commission, a decision is adopted only if the required 43 votes in favour are cast by at least six members.

2. Simple majority

As the Community is made up of ten States, the simple majority will be six States.

3. Voting arrangements for the Council acting under the ECSC Treaty

The majority of five-sixths provided for solely in Article 95 paragraph 4 of the Treaty of Paris for the procedure known as "minor revision" will be increased to nine-tenths of the members of the Council.

Wherever the ECSC Treaty requires the assent of the Council, that assent shall be considered to have been given if the proposal submitted by the High Authority receives the approval:

- (a) Of an absolute majority of the representatives of the Member States including the votes of the representatives of two States which each produce at least 1/8th of the total value of the coal and steel output of the Community;
- (b) Or, in the event of an equal division of votes, and if the High Authority maintains its proposal after a second discussion, of the

representatives of three Member States which each produce at least 1/8th of the total value of the coal and steel output of the Community.

Decisions of the Council other than those which require a qualified majority or unanimity, shall be taken by a vote of the majority of its members; this majority shall be considered to be attained if it represents an absolute majority of the representatives of the Member States, including the votes of the representatives of two Member States which each produce at least 1/8th of the total value of the coal and steel output of the Community. However, for the purposes of applying those provisions of Articles 78, 78ter and 79 quinquies of the ECSC Treaty which require a qualified majority, the votes of the members of the Council shall be weighted in the same way as shown under 1 above.

The majority of 2/3rds will be attained when seven Member States cast their votes in favour.

4. Committees

The number of members of the ECSC Consultative Committee will be increased to at least 60 and at the most 84.

The number of members of the Euratom Scientific and Technical Committee will be increased from 20 to 28, the United Kingdom having 5 members and Denmark, Ireland and Norway each one member.

The number of members of the committees set up under secondary Community law will be adapted to the new conditions of enlargement.

5. Rotation of the presidency of the Council

This rotation, which is based on the alphabetical order of the names of the Member States each expressed in the national language, will be as follows:

Belgique - België
Danmark
Deutschland
France
Ireland
Italia
Luxembourg
Nederland
Norge
United Kingdom

The Presidency will continue to be held for a period of six months.

Commission

36. The Commission of the enlarged Community will consist of 14 members, of the following nationalities: Germany, France, Italy and the United Kingdom, two members each; the other six Member States, one member each.

The number of Vice-Presidents of the Commission will be increased to five.

When the Act of Accession comes into force, the present members will cease to hold Office and the 14 members of the new Commission will be appointed for a normal term of four years. At the same date, the President and the Vice-Presidents will be appointed for a normal term of two years.

European Parliament

37. The total number of members of the Parliament will be increased to 208 representatives, allocated as follows: Germany 36, France 36, Italy 36, United Kingdom 36, Belgium 14, Netherlands 14, Denmark 10, Ireland 10, Norway 10, Luxembourg 6.

Economic and Social Committee

38. The total number of members of the Committee will be increased to 153, allocated as follows: Germany 24, France 24, Italy 24, United Kingdom 24, Belgium 12, Netherlands 12, Denmark 9, Ireland 9, Norway 9, Luxembourg 6.

Court of Justice

39. The Court of Justice will consist of 11 judges and will be assisted by three advocates-general.

Every three years there will be a partial replacement of the judges, six and five judges being replaced alternately. Every three years there will be a partial replacement of the advocates-general, one and two advocates-general being replaced alternately.

ECSC

40. The applicant countries will implement the ECSC Treaty in the following way:

Transitional provisions for the iron and steel industry

Internal customs duties applying to coal and steel products covered by the Treaty of Paris will be reduced at the same pace as customs duties in general (over a period of 4 ½ years), the basic duty being that actually in force on 1 January 1972.

The alignment on the external duties for iron and steel, for which a common tariff exists in the Community following the Kennedy Round negotiations, will be carried out at the same pace as the alignment on the Common Customs Tariff, the basic duties also being those actually in force on 1 January 1972.

For exports of waste and scrap metal of iron or steel to countries not members of the enlarged Community, acceptance of the regulations at present in force in the Community will imply acceptance of the principle that these exports are prohibited, subject to the derogation allowed for specific quantities and periods by agreement between the representatives of the Member States' Governments.

For traffic between member countries of the enlarged Community, the control over exports of such waste and scrap can be maintained during a transitional period, notwithstanding the Community rules which would normally require the elimination of intra-Community quantitative restrictions upon accession.

In this connection the applicant countries will retain the right, in the case of Ireland for five years, of Norway for three years, of Denmark for three years and of the United Kingdom for two years, to maintain existing restrictions on exports, in so far as these arrangements would not be more restrictive than those that would apply to any exports which might be made to countries not members of the enlarged Community. For reasons of reciprocity, this provision would equally apply to restrictions which the Six might impose on exports to the applicant countries.

Agreements

The enterprises of the applicant countries will, on their accession, have to fall in line with the provisions of the Treaty of Paris governing agreements, by immediately notifying any agreements referred to in Article 65. However, for practical reasons a period which may not exceed three months will be allowed for this notification to be made. Enterprises of the six Member States will enjoy the same period for notifying agreements which, as a consequence of enlargement, become subject to the provisions of Article 65. Agreements notified will remain in force temporarily pending the Commission's decision, whereas agreements which have not been notified will be automatically void under Article 65(4).

Contributions to the various ECSC funds

The contributions of the applicant countries will be as follow:

United Kingdom	57 000 000 u.a.
Norway	1 162 000 u.a.
Denmark	635 500 u.a.
Ireland	77 500 u.a.

They are to be paid in three equal annual instalments, beginning on accession.

Euratom

41. The Euratom Treaty and consequent secondary legislation will be implemented by the applicant countries without any transitional period. It was agreed in particular that:

- (a) the Community's joint and supplementary research programmes referred to in Article 7 of the Euratom Treaty are an integral part of the Community's wealth;
- (b) a control and inspection system shall be applied in accordance with the Euratom Treaty and also any other system which is applicable in accordance with any agreement concluded between the Euratom Member States and the International Atomic Energy Agency.

For products appearing on Lists A1 and A2, customs duties within the enlarged Community will be removed and measures of alignment on the CCT will be taken at the end of 1973 and, for the products on List B, these measures of tariff disarmament and alignment on the CCT will be taken according to the time-table agreed for industrial products.

The Community will submit to the applicant countries its proposals for amendments to Chapter 6 of the Euratom Treaty before they are adopted.

Furthermore, it was decided which information the new Member States will hand over to the Community in exchange for the information which the Community has acquired and which the applicant countries will share on accession to the Euratom Treaty in accordance with Articles 12 and 13 of this Treaty.

The dependent territories of the United Kingdom will be covered by the Euratom Treaty in accordance with Article 198, except for Hong Kong, which will be excluded.

The European Investment Bank

42. Accession of the applicant countries to the EEC implies their accession to the EIB. The conditions are as follows:

Capital subscribed

United Kingdom	450 million u.a.
Denmark	60 million u.a.
Norway	45 million u.a.
Ireland	15 million u.a.

The subscribed capital will be paid up to the extent of 20% (the same percentage as for the original Member States: an average between 25% of the original capital of 1 000 million and 10% of the increase in capital of 500 million in 1971). One-fifth of the payment will be made in cash in the respective national currencies of the new Member States not later than two months from the date of accession; four-fifths will be in the form of non-interest-bearing government notes, maturing in four equal instalments, nine months, sixteen months, twenty-three months and thirty months respectively from the date of accession.

Statutory reserve and provision

The new Member States will contribute towards the statutory reserve and provisions equivalent to reserves, as at 31 December of the year prior to the coming into force of the Treaty of Accession, as stated in the Bank's approved balance-sheet, the amounts corresponding to the following percentages of these reserves:

United Kingdom	30%
Denmark	4%
Norway	3%
Ireland	1%

These amounts, expressed in units of account, will be paid by the new Member States in their respective national currencies in five equal instalments maturing on the same dates as the payments of the subscribed capital.

Composition of EIB bodies

The Board of Governors

Each new Member State shall be represented on the Board of Governors, which shall consist of 10 members.

The Board of Directors

The Board of Directors shall consist of 19 directors and 10 alternates; applicant countries shall be represented as follows:

United Kingdom	3 directors	2 alternates
Denmark	1 director	
Ireland	1 director	
Norway	1 director	

The Management Committee

The Management Committee shall consist of five members: one President and four Vice-Presidents.

The Board of Governors, acting unanimously, may vary the number of members of the Management Committee.

Contractual obligations

Community

Agreements with countries in the Mediterranean basin

43. On the entry into force of the Act of Accession, the new Member States will be bound by the agreements concluded by the Community, taking into account the transitional measures which may appear necessary.

These measures will not extend beyond the period of validity of the transitional measures adopted in respect of the accession of the new members.

They will also satisfy the following criteria:

- (i) Tariff treatment applied by new Member States to products coming from countries with which the Community is bound by agreements must not be more favourable than that applied by those States to products coming from the original Member States. The applicant States will have to endeavour to avoid the difficulties which could arise in the event of an increase in the duties of the new Member States which are shortly to be subject to reductions.
- (ii) Tariff treatment applied by third countries, parties to these agreements, to products coming from applicant States must not be more favourable than that applied by those countries to the original Member States.

In line with the procedure already laid down for the agreements envisaged with the non-candidate EFTA States,¹ the Council will decide upon the terms of reference to be given to the Commission so that it can fulfil this task during 1972.

Other agreements

44. The new Member States countries have undertaken to carry out in due time the requisite national procedures enabling them, on accession, to join

¹ See also sec. 52.

the mixed agreements (concluded by the Community and the Member States), with the rights and obligations arising from them. Not all these agreements will be subject, as a result of enlargement, to adaptations and adjustments. It must, however, be pointed out that the Community institutions will, in due time, determine the details of the participation of the new Member States in the Food Aid Convention.

Certain agreements concluded by the Community on its own (tariff concessions and bilateral agreements within GATT, trade agreements with Yugoslavia, Argentina, etc.), may be the subject of adaptations or adjustments in order to take account of the enlargement of the Community. These adaptations or adjustments will be negotiated by the Community in association with the representatives of the new Member States in accordance with the procedure laid down for the arrangements envisaged with the EFTA countries not applying for membership.

In this connection, the Commission will, in due course, contact the co-contracting parties of the Community in order to examine the problems which are likely to be raised as regards this matter.

Generalized preferences

45. The new Member States will benefit from a transitional period during which to adopt the Community system, which will have to be done by the time of the first move towards alignment with the CCT, namely by 1 January 1974. Ireland will, however, be granted an additional period of one year, i.e. until 31 December 1975, for some products.

Agreements of the future Member States with certain third countries

46. Most of these agreements which have been examined by the Commission present no difficulties since their period of validity expires before the date of accession. Extension beyond that date would have to be dealt with in accordance with the procedures laid down in the Council Decision of 16 December 1969.

It was decided at Community level that long-term agreements concluded with state-trading countries may remain in force until 31 December 1974. In view of this specified time-limit, the necessary adjustments will have to be made in respect of the period of validity of the agreements between new Member States countries and certain state-trading countries which are due to expire on 31 December 1975. The institutions of the Community will adopt the most appropriate measures to solve the problems arising in the case of contractual obligations which cannot be ended by December 1974.

Commonwealth

Independent developing Commonwealth countries

47. It was decided that the enlarged Community will offer the independent developing Commonwealth countries situated in Africa,¹ the Indian Ocean,² the Pacific Ocean³ and the Carribean⁴ the possibility of ordering their relations with it in the spirit of the Declaration of Intent adopted at the end of the first Yaoundé Convention in 1963, according to one of the following formulae of their choice:

- participation in the Convention of Association which will govern relations between the Community and the AASM when the Convention of Association signed on 29 July 1969 expires;
- the conclusion of one or more special Conventions of Association, based on Article 238 of the EEC Treaty, comprising reciprocal rights and obligations, particularly in the field of trade;
- the conclusion of trade agreements with a view to facilitating and developing trade between the Community and those countries.

For practical reasons, the Community would like the independent Commonwealth countries to which its offer is addressed to come to a decision as soon as possible after 1 January 1973.

Arrangements in force until 31 January 1975 with the AASM, the East African countries and the independent Commonwealth countries to which the Community's offer of association is addressed

48. The relations between the Member States of the original Community and the AASM, the East African countries and the OCT, will be governed by the provisions of the second Yaoundé Convention, the second Arusha Agreement and Council Decision No. 70/549/EEC of 29 September 1970.

This implies, in particular, that the original Member States will maintain with regard to those countries and territories the same trade arrangements both for agricultural and industrial products as those they applied before accession.

Moreover, the Member States of the original Community will continue to apply the trade arrangements which they applied before accession both for agricultural and industrial products to the countries to

¹ Botswana, Gambia, Ghana, Kenya, Lesotho, Malawi, Nigeria, Sierra Leone, Swaziland, Tanzania, Uganda, Zambia.

² Mauritius, which has already asked to participate in the Convention signed with the AASM on 29 July 1969.

³ Fiji, Tonga, Western Samoa.

⁴ Barbados, Guyana, Jamaica, Trinidad and Tobago.

which the Community offer is addressed, namely the independent Commonwealth countries situated in Africa, the Indian Ocean, the Pacific and the Caribbean, to the dependent territories of the United Kingdom for which the principle of association has been accepted and to the Condominium of the New Hebrides.

The new Member States will apply the trade arrangements to products imported from the AASM, the East African countries and the OCT which they applied before the entry into force of the Treaty of Accession, it being understood that for products which will be given less tariff protection owing to their alignment with the CCT, they will apply the new rights resulting from alignment.

As regards agricultural products covered by the common organization of the market, the new Member States will apply in respect of the AASM, the East African countries and the OCT the mechanisms of the agricultural policy.

A similar solution will be adopted in respect of products to which specific rules are applicable in pursuance of Article 235 of the Treaty of Rome.

In respect of the independent Commonwealth countries eligible for membership of the association, the territories dependent on the United Kingdom for which the principle of association has been accepted and the Condominium of the New Hebrides, the new Member States will maintain the *status quo* in line with the principles set out above in respect of the AASM, the East African countries and the OCT.

Independent developing countries situated in Asia
(India, Pakistan, Ceylon, Singapore, Malaysia)

49. The Community will be disposed to consider, taking into account the scope of the generalized preferences system, any trade problems that might arise in those countries and in the countries situated in the same region, with a view to finding appropriate solutions.

Territories dependent on the United Kingdom and Norway

50. The territories dependent on the United Kingdom¹ and on Norway² will be associated with the enlarged Community, in accordance with the

¹ The Bahamas, Bermuda, British Honduras, British Indian Ocean Territory, British Solomon Islands, British Virgin Islands, Brunei, Cayman Islands, Falkland Islands and Dependencies, Gibraltar, Gilbert and Ellis Islands, Hong Kong, Montserrat, the New Hebrides, Pitcairn, St Helena and Dependencies, the Seychelles, Turks and Caicos Islands, Associated States in the Caribbean ¹Antigua, Dominica, Grenada, St Lucia, St Vincent, St Kitts-Nevis-Anguilla).

² Norwegian possessions in the Antarctic (Bouvet Island, Peter Island and Queen Maud Land).

provisions of Part Four of the EEC Treaty. The ECSC, Euratom and EEC Treaties will be applicable in the case of Gibraltar, except with respect to the free movement of goods (both agricultural and industrial) and the harmonization of turnover taxes.

The Paris and Rome Treaties will not be applicable to Hong Kong. The case of Hong Kong has finally been settled by the inclusion of this territory in the generalized preferences system. It therefore follows that this system will be the regime applicable to Hong Kong by the Member States of the Community as from the date of accession.

Technical adaptations of Community rules and regulations

51. The Commission was instructed to consider with the delegations of the applicant countries such technical adaptations as might have to be made to Community rules and regulations to allow for the changed circumstances arising out of enlargement. Its terms of reference included not only the actual Community instruments themselves, but also decisions by the Member States meeting in Council and agreements between Member States under Article 220 of the EEC Treaty.

To carry out these instructions it was necessary to review with the applicant countries' delegations the whole corpus of secondary Community legislation, apart from acts due to expire at or before 1 January 1973.

Community acts not officially published were listed and communicated to the applicant States in cases where they had been communicated to the present Member States. In addition, the applicant States were notified of formal statements and entries in the Proceedings of the Council which were still of relevance.

This scrutiny for technical adaptations produced results of two kinds. On the one hand, the Act of Accession embodies, upon proposals from the Commission adopted by the Conference, all the adaptations of Community secondary legislation which were necessitated by enlargement, running to something like two hundred pages of the Act, and dealing with such a variety of matters as frontier crossing points, marketing centres, a list of railway networks, classes of roads and inland waterways, and the total number of members of certain committees.

On the other hand, in the very few cases where it was not possible to establish the definitive wording of the technical adaptations to be made to some instruments or portions of instruments, guidelines were laid down as to what adaptation would be needed. The list of these adaptations occupies some twenty pages of the Act of Accession.

Also scrutinized under the Commission's remit on secondary legislation were all requests by applicant States to be allowed extra time of up to three months for the application of regulations or decisions or particular provisions of these, or up to six months for national measures needing to be enacted in order to implement these directives.

The periods of grace requested (three months for regulations, six months for directives) were accepted by the Conference, on proposals from the Commission, and are likewise embodied in the Act of Accession. This will mean that with some non-agricultural Community instruments it will depend on the country concerned whether they are to take effect after three months or after six. On the agricultural side, however, to avoid altogether insuperable economic and administrative complications, all the regulations are to be put into effect by all the applicant States on the same date, 1 February 1973. Periods of grace of over three months for regulations and over six months for decisions were also agreed in various cases with one or more applicant States. These arrangements cover some 110 secondary Community instruments.

The technical adaptations to the secondary legislation were considered in the course of two hundred meetings between Commission officials and the delegations of the applicant States, at which all the provisions of all the 3000-odd secondary instruments adopted by the Community institutions up to 10 November 1971 were reviewed. From 10 November the applicant countries were notified of all further proposals and memoranda from the Commission to the Council once these had been sent off; they were also provided with an abstract of Commission proposals and memoranda currently being considered by the Council. Since the same date, 10 November, they have been regularly consulted, in accordance with the arrangements made for the interim period.

Relations with the non-applicant EFTA countries

52. After the first ministerial meeting in Luxembourg on 30 June, the Community Spokesman stated that appropriate ways and means would need to be sought to associate the applicant States in advance with the preparation and conclusion of the projected agreements with those EFTA countries which were not applying for membership.

The Council accordingly secured the applicant States' assent before adopting the directives on the opening of negotiations. Since the signing of the instruments of accession, the representatives of the future Member States have sat in as observers alongside the representatives of the present members.

SPECIAL PROBLEMS

United Kingdom

53. The negotiations with the United Kingdom got really under way in September 1970. By the beginning of May 1971, after six ministerial meetings, most of the major issues had been disposed of, including the Commonwealth and free movement of industrial and agricultural products, the freeing of capital movements, sterling balances, applications for tariff quotas, and a variety of matters relating to the institutions, ECSC and Euratom, the Community's contractual obligations, and so on. The only points still outstanding were the so-called "awkward" ones, New Zealand butter, Britain's contribution to the Community's own resources, Commonwealth sugar and the fisheries problem.

These last questions were solved at the sessions of 7 and 8 and 21 to 23 June 1971, except for the fisheries problem for which a solution was finally found on 12 December. At the conclusion of the June sessions, the Commission issued the following statement which formed a preliminary balance-sheet of the results already achieved and seemed to take an optimistic view of the outcome:

"The Commission of the European Communities considers that the negotiations with the United Kingdom for British membership of the European Community have now achieved their purpose politically; it is convinced that the problems still to be settled will be quickly disposed of and that the negotiations with the other three countries will certainly be similarly successful.

"The enlargement of the Community into which the Commission has put all its energy and resolve is a world event, for the way in which this first stage has ended makes it abundantly evident that what is involved is a genuine strengthening which will not fail to find expression first of all in the reactivation of the economic and monetary union.

"The enlarged and strengthened Community is called upon to bear a special responsibility in the field of relations between the industrialized and the developing countries, and to make a vital contribution to détente in Europe and in the world. In order to do so, the Commission is determined, for its part, to continue and to intensify its activities in accordance with the Treaties and in the spirit of the Hague. "

54. In July 1971 the Conference came to an agreement on an initial plan for the layout of the Accession Treaty and on the arrangements which would govern the period between its signing and entry into force.

From September to January, agreements were reached on all the problems: those concerning fisheries, veterinary legislation, the Channel

Islands and Papua-New Guinea, the procedure for negotiations with the EFTA members not applying for membership, and many other technical questions.

On 28 October 1971 a vote was taken in the House of Commons approving the decision of principle for that country to become a full member of the European Communities on the basis of the arrangements which had been negotiated.

The Commission greeted this result with the following statement:

"The Commission of the European Communities warmly welcomes the vote just taken in the House of Commons approving accession to the European Community. It stresses the historic significance of this decision, which is a decisive step forward in the building of Europe, for it is in the interest both of all the member countries of the enlarged Community and also of Europe as a whole, which will now be in a better position to play its due role in the world."

In addition to the agreements described above,¹ transitional measures and decisions mainly concerning the United Kingdom were adopted.

Agriculture

Deficiency payments

As alignment of prices takes place on the basis of market prices, the United Kingdom is authorized to grant production subsidies so long as there is a difference between prices obtained under the national system of guaranteed prices and market prices resulting from application of the Community mechanisms. The United Kingdom, for its part, will endeavour to abolish these subsidies as soon as possible during the transitional period.

Sugar

55. As regards sugar imported under the Commonwealth Sugar Agreement, it was agreed that the United Kingdom may import until 31 December 1974, from all the member countries and territories covered by this Agreement, the quantities which had been negotiated earlier, at the price defined under the Agreement.

For the period after 1974, it was agreed that the Community would have as its firm purpose the safeguarding of the countries whose economies depend to a considerable extent on the export of primary products, and in particular of sugar (the independent Commonwealth developing countries in the Indian Ocean, Pacific and Caribbean, and the AASM)

¹ 16 *et Seq.* (II, 1).

in the framework of the relations to be established between them and the Community¹.

It is in the light of the Community's arrangements concerning these countries and the Conference's declaration of intent concerning the independent Commonwealth countries in Asia that the question of sugar exports by India will have to be settled after the Commonwealth Sugar Agreement expires (CSA quantity: 12 000 tons).

New Zealand butter and cheese

56. Quantitative derogations in favour of New Zealand are to be allowed when Britain, upon becoming a member, applies the common marketing system for dairy products. The rate of reduction in the quantities guaranteed a market in Britain has been fixed for the first five years:² thus in 1977 these quantities will be 80% for butter and 20% for cheese, but from 1978 there will no longer be a quantitative guarantee for cheese.

In the course of 1975 the institutions of the Community will review the butter situation taking into account the supply and demand position and trends in the main producer and consumer countries of the world, particularly in the Community and New Zealand. In the light of this examination, the Council will then, upon a proposal from the Commission, decide unanimously what is to be done about continuing the special arrangements for imports of butter from New Zealand beyond 1977.

The Community will endeavour to promote the conclusion of an international agreement on dairy products, so as to make for better conditions in the world market as soon as possible.

Hill farming

57. The British delegation having asked that provision be made, in accordance with the Treaty and the common agricultural policy, concerning upland areas unfitted by their climate, soil and geography for anything but pasture, the Community acknowledged that these areas were a special case, and indeed that there were differences, sometimes very considerable ones, between region and region in the Member States of the existing Community. Accordingly, given the special conditions in some parts of the enlarged Community, action may be called for to tackle the problems these present, more particularly as regards enabling farmers to earn a reasonable livelihood.

¹ Mauritius.

Fiji, Tonga, Western Samoa.

Barbados, Guyana, Jamaica, Trinidad and Tobago.

² The quantities of butter guaranteed will be 165 811 tons in 1973 and 138 576 tons in 1977. The quantities of cheese will be 68 580 tons in 1973 and 15 240 in 1977.

Annual agricultural review

58. It was found that Community procedure and practice, to be extended to the Community, and existing national procedure and practice, provided for appropriate consultations with the agricultural associations concerned. There will thus be, in the enlarged Community, arrangements for reviewing the economic conditions and the outlook for agriculture and maintaining the necessary contacts with the producers' associations and other bodies and circles involved.

Spirituous beverages obtained from cereals (whisky)

59. The Council will decide on the measures necessary to facilitate the use of Community cereals in the manufacture of spirituous beverages obtained from cereals, and in particular of whisky, exported to third countries, in such a way that these measures may be applied in due time. These measures will have to fit into the framework of the general Community policy for alcohol, avoiding any discrimination between these products and other alcoholic beverages, account being taken of the particular situations peculiar to each case.

Units of measurement

60. The new Member States which have an imperial system of measurement (United Kingdom and Ireland) will apply the Community directive on units of measurement, which provides only for decimal units of measurement. However, by means of technical adaptations to this directive, a few special rules have been adopted for the United Kingdom and Ireland, providing them with a transitional period extending until 31 December 1979. For certain of these units of measurement, an extension to this time-limit may be decided on if special reasons justify it.

Economic, financial and monetary problems connected with membership

61. The United Kingdom delegation stated that it was prepared to envisage an orderly and gradual rundown of sterling balances after accession. In addition, the Community will discuss what measures might be appropriate to achieve a progressive alignment of external practices and characteristics concerning sterling on those of other currencies in the Community in the context of progress towards economic and monetary union in the Community. In the meantime, the United Kingdom will manage its policies with a view to stabilizing the official sterling balances in a way which would be consistent with the long-term aims of economic and monetary union. An exchange of letters on this question is annexed to the Act of Accession.

Capital movements

62. Consultations will take place between the new Member States and the Commission about procedures for applying measures of liberalization or relaxation, the implementation of which may be deferred. This covers:

Direct investments made by residents: During the first two years after accession, the United Kingdom will liberalize direct investments made by United Kingdom residents in Member States and the liquidation of direct investments in Member States by persons resident in the United Kingdom.

From the date of accession, the United Kingdom will substantially relax the rules concerning these operations; the details of this relaxation will be discussed before accession.

Capital movements of a personal nature: Two years at the latest after accession, the United Kingdom will liberalize the following capital movements of a personal nature: transfers of capital belonging to persons resident in the United Kingdom who are emigrating; gifts, endowments and dowries; succession duties; real estate investments other than those connected with freedom of movement for workers, which shall be liberalized from the date of accession.

Liberalization of operations included in List B: In the course of the five years following accession, the United Kingdom will liberalize operations included in List B, annexed to the Council Directives of 11 May and 18 December 1962, adopted pursuant to Article 67 of the Treaty establishing the European Economic Community.

Introduction of Value Added Tax

63. On 1 April 1973 the United Kingdom will introduce a value added tax system which will replace "selective employment tax" and "purchase tax".

British nationality

64. In the final act of the Conference the British delegation has defined the term "British nationality". It is made clear that British nationals within the meaning of the Treaty are persons who are citizens of the United Kingdom and Colonies, or British subjects not possessing that citizenship or the citizenship of any other Commonwealth country or territory, who, in either case, have the right of abode in the United Kingdom.

Channel Islands and Isle of Man

65. The provisions of the Accession Treaties shall apply to these territories so far as is necessary to ensure free movement of goods, both

industrial and agricultural, between themselves and the Community. This also means that the Channel Islands and the Isle of Man will apply the Common Customs Tariff and protective measures at the frontier as regards agricultural products from third countries.

On the other hand the residents of these islands will not benefit from Community provisions with regard to the free movement of persons and services, although retaining the rights which they enjoy in the United Kingdom.

There is a safeguard clause under Article 5 of the Protocol which states that if, in applying these particular rules, "difficulties of one kind or another shall arise as between the Community and these territories, the Council shall, acting by qualified majority on a proposal from the Commission as to conditions and methods of application, adopt the measures necessary."

*Ireland*¹

66. Apart from the agreements reached between Ireland and the Community on the various elements of the transitional period and on questions of fisheries and veterinary legislation, the main aspect of the negotiations with this country was the search for special solutions to the specific problems it faces.¹

Assembly of motor vehicles in Ireland

67. Taking into account the exceptional position of this industry, the delegations from the Community and from Ireland have signified their agreement on special measures which could apply beyond the normal duration of the transitional period.

Rules in force at the present time under the Irish law of 1968 on the registration of importers of motor vehicles (hereinafter called "Scheme") may continue to apply for the enlarged Community as a whole subject to the following conditions.

- (a) Existing customs duties will have to be withdrawn progressively as between all the Member States of the enlarged Community during the transition period and taking account of the agreed time-table.
- (b) All discrimination between importers for assembly of motor vehicles manufactured within the enlarged Community must be abolished:
on 1 January 1974 in respect of tariffs;
from accession in respect of quantities.

¹ See also secs, 59 and 60 (II, 1) (Whisky and unit of measurement applicable for Ireland).

- (c) For importers who do not assemble the vehicles, Ireland will, from 1973, open a global quota for her partners in the Community which will be reserved for firms not taking part in the "Scheme".

In 1973 this quota will be 3% of the volume of assembly in Ireland. It will increase by one point per year. Relevant imports will be of the same proportions as those permitted to importers of vehicles for assembly manufactured within the Community.

- (d) Ireland will be required to adapt the "Scheme" to facilitate transition from the existing system to one which complies with the provisions of the Treaty establishing the European Economic Community. The "Scheme" will terminate on 1 January 1985, on which date imports from the enlarged Community will be completely free.
- (e) Ireland shall have the right to substitute domestic taxation complying with Article 95 of the Treaty establishing the European Economic Community for the fiscal components in the customs duties applicable to trade in motor vehicles provided that such taxation does not discriminate in rates affecting:
 - (i) Spare parts made in Ireland and spare parts imported from the Community;
 - (ii) Motor vehicles assembled in Ireland and finished vehicles imported from the Community;
 - (iii) Spare parts made in Ireland or imported from the enlarged Community and vehicles assembled in Ireland or imported from the Community.

The economic and regional development of Ireland

68. The Irish delegation made the point that the Government of Ireland was confronted with serious economic and social imbalances of a regional and structural nature. The delegation stated that these imbalances would have to be removed if a degree of harmonization consonant with the aims of the Treaty, in particular economic and monetary union, was to be achieved. The Irish delegation requested the Community to undertake to support with the means at its disposal the programmes of the Government of Ireland designed to cure these imbalances and to take full account of Ireland's special problems in this field in the further development of a far-reaching regional policy for the Community.

The Irish delegation also described the support which Irish export industries derive from tax alleviation. Here again, the measures in question are designed to remove social and economic disequilibria through industrial development.

Having regard to these problems, a special protocol will be annexed to the Act of Accession, couched broadly in the following terms:

The fundamental aims of the Community call for the constant improvement of the living and working conditions of the peoples of the member countries by reducing the gap between regions and mitigating the backwardness of the less favoured.

Cognizance is taken of the action of the Government of Ireland in undertaking to implement a policy of industrialization and economic development aimed at bringing the standard of living in Ireland closer to that of other European nations and eliminating underemployment, while progressively correcting regional disparities in the level of development.

It is in the common interest that the final aims of this policy should be attained.

Community institutions will use all means and procedures available under the Treaties, in particular by making adequate use of those Community resources earmarked for the achievement of the aims of the Community referred to below.

In cases where Articles 92 and 93 of the EEC Treaty are applied, account will have to be taken of the aims of economic development and improved living standards for the population of Ireland.

Anglo-Irish Free Trade Area

69. Trade between Ireland and the United Kingdom is regulated by the 1965 Agreement, which entered into force on 1 July 1966. This provides for the establishment of a free trade area over a transitional period of nine years, in which both countries will remove customs duties, protective elements included in taxation and, with a few exceptions, quantitative restrictions applied to products imported from the other party.

The Community finds that the transitional arrangements for agriculture and industry cannot have the effect of restricting the freedom of Anglo-Irish trade. This means that the Accession Treaty does not interfere with the progressive removal of Irish customs duties on goods coming from the United Kingdom, as provided for under the Anglo-Irish Agreement establishing a Free Trade Area.

Ireland will be able to maintain quantitative restrictions on imports of certain products until 30 June 1975, but it is stipulated that the Government of Ireland will not allow imports from third countries to benefit from more favourable terms than those enjoyed by imports from other countries of the Community.

Capital movements

70. Consultations will take place between the new Member States and the Commission about procedures for applying measures of liberalization or relaxation, the implementation of which may be deferred under the following provisions:

Direct investments in Member States by persons resident in Ireland: Ireland may, for a period of two years after accession, defer the liberalization of direct investments in Member States by persons resident in Ireland and the liberalization of the liquidation of direct investments in Member States by persons resident in Ireland. Before accession, the details of a substantial relaxation of the rules governing these operations will be discussed, and on accession this relaxation will be put into effect.

Capital movements of a personal nature: Not later than two years after accession, Ireland will liberalize the following capital movements of a personal nature: transfer of capital belonging to persons resident in Ireland who are emigrating; gifts, endowments, dowries; succession duties; real estate investments other than those connected with the freedom of movement for workers, which will be liberalized from the date of accession.

Liberalization of the operations set out in List B: Ireland may, for a period of five years after accession, defer the liberalization of the operations set out in List B annexed to the Council Directives of 11 May 1960 and 18 December 1962 for the implementation of Article 67 of the EEC Treaty.

Denmark

71. The negotiations with Denmark progressed fairly steadily and in general maintained the same rhythm as those with the United Kingdom.

Among special problems for which solutions were found mention should be made of Greenland and the Faroes, in particular as regards fisheries, and the transitional measures governing Community legislation on freedom of establishment in agriculture, veterinary legislation, prices of ECSC products and the exemption from customs duties for persons travelling within the Community.

Protocol on the Faroe Islands

72. The decision on the accession of the Faroe Islands to the European Communities is left to Denmark and will have to be taken by 31 December 1975. Before that date, the customs treatment applicable to exports to other parts of Denmark will remain unaltered; these goods, however, cannot be considered as being in free circulation if they are re-exported to another Member State.

Should these islands become part of the Community, the customs duties to be applied vis-à-vis non-member countries will be those that would have resulted from an adaptation to the CCT if this accession had taken place simultaneously with the accession of Denmark. This principle of retroactivity will not apply to Danish nationals of the Faroe Islands, who will only be considered as such from the date on which the Act of Accession becomes applicable to these Islands. Special measures will be taken for fishery products, for which the institutions of the Community will find "adequate solutions".

Capital movements

73. Consultations will take place between the new Member States and the Commission about procedures for applying measures of liberalization or relaxation, the implementation of which may be deferred under the following provisions:

- (a) for a period of two years after accession, Denmark may defer the liberalization of purchases by non-residents of bonds denominated in Danish kroner and dealt in on the stock exchange in Denmark, including physical transfers of the securities in question;
- (b) for a period of five years after accession, Denmark may defer the liberalization of purchases by persons resident in Denmark of foreign securities dealt in on the stock exchange and of repurchases from abroad of Danish securities dealt in on the stock exchange, denominated entirely or partly in foreign currency, including physical transfers of the securities in question.

From the date of accession, Denmark will proceed to a progressive liberalization of the operations referred to in paragraph (a) above.

Greenland

74. Denmark may retain its national provisions whereby a six-month period of residence in Greenland is required to obtain a licence for engaging in certain commercial activities in that territory. This system may be liberalized by a decision of the Community institutions. Retention of the system is, however, subject to Article 53 of the EEC Treaty, under which Member States are forbidden to introduce new restrictions on the establishment in their territories of nationals of other Member States.

The institutions of the Community will seek, within the framework of the common organization of the market in fishery products, adequate solutions to the specific problems of Greenland.

Duty-free entry of goods transported by travellers within the Community

75. The provisions of the Council Directive¹ on the harmonization of laws and regulations relating to exemption from turnover taxes and excise duty on imports in international passenger traffic will come into effect in Denmark on accession.

Until 31 December 1975, however, Denmark will have the right to exclude the following goods from such exemption:

- (i) tobacco products
- (ii) alcoholic beverages
- (iii) beer in quantities exceeding 2 litres.

This right does not apply to customs duties subject to the exemption rules from the date of accession under the provisions on passenger traffic between Member States. Furthermore, the Community institutions will decide, before 31 December 1975, whether and to what degree an extension of this derogation will prove necessary, taking account of the progress made towards economic and monetary union, particularly as regards harmonization of taxes.

ECSC: Rules on pricing iron and steel products

76. Each year the representatives of the Member States, meeting in the Council, fix a tonnage limit for imports of most iron and steel products from the countries of Eastern Europe. Side by side with this, the Commission, after consulting the Consultative Committee and the Council, prohibits enterprises of the Community from aligning their prices on quotations from these countries for the products in question. If this arrangement is continued after enlargement, the Community may stipulate that the above prohibition shall not apply for a three-year period to products intended for the Danish market. Community enterprises could thus align their prices, in the Danish market, on all quotations from third countries.

Freedom of establishment in agriculture

77. Subject, in each concrete case, to an examination in accordance with the system hitherto applied in Denmark, this country will be granted a

¹ Council Directive 69/169/EEC, 28 May 1969, *Journal Officiel* No. L 133/6, 4 June 1969

five-year transitional period in which to implement the Council Directives concerning:

- (i) freedom of establishment for nationals of other Member States who have worked as paid agricultural workers for an unbroken period of two years;¹
- (ii) freedom of establishment on farms that have been derelict or uncultivated for more than two years;²
- (iii) freedom for farmers who are nationals of one Member State, and are established in another Member State, to move from one farm to another;³
- (iv) application of Member States' legislation on farming leases to farmers who are nationals of other Member States;⁴
- (v) procedures for achieving freedom of establishment and freedom to provide services in respect of non-wage earning activities in sylviculture and forestry.⁵

*Norway*⁶

78. Norway agreed to all the transitional measures adopted by the Conference. Special solutions, however, were reached for Norwegian agriculture and the fishing industry.

Norwegian agriculture

79. On the question of Norwegian agriculture the Conference adopted a protocol which recognizes that the special problems created for Norway's farmers by accession to the Community might not be solved by the end of the transitional period. It was therefore necessary to make provision for specific arrangements which may in no way form a precedent and which are aimed at maintaining the living standards of Norwegian farmers without departing from the rules of the common agricultural policy.

Protocol on Svalbard (Spitzbergen)

80. Norway is to have the option of excluding the island of Svalbard from the scope of the Treaties. If it does so, no change will be needed in the customs treatment applicable to imports into Norway of goods

¹ Council Directive 63/261, 2 April 1963.

² Council Directive 63/262, 2 April 1963.

³ Council Directive 67/530, 25 July 1967.

⁴ Council Directive 67/531, 25 July 1967.

⁵ Council Directive 67/654, 24 October 1967.

⁶ See sec. 26 (general matters) for the special protocol on the fisheries regime for Norway(II, 1).

originating in and coming from Svalbard; these goods will not, however, be treated as in free circulation if they are re-exported to another Member State.

Since Svalbard's exports at present consist entirely of coal, this special treatment raises no practical problems, but should the situation change, particularly following decisions under the common policies, the Community institutions will reconsider the matter in order to take account of the implications of the change as to the treatment of imports from Svalbard.

Capital movements

81. Consultations will be held between the new Member States and the Commission on the procedures for applying measures of liberalization or relaxation, whose implementation may be deferred. In Norway's case these measures are:

- (a) Liberalization of capital imports for direct investment, in the form of long-term loans, in undertakings already established in Norway: deferrable for two years after accession;
- (b) Liberalization of commercial credits for a period not exceeding five years where the foreign lender is a financial institution: deferrable for two years after accession;
- (c) Liberalization of purchases by non-residents of shares denominated in Norwegian kroner and dealt in on the stock exchange in Norway, including physical transfers of the securities in question: deferrable for two years after accession;
- (d) Liberalization of operations effected by persons resident in Norway in foreign securities dealt in on the stock exchange, including physical transfers of the securities in question: deferrable for five years after accession.

When granting authorization for the operations under (a) above Norway will from the date of accession avoid discrimination between Norwegian undertakings, whether or not they are controlled by undertakings of other Member States.

ECSC: rules on pricing of iron and steel products

82. The present system is that each year the representatives of the Member States, meeting in the Council, impose a tonnage limit on most iron and steel products from the east European countries, while the Commission, after consulting the Consultative Committee and the Council, prohibits Community undertakings from aligning their prices on quotations

from these countries for the products in question. If this arrangement is continued after enlargement, the Community may provide that, for a period of three years, the prohibition is not to apply in the case of products bound for the Norwegian market. Accordingly, in the Norwegian market Community undertakings would be able to align on all quotations from third countries.

5. Conclusion of the negotiations

COMMISSION OPINION OF 19 JANUARY 1972

83. In the Opinion which it rendered to the Council on 29 September 1967, the Commission declared with emphasis that the success of the negotiations for the entry of the new members would be "a decisive advance towards the culmination of the efforts for European unification undertaken after the second world war".

Now that the negotiations have been successfully completed, the Commission continues to regard the event as a decisive advance in the process of establishing a united Europe.

So far from merely acceding to treaties under traditional international law, the new members are being accepted and integrated into Communities with a legal system and institutional structure of their own.

In the case of ECSC the establishing Treaty lays down in Article 98 that accession is an operation which concerns only the Community and the applicant States. "The applicant State shall address its application to the Council, which shall act unanimously *after obtaining the opinion of the High Authority*; the Council shall also determine the terms of accession, likewise acting unanimously. Accession shall take effect on the day when the instrument of accession is received by the Government acting as depositary of the Treaty". The Commission's Opinion is thus central to the procedure for entry into ECSC.

In the case of the other two Communities it is provided in the second subparagraphs of Article 237 EEC and Article 205 Euratom that "the conditions of admission and the adjustments to this Treaty necessitated thereby shall be the subject of an agreement between the Member State and the applicant State", but the respective first subparagraphs specify that the Council is to act *after obtaining the opinion of the Commission*.

For this reason, the Treaty of Accession to EEC and Euratom makes express reference to "the Opinion of the Commission and Decision of the Council" concerning accession.

84. In its earlier Opinions on the applications for accession the Commission pointed out that it was not in possession of all the particulars it needed to render conclusively the Opinion requested by the Council under Article 98 of the ECSC Treaty, Article 237 of the EEC Treaty and Article 205 of the Euratom Treaty. Upon noting the outcome of the negotiations, however, it duly took up its formal stand concerning the

admission of the applicant countries, and forwarded to the Council the following Opinion:

"The Commission of the European Communities,

having regard to Article 98 of the Treaty establishing the European Coal and Steel Community, Article 237 of the Treaty establishing the European Economic Community and Article 205 of the Treaty establishing the European Atomic Energy Community;

whereas the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland have applied to become members of these Communities;

whereas in its Opinions of 29 September 1967 and 1 October 1969 the Commission has already been able to express its views on certain essential aspects of the problems arising in connection with these applications;

whereas the terms for the admission of these States and the adjustments to the establishing Treaties necessitated by their accession have been negotiated in a Conference between the Communities and the applicant States, and whereas singleness of Community representation was ensured with due regard for the institutional dialogue provided for by the Treaties;

whereas on the completion of these negotiations, it is apparent that the provisions so agreed are fair and proper, and whereas, this being so, the Community's enlargement, while preserving its internal cohesion and dynamism, will enable it to take a fuller part in the development of international relations;

Whereas in joining the Communities the applicant States accept without reserve the Treaties and their political objectives, all decisions taken since their entry into force, and the choices made in the field of the development and reinforcement of the Communities;

Whereas in particular the essential feature of the legal system set up by the Treaties establishing the Communities is that certain of the provisions of the latter and certain Acts of the Community institutions are directly applicable, that Community law takes precedence over any national provisions conflicting with it, and that procedures exist for ensuring the uniform interpretation of this law, and whereas accession to the Communities entails recognition of the binding force of these rules, observance of which is indispensable to guarantee the effectiveness and unity of Community law,

GIVES ITS OPINION IN FAVOUR

of the accession to the European Communities of the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland".

SIGNING OF THE TREATY, THE DECISION AND THE ACT
OF ACCESSION

85. On 22 January 1972 the ceremonial signing of the Final Act of the Conference of Negotiation with the countries applying for membership took place in the Egmont Palace in Brussels.

The plenipotentiaries of 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 Ireland, the President of the Italian Republic, His Royal Highness the Grand Duke of Luxembourg, Her Majesty the Queen of the Netherlands, His Majesty the King of Norway, Her Majesty the Queen of the United Kingdom of Great Britain and Northern Ireland and the Council of the European Communities adopted the texts which were drawn up by the Conference between the European Communities and the States which had applied for accession to these Communities.

These texts are:

- (a) The Treaty concerning the accession of the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland to the European Economic Community and the European Atomic Energy Community;
- (b) The Act concerning the conditions of accession and the adjustments to the Treaties;
- (c) Annexes, protocols, an exchange of letters concerning monetary matters, the texts of the Treaty establishing the European Economic Community and the Treaty establishing the European Atomic Energy Community and Treaties amending or supplementing them, in the English, Danish, Irish and Norwegian languages.

In addition, the plenipotentiaries took note of the Council Decision concerning the accession of these four countries to the ECSC. Finally, they adopted or took note of a number of declarations.

86. At the signing ceremony which marked the end of the most important round of negotiations undertaken by the Communities since they were set up, several speeches were made. After Mr *Gaston Eyskens*, Prime Minister of the Kingdom of Belgium, had welcomed the various delegations, Mr *Gaston Thorn*, President-in-office of the Council and of the Conference, paid tribute to the personalities, both those from the applicant countries and those who had held the office of President of the Council before him, and to their deputies for the enormous task which had just been completed; he added:

"Throughout the negotiations, the Commission of the European Communities, under its President Mr Franco Maria Malfatti, has played a most important role. As the guardian of the existing Treaties, which confer upon it complete power of initiative, it has provided not only the present Community, but also what will be the enlarged Community, with its power of imagination and its sense of the European commowael. Particular attention should be drawn to the part played throughout the negotiations by Mr Jean-François Deniau, and his contribution deserves to be recognized as one of the most important ever made to European unity. Mr Deniau has been assisted in his delicate assignment by a team of senior officials of the Commission, led by Director-General Edmund Wellenstein. Without the devoted efforts of a large number of our colleagues, employed both by the Community institutions and by the Member States, the Treaty and Act of Accession as well as the many texts annexed to them, all of which now lie before us, could never have been finished in what after all has been a relatively short space of time".

Stressing that "this Community is a living force", the President of the Conference went on to define the enlarged Community's role and responsibilities towards the rest of the world, in particular towards our American partners and the countries with which association agreements have been concluded or will be concluded as a consequence of enlargement, and towards all less prosperous nations.

Mr Thorn went on, "A role of this nature is however only conceivable if our Community can continue to develop within itself and stand up to new and increasingly arduous problems which arise as we gradually achieve the primary objectives subscribed to by the Treaties of Paris and Rome. Our Community had already launched into the process of development and strengthening before its enlargement." Mentioning in particular the need to hasten the implementation of the "ambitious but realistic project" of economic and monetary union and the "considerable though perhaps too modest progress" achieved on the road towards cooperation on foreign policy, and the principle of strengthening this cooperation and improving the methods adopted and also the search for new fields of cooperation, the President stated: "New impetus to our joint action must evolve quite naturally from the step which we are taking today and which should be solemnly confirmed by another meeting of Heads of State or Government before the end of this year, one which will be of course attended by the States today signing this Treaty with us.

"In addition, we shall continue to benefit from the advantages of efficient and proven working methods, namely the allocation of important responsibilities to the institutions of our Communities. These responsibilities, which will naturally be increased by the effect alone of the development of the Communities' activities, will not only be confirmed, but will

certainly be expanded in due course. In this connection, the participation of our peoples' elected representatives is indeed a great gain.

"Thus conceived, this enlarged Community, European but outward-looking, integrated on an economic level but anxious to respect the individuality of all, organized but guaranteeing freedom of expression both to the body politic and to economic and social forces, is aimed at one great final objective: the enhancement of all that is best in us."

87. Mr *Franco Maria Malfatti*, President of the Commission of the European Communities, gave the address which is printed in full at the beginning of the present publication.

88. After the signing, the representatives of the four members to be spoke in turn.

Mr *Edward Heath*, the British Prime Minister, stressed the importance of the event for his Government and outlined his views on the future of the enlarged Community.

"Clear thinking will be needed to recognize that each of us within the Community will remain proudly attached to our national identity and to the achievements of our national history and tradition. But, at the same time, as the enlargement of the Community makes clear beyond doubt, we have all come to recognize our common European heritage, our mutual interests and our European destiny.

"Imagination will be required to develop institutions which respect the traditions and the individuality of the Member States, but at the same time have the strength to guide the future course of the enlarged Community. The founders of the Community displayed great originality in devising the institutions of the Six. They have been proved in the remarkable achievements of the Community over the years. It is too early to say how far they will meet the needs of the enlarged Community. For we are faced with an essentially new situation, though one which was always inherent in the foundation of the Community of the Six which was visualized in the Preamble to the Treaty of Rome and which has been created by its success. Let us not be afraid to contemplate new measures to deal with the new situation.

"There is another cause for satisfaction. 'Europe' is more than Western Europe alone. There lies also to the east another part of our continent: countries whose history has been closely linked with our own. Beyond those countries is the Soviet Union, a European as well as an Asian power. We in Britain have every reason to wish for better relations with the states of Eastern Europe. And we do sincerely want them...

"I am not thinking today of the Age of Imperialism, now past: but of the lasting and creative effects of the spread of language and of culture, of commerce and of administration by people from Europe across land and sea to the other continents of the world. These are the essential ties which today bind Europe in friendship with the rest of mankind. What design should we seek for the New Europe? It must be a Europe which is strong and confident within itself. A Europe in which we shall be working for the progressive relaxation and elimination of east/west tensions. A Europe conscious of the interests of its friends and partners. A Europe alive to its great responsibilities in the common struggle of humanity for a better life.

"Thus this ceremony marks an end and a beginning. An end to divisions which have stricken Europe for centuries. A beginning of another stage in the construction of a new and greater united Europe. This is the task for our generation in Europe."

89. Mr *John Lynch*, the Irish Prime Minister, stressed several points:

"Now that the negotiations are completed and the Act of Accession signed, it remains to fulfil our constitutional requirements. It is the opinion of my Government that the Parliament and people of Ireland are convinced that our best course is cooperation with the other Member States in the enlarged Communities. We believe that the people of Ireland will approve decisively and with confidence our entry to the Communities.

"We recognize that the enlargement of the Communities will pose its own problems. For the present Member States it will be a matter of adjusting to the workings of a Community of Ten. For the new Member States there will be the challenges of integrating into a Community already established and developed. These will be no easy tasks but, from the record of the Community of Six since its establishment and from our successful experience together in the negotiations, we draw confidence that the difficulties of accession and transition will be overcome and that the effective and constructive working of the enlarged Community will be assured. There is, however, much to be done: the coming year will be a vital period of preparation. The consultation procedure which was agreed in the negotiations will enable the process of integration for the applicant countries to commence and to proceed.

"In this period before the Community is enlarged our ten countries will also look beyond the immediate problems of accession and transition. We should engage in examining together what the Community's future course should be after enlargement. For the Community of Ten cannot of its very nature, no more than the Community of Six, remain static: it will be a continuous creation: it must evolve and progress in the direction of the unity in Europe which the architects of the original Community envisaged.

"Another of the tasks which, I suggest, our ten Governments must face in the context of the enlargement of the Communities, is to examine carefully how the institutions may best be equipped for their respective roles after enlargement. I have in mind here particularly the role of the European Parliament. All recognize a government's obligation to involve the people of the nation as closely as possible in the processes of government. There will equally be an obligation on us jointly to bring the peoples of the enlarged Communities into closer contact and involvement with the decisions, policies and workings of the Communities. It is in this surely that there is a major role for the European Parliament. The Irish Government consider it of the highest importance that the part to be played by the Parliament in the enlarged Communities should be the subject of the closest study by our Governments acting together.

"The enlarged Communities as they evolve towards that greater unification in Europe which their founders envisaged can be a vital force for peace in the world and can make an ever-increasing contribution to the economic and social progress of the developing nations. We attach the utmost importance to the emphasis placed by the Member States at the summit meeting in The Hague on the promotion of rapprochement among the peoples of the 'entire European Continent'."

90. The Prime Minister of Denmark, Mr *Jens Otto Krag*, expressed essentially three wishes for the future of the European Communities.

"My first wish is that the new member countries will add a positive element to the development of the Communities and thereby strengthen their vitality, efficiency and dynamism. I am well aware that this implies that we too must learn to understand and respect the interests of other member countries and in a proper democratic way solve the problems of the future in a manner satisfactory to all parties concerned and so also to the Communities.

"The second wish is that the Communities will pursue their internal policies in a progressive spirit of social consciousness. We have learned how to achieve economic growth. But we still have to learn how to administer it in a way that will not only bring more material wealth to us all but also correct social imbalances for the benefit of the least privileged. At the same time the problems of preservation and improvement of the human environment as a whole in the industrial society become ever more acute. We can solve these problems by common action. Each country itself will hardly be able to.

"In conclusion, the third wish is that the external policies of the Communities will be open and outward-looking. I am thinking first of the other EFTA countries, including, not least the other Nordic countries, Sweden, Iceland and Finland. These countries have taken part in European

cooperation since the last war. Without arrangements with them our cooperation would not be complete.

"I am thinking also of growing trade and understanding with the countries of Eastern Europe in the spirit of negotiations and détente.

"Nor should we forget the importance of close cooperation with the United States and Canada. Both in the fields of trade, monetary affairs and security is the destiny of Western Europe closely bound up with that of North America. It will not be in our interest to loosen these ties.

"Last but not least, I think of the developing countries, the poor world outside Europe and North America. An enlarged European Community will acquire an economic and commercial strength which imposes on the Communities a special responsibility for the solution of the problems of the Third World. It will be one of the most urgent tasks of the Communities to live up to this responsibility."

91. Finally, Mr *Trygve Bratteli*, the Prime Minister of Norway, the last to speak, reflected that the result of the negotiations was a satisfactory basis for the accession of Norway to the European Communities and went on:

"It is now for the Norwegian people and the Storting to take the final decision in this important matter, in keeping with our democratic and parliamentary traditions. We need the support of the people to reinforce our links with Europe and proceed further along the path followed by the European Communities in order to ensure for the peoples of Europe peace and security, wellbeing and happiness, and to assume the responsibility we have towards the underprivileged countries of the world. The enlargement of the Communities will provide greater scope and new opportunities to attain those common aims which are so important for our own peoples and for the rest of the world. These can be attained if our political action, our progressive and pragmatic cooperation, are founded on confidence and frank solidarity between partners. It is the Norwegian Government's firm resolve to give concrete expression to this confidence and solidarity.

"A Community which extends from Sicily to Finmark must find various and flexible means of action to solve the different problems which are raised by the evolutionary trends of society in the different regions. In this context we attach importance to the aim of the Treaty of Rome which is to ensure a harmonious and balanced development of all the regions in the Community.

"We consider it as a primary task for the Communities to foster social policy and to raise it to ever higher levels. It is equally important to develop regional policy so as to strengthen, with the aid of pooled resources, the basis of economic activity in the peripheral regions. The economic integration, of which the enlarged Community is the basis, will

place us in a better position to solve the problems of effecting changes in economic activity and ensuring employment. By means of a common industrial policy we will be better able to master the problems introduced by large multinational corporations into our economies and into the world economy. It is only by common action that we will be able effectively to protect the environment.

"These then are the essential tasks for our societies. But the enlargement of the Communities must also be seen in a broader political context. Efforts to bring about greater unity in Europe have now reached a major crossroads. In this part of the world we have travelled a long way towards reconciliation, peace and stability. This is a further step towards a solution of the problems facing less favoured peoples in other parts of the world. Thanks to the enlargement of the Communities, the peoples of Europe will be able to look to the future with greater confidence."

92. The President-in-office of the Conference closed the ceremony by stressing that it was for the Parliaments of the ten signatory States to ratify the various acts so that the enlarged Community could become a reality on 1 January 1973.