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## EUROPEAN PARLIAMENT

# Working Documents

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## Report

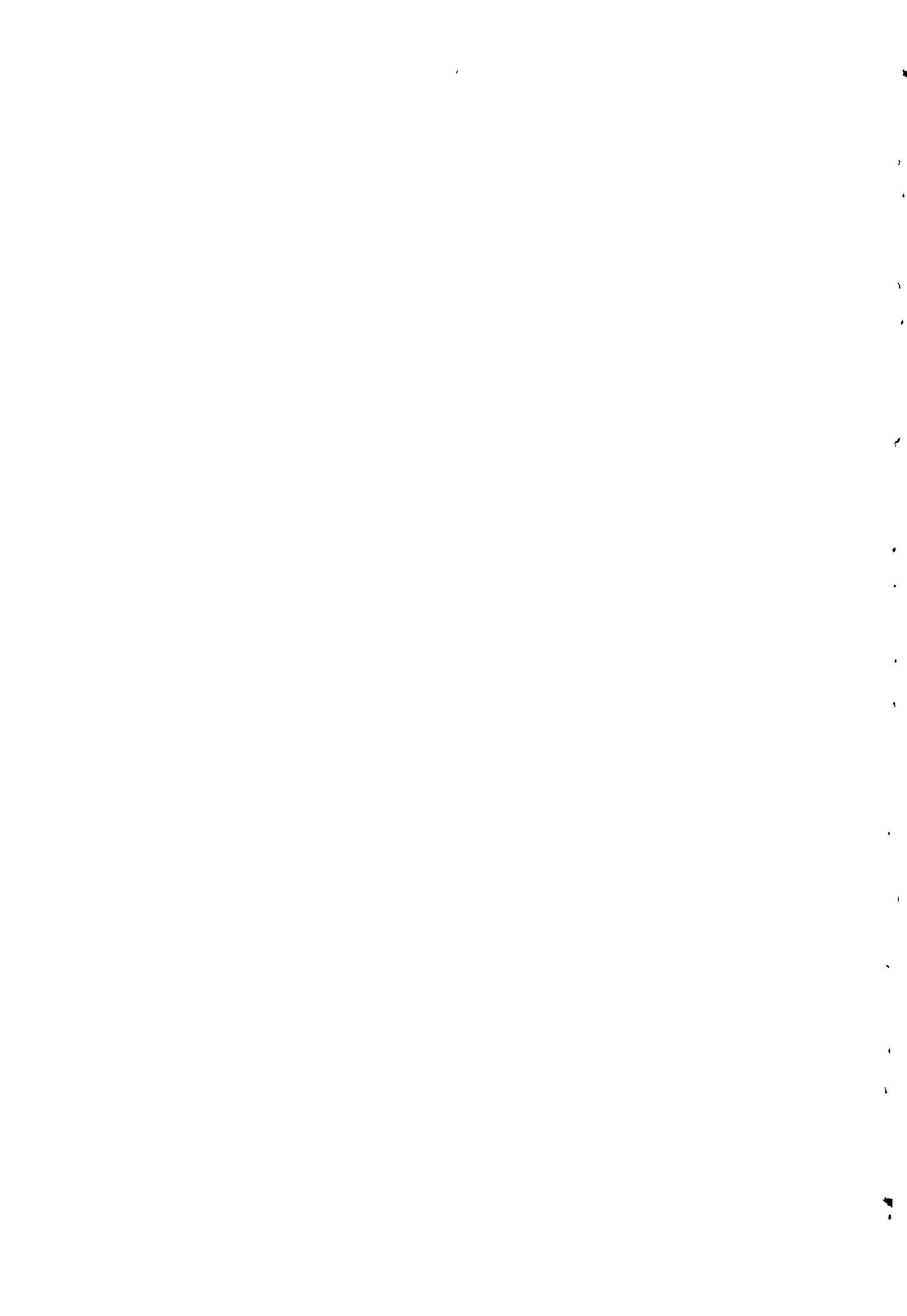
drawn up on behalf of the Committee on External Economic Relations

on the ~~recommendations~~ adopted by the EEC-Greece Joint Parliamentary  
Committee in

- Rome on 9 December 1975 (Doc. 448/75)
- Aghios Nicolaos (Crete) on 19 May 1976 (Doc. 122/76)
- Berlin on 23 November 1976 (Doc. 436/76)

Rapporteur: Mr M. SCHMIDT

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By letters of 31 May 1976 and 5 January 1977 the Committee on External Economic Relations requested authorization to draw up a report on the recommendations adopted by the Joint Parliamentary Committee of the EEC-Greece Association on 9 December 1975 in Rome, 19 May 1976 in Crete and 23 November 1976 in Berlin.

Authorization was given by the President of the European Parliament in his letters of 5 and 14 July 1976 and 12 January 1977. The Political Affairs Committee and the Committee on Agriculture were asked for their opinions.

On 25 January 1977 the Committee on External Economic Relations appointed Mr Manfred Schmidt rapporteur. At the same meeting it considered the draft report and unanimously adopted the motion for a resolution and the explanatory statement.

Present: Mr Scott-Hopkins, acting chairman; Mr Schmidt, vice-chairman and rapporteur; Mr Martinelli, vice-chairman; Mr Amadei, Mr Baas, Mr Bayerl, Lord Castle, Mr Creed (deputizing for Mr Bersani), Mr Didier, Mr Galluzzi, Mr Klepsch, Mr De Koning, Mr Laban, Mr Nyborg, Mr Pucci, Mr Radoux, Mr Schwörer, Mr Spicer, Mr Vandewiele and Mr Terrenoire (deputizing for Mr Cousté).

The opinions of the Political Affairs Committee and the Committee on Agriculture are attached.

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The Committee on External Economic Relations hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the recommendations adopted by the EEC-Greece Joint Parliamentary Committee in:

- Rome on 9 December 1975
- Aghios Nicolaos (Crete) on 19 May 1976
- Berlin on 23 November 1976

The European Parliament,

- having regard to the recommendations adopted by the EEC-Greece Joint Parliamentary Committee at its Xth, XIth and XIIth sessions held from 8 to 10 December 1975 (Doc. 448/75), 18 to 20 May 1976 (Doc. 122/76) and 22 to 24 November 1976 (Doc. 436/76) respectively,
  - having regard to the report of the Committee on External Economic Relations and the opinions of the Political Affairs Committee and the Committee on Agriculture (Doc. 546/76),
1. Approves the principles underlying the recommendations made at the Xth, XIth and XIIth sessions of the Joint Parliamentary Committee of the EEC-Greece Association.  
As regards Greece's accession to the EEC
  2. Welcomes the formal opening on 27 July 1976 of the negotiations concerning Greece's accession to the Community and the decision of 19 October 1976 concerning the negotiation procedures;
  3. Notes with satisfaction that the process of transition to full membership envisaged by the Treaty of Association has now effectively begun;
  4. Hopes that the accession negotiations will as soon as possible move on to the phase in which practical problems will be examined;
  5. Affirms the need for Greece like every other country which has applied for accession to the EEC to accept all that has been achieved so far in the shaping of the Community together with the internal and external obligations arising therefrom. Is convinced, therefore, that solutions to the problems arising from the transition to full membership must be sought through the adoption of transitional measures and not by means of adjustments to Community rules;
  6. Expresses the view that, since Greece's accession to the EEC must promote the interests of both sides, appropriate and mutually advantageous solutions will have to be found during the accession negotiations to all the problems inevitably posed by the transition to membership status. This requirement must not slow down

the progress of the negotiations but make it possible for both parties to work out appropriate solutions as and when necessary;

7. Is convinced that the Community must take the opportunity of Greece's accession to strengthen its cohesion and enhance its capacity for decision-making and positive action.

As regards the Association between Greece and the EEC

8. Affirms that the further development and consolidation of the Association consequent upon the opening of the accession negotiations now assume special importance and significance inasmuch as progress towards accession also depends on the results obtained under the Association;
9. Notes with satisfaction that the deadlines laid down in the Association Agreement for the dismantling of customs barriers and the alignment of Greek customs tariffs on the Common Customs Tariff are being met and that the customs union is now in its final stage;
10. Notes with regret that no significant progress has been made in the negotiations on the harmonization of agricultural policies and that countervailing charges are still being applied to the Greek products listed in Annex III to the Association Agreement;
11. Welcomes the considerable expansion of trade between the two sides since the entry into force of the Association Agreement, but draws attention to the deficit in Greece's trade balance with the EEC;
12. Welcomes the action taken by the Greek Government and the successes achieved in changing industrial and agricultural structures and reducing the regional imbalances of the country and stresses the need to intensify such action in anticipation of Greece's accession to the Community;
13. Hopes that the second Financial Protocol will be signed and ratified without delay so that Greece may continue to receive the financial aid pledged by the Community since the signing of the Association Agreement.

As regards political matters of joint interest

14. Having followed with the closest attention developments in the Eastern Mediterranean and considering that events in this area constitute a danger to peace in the Eastern Mediterranean and have a significant impact on international relations both in Europe and in the world at large, reaffirms its belief that the problems affecting this area must be settled as quickly as possible by peaceful means based on international law.
15. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities, the Greek Parliament, the Parliaments of the Community Member States and the Greek Government.

EXPLANATORY STATEMENTI. INTRODUCTION

The Xth, XIth and XIIth sessions of the EEC-Greece Joint Parliamentary Committee were held in Rome from 8 to 10 December 1975, in Crete (Aghios Nicolaos) from 18 to 20 May 1976 and in Berlin from 22 to 24 November 1976 respectively.

Mr SPENALE, President of the European Parliament, paid an official visit to Greece from 24 to 28 July 1976.

The proceedings of the Joint Parliamentary Committee focused on matters of particular importance and topical interest connected with the Association, Greece's accession to the EEC and the main political problems of interest to both sides.

Needless to say, matters related to the Association and Greece's accession figured prominently in the Committee's deliberations. In the context of the Association, special consideration was given to the problems associated with the harmonization of agricultural policies, the agricultural sector being of key importance not only for the development of the Association, but also for the progress of the negotiations on Greece's accession to the Community. A further matter dealt with in the context of the Association was the EEC's commitment to grant financial assistance to Greece, and in this regard recommendations were addressed to the appropriate authorities urging them to finalize and implement the second Financial Protocol at the earliest opportunity.

On the question of accession, consideration was given to the problems which this posed for the various sectors of the economy. In this regard, the Committee was able to hold a frank exchange of views which clarified the positions of the two sides.

At the last three sessions of the Joint Parliamentary Committee many other issues were touched upon, e.g. political matters of joint interest, the situation in the Eastern Mediterranean region, the Community's Mediterranean policy, relations between Greece and the neighbouring Balkan countries and Greece's position on its disagreements with neighbouring Turkey.

On the basis of the reports drawn up by the general rapporteurs, the Committee made an exhaustive appraisal of Greece's economic

situation, the role of small and medium-sized undertakings in the Greek economy as well as the present state of the Community. These matters were also reviewed in relation to the progress achieved under the Association between Greece and the Community and the means of integrating Greece into the Community when it eventually became a member.

The various matters reviewed by the Joint Parliamentary Committee at its last three sessions will now be considered in detail.

## II. Negotiations on Greece's accession to the Community

On 12 June 1975 the Greek Government officially submitted its application for accession to the EEC in pursuance of Article 237 of the EEC Treaty, Article 205 of the EAEC Treaty and Article 98 of the ECSC Treaty.

In accordance with the procedure laid down by the Treaty of Rome, the Council of Ministers instructed the European Commission to draw up an opinion on Greece's application for accession to the EEC.

The Commission submitted its opinion on 29 January 1976.

On 9 February 1976 the Council formally accepted Greece's application. On 27 July 1976 negotiations were opened on Greece's accession to the EEC. On 19 October 1976 a preliminary meeting at ministerial level was held at Luxembourg.

These events were reviewed by the Joint Parliamentary Committee at its last three sessions and each side was able to clarify its position on the progress made.

In order to gain a better understanding of the points of view expressed during the committee's proceedings on the various economic, financial and social matters, etc., as also on the problems which have to be resolved during the negotiations, it would be helpful to begin with a rapid review of the Greek economy as a whole.

Agriculture is still the most important sector in the Greek economy. Even in 1975 it employed approximately 34% of the labour force and alone accounted for 19% of the gross national product, the corresponding figures for the Nine being 9% and 5%.



Agricultural holdings are on average extremely small, difficult to mechanize and less productive than comparable holdings in the Community. The price elasticity of demand for traditional exports such as wheat, tobacco and olives is comparatively low.

Holdings have continued to be so small as to be economically counter-productive, despite the measures taken under the 1968-72 5-year plan, and farm workers continue to earn far less than workers employed in other sectors.

Manufacturing industry has achieved rapid growth rates, but the problem in this sector is that it continues to have a weak industrial structure, based on excessively small production units - often family concerns - and supported by special loan facilities.

Considerable improvements have, however, been recorded in the Greek economy over the last decade. The national income has increased and its composition has changed. Heavy industry has shown some expansion, new industries have been created and existing industries have to some extent been modernized.

Changes have also occurred in population distribution, 2/3 of the population now living in the large urban or semi-urban centres (see Table 1).

Table 1

1961 and 1971 POPULATION DISTRIBUTION			
	1961	1971	change (%)
Athens Piraeus	1,852,709	2,540,241	+ 37.1
Salonika	380,648	557,360	+ 46.5
Other towns	1,867,686	2,049,640	+ 9.7
Total urban population	4,101,043	5,147,241	+ 25.5
Rural population	4,287,510	3,621,400	- 15.4
Total Greek population	8,388,553	8,763,641	+ 4.5

Source: Greek National Statistical Office: 1971 population census.

The number of workers employed in agriculture has declined in both absolute and relative terms, while the number of workers employed in industry and the building, transport and services sectors has correspondingly increased (see Table 2).

Table 2

CHANGES IN THE ECONOMIC STRUCTURE				
Sector	working population (%)		GNP (%)	
	1961	1971	1961	1971
Agriculture	53.8	40.5	28.4	19.5
Industry	14.5	17.8	19.4	20.4
Building	4.6	7.8	7.0	8.1
Services	27.1	33.9	45.2	52.0

Source: OECD: Greece 1972

In the services sector, rapid expansion has taken place in shipping which has made a major contribution towards improving Greece's balance of payments. The annual growth rate in this industry has exceeded expectations: 16% as against the 13% forecast in 1972.

Tourism has also been expanding extremely rapidly; between 1960 and 1970 it became an increasingly important factor in the country's balance of payments. In 1972 revenue from tourism represented 36% of the total revenue accruing from exports of goods and services.

Nevertheless, the country's balance of trade deficit continues to deteriorate (see Table 3).

Table 3

Year	Imports	Exports	Trade balance	Exports as a percentage of imports
(in millions of drachmas)				
1965	34,012	9,833	-24,179	28.9
1966	36,685	12,179	-24,506	33.2
1967	35,588	14,856	-20,732	41.7
1968	41,830	14,047	-27,783	33.6
1969	47,834	16,608	-31,216	34.7
1970	58,750	19,276	-39,474	32.8
1971	62,942	19,874	-43,068	31.6
1972	70,373	26,125	-44,248	37.1
1973	102,978	42,811	-60,167	41.6

Source: Political and Social Problems, No. 287

In the course of its deliberations, the Joint Parliamentary Committee noted that at its present stage of development, the Greek economy will have to overcome many structural problems before it can be harmonized and enjoy equal status with the economies of the Member States of the EEC.

The main problems are as follows: regional disequilibria, the high proportion of the population employed in agriculture, the inadequacy of the agricultural structure and the underlying weaknesses of the new Greek industries.

The necessary structural improvements will have to be financed in part from special Community funds. The Commission has estimated that Greece's accession to the EEC will entail an annual financial commitment of about \$360,000,000.

In response to the doubts expressed by some committee members as to the Community's ability to meet such a financial commitment in the present economic crisis, the Greek delegates pointed out that \$360,000,000 represented a mere 5% of the Community's total budget for 1976. They also pointed out that any further wavering on the part of the Community over Greek membership would blatantly conflict with its statements in favour of the accession of all democratic European countries fulfilling the conditions laid down by the Treaty.

Another problem raised in the course of the committee's proceedings concerned Greece's balance of payments deficit and the attendant monetary difficulties. Greece, it was pointed out, might have great difficulty in applying the regulations required by economic and monetary union; this in turn could further exacerbate a situation which was already in itself extremely serious.

The committee took note of the progress achieved overall by the Greek economy and welcomed the steps taken by the Greek Government to rationalize the country's means of production.

The committee also reminded the appropriate Community bodies and the Greek Government that the problems posed by the transition to membership status had to be resolved in the context of the negotiations by means of transitional measures rather than by procedures involving adjustments to Community regulations already in force.

### III. The Association between Greece and the Community

Since it had been set up to deal specifically with matters arising under the EEC-Greece Association, the Joint Parliamentary Committee gave special consideration to the development of the Association and problems related thereto.

The discussions on the development of the Association were conducted mainly on the basis of the 'Report on the Activities of the EEC-Greece Association Council' and the statements made from time to time by the President of the Association Council.

After submitting a report to the IXth session of the Joint Parliamentary Committee (25-27 June 1976 in Athens), the Association Council presented its latest report, covering the period June 1975 to May 1976, on 30 June 1976.

The main issues raised in the context of the Association and examined by the committee in the course of its proceedings were the problems attaching to agriculture and the financial assistance which, following the commitment entered into at the time of the signing of the Athens Treaty, the Community is obliged to grant to Greece to improve its agricultural and economic structures.

(a) Agriculture

As regards the harmonization of agricultural policies, the Community and Greece began by exchanging information on their respective regulations governing the fruit and vegetable and wine sectors. Although an ad hoc committee of experts was subsequently consulted, the Association Council's work in this area failed to make any significant progress.

Two further questions closely studied by the Joint Parliamentary Committee were the arrangements to be applied pending harmonization and administrative cooperation.

It will be recalled that, as regards the question of the arrangements to be applied pending harmonization, the Community had made a proposal to Greece in which it offered to refrain for a certain period from applying countervailing charges to imports of Greek fruit and vegetables, except peaches, oranges and cucumbers.

In this connection, a fundamental difference remains over the interpretation of the relevant provisions of the Athens Agreement: the Community claims that the period during which application of countervailing charges or of safeguard measures was ruled out has come to an end, while Greece maintains that it has not.

In spite of efforts to reach an agreement, the two sides continue to be divided on this point.

As regards the question of administrative cooperation, the Greek view is that it should lead to countervailing charges and safeguard clauses not being applied, whereas the Community considers that such cooperation can certainly help in avoiding the application of these charges, but cannot stand in the way of their application if this is required by market conditions. On this matter, too, no agreement has as yet been reached by the two sides.

Owing to the situation on the Community markets for tomato concentrates and peaches, it was found necessary to impose restrictions on imports of these products into the Community. The Greek authorities questioned both the desirability and the legality of the measures taken.

The committee noted with regret that, as far as agriculture was concerned, the Association has failed to make any real progress, especially over the past few months.

It was also stressed that the agricultural sector is of key importance, especially for the Greek economy inasmuch as it still employs 34% of the working population: hence the hope expressed by the committee that the competent authorities will find solutions favourable to both sides at the earliest opportunity.

Some committee members were concerned that the harmonization of agricultural policies and the consequent free trade in agricultural products might create serious disturbances on the Community market, especially in the case of certain products such as wine, peaches and tomato concentrates.

(b) EEC financial assistance to Greece

The Association Agreement requires the Community to grant financial assistance to Greece (the rules governing such assistance are set out in Protocol No. 19 annexed to the Association Agreement).

Initially, Community financial aid to Greece was provided under a Financial Protocol. This arrangement has operated since 1963 but was virtually discontinued during the period of the 'freeze'.

Not until December 1974 was it decided to reactivate the financial aid arrangements, whereupon Greece was granted the whole of the unused balance of the 125 m u.a. allocated under the first Protocol. The funds provided under this first Financial Protocol were, however, completely used up by the end of 1975. Since then, Greece has been deprived of financial aid because a second Financial Protocol has not yet been finalized.

The conclusion of a second Financial Protocol has also been held up because the sum to be allocated has to be considered in the wider context of the financial aid which the Community has decided to grant to most of the Mediterranean countries. In July 1976, pursuant to a decision by the Council of Ministers, a financial ceiling of 280 m u.a. was set for Greece.

The interruption of Community financial assistance to Greece has been the subject of exhaustive discussion and the committee has repeatedly urged the competent authorities to expedite the necessary proceedings in order to ensure that Greece is without assistance for as short a time as possible.

Greece has requested that the funds provided under the second Financial Protocol should be made available for use immediately after the signing of the Protocol and before its ratification by the individual Member States. This procedure could considerably shorten the period required before the funds could actually be deployed.

The Community has still to reach a final decision on this matter.

(c) Trade between the EEC and Greece

The committee examined the trading results achieved under the Association in 1975 on the basis of the data contained in the Report of the Activities of the EEC-Greece Association Council.

It noted with satisfaction that both exports and imports in Greece's total external trade had continued to increase through 1975.

This trend was more balanced in 1975 in the specific case of trade with the Community rather than with the rest of the world, which means that although reaching \$1,121.8 million (an increase of 25.6% over 1974), Greece's trade deficit with the Community was nonetheless lower than that recorded with the rest of the world, viz. \$1,092.7 million, representing an increase of 28.3%.

Greek agricultural exports continue to account for a substantial proportion of the country's total exports (35.8%). One encouraging feature is that the share of industrial products in exports is constantly on the increase.

1975 saw an increase in exports of Greek agricultural products to the Community (in 1975 they accounted for 36.9% of total Greek exports to the EEC as compared with 33.4% in 1974). The most striking figures are those recorded for fruit and vegetables and olive oil.

Greek exports of industrial products to the rest of the world increased at a more rapid rate (from \$368.3 million in 1973 to \$632.6 million in 1974 and \$572.6 million in 1975) than to the Community, where the corresponding figures were \$519.7 million in 1973, \$632.6 million in 1974 and \$752.6 million in 1975.

Greece's main customers within the Community were the Federal Republic of Germany, which accounted for 42% of Greek exports to the Nine, followed by Italy with 17%, France (15%), the Netherlands (11%) and the United Kingdom (10%).

As regards Greek imports from the Community, it is interesting to note that 'other manufactured products' (\$1070.6 million = 47%) were the largest item in 1975. Next came capital goods (excluding ships) (\$624.5 million = 28%) which nevertheless fell somewhat as compared with 1974 (\$649.7 million = 34%).

Greek imports of agricultural products from the Community increased in value from \$126.7 million in 1974 to \$148.3 million in 1975, although their share in the total fell one point and is now 6%.

Finally, it should be noted that during the first years of the Association and until 1972, Greek imports from the Community (of the Six) increased at a considerably more rapid rate than those from the rest of the world<sup>1</sup>.

The committee noted with satisfaction that trade between the Community and Greece had shown a satisfactory increase from the beginning of the Association, chiefly as a result of the abolition of most customs duties on Greek exports to the Community. It nevertheless considered that Greece's trade deficit in relation to the Community must be cleared, especially in view of the needs of the Greek economy.

#### IV. Political matters of joint interest

At each of the three sessions which are the subject of this report, the Joint Parliamentary Committee devoted much time to discussing political matters of joint interest.

The main items of discussion were the issues over which Greece and neighbouring Turkey are divided, e.g. the demarcation of territorial waters and the continental shelf of the Aegean Sea, the use of national air space over the Dodecanese and the Cyprus problem.

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<sup>1</sup> The data concerning Greece's external trade are taken from the Report on the Activities of the EEC-Greece Association Council (Doc. 209/76)

Xth SESSION

8-10 December 1975

ROME

Palazzo Montecitorio

The EEC-Greece Joint Parliamentary Committee met from 8 to 10 December 1975 in Rome under the chairmanship of Mr DE CLERCQ, Leader of the delegation of the European Parliament, and Mr PESMAZOGLOU, Leader of the delegation of the Greek Parliament.

Taking part in this session of the parliamentary organ of the association between the European Community and Greece were representatives of the Council of Association, the Government of the Republic of Greece, the Council and Commission of the Communities.

The Joint Parliamentary Committee discussed the international situation and political questions of common interest, notably the situation in the Eastern Mediterranean. The accession of Greece to the European Community, the harmonization of agricultural policies, the conclusion of a financial protocol and questions of social progress were considered in depth. The parliamentarians also discussed the situation in Cyprus in the light of the resolutions adopted by the UN General Assembly and Security Council.

Following its deliberations, the Joint Parliamentary Committee adopted three recommendations which were forwarded to the Greek Parliament, the European Parliament, the Council of Association, the Government of the Republic of Greece, the Council and the Commission of the European Communities.

RECOMMENDATION I

The EEC-Greece Joint Parliamentary Committee,

- Emphasizing the common aspirations of the peoples of Greece and the Community Member States to a Europe politically and economically united in spirit of democracy, liberty and social progress,

1. Expresses its support for the efforts to form a European Union and for the decision to hold elections to the European Parliament by direct universal suffrage;
2. Reaffirms that accession to the Community will increase Greece's strength and capacity for action as a community of peoples resolved to consolidate peace and liberty throughout the world in a spirit of international co-operation and solidarity with economically weaker peoples;



3. Trusts that the Commission of the European Communities will submit its opinion on Greece's application for membership at the end of this year and that negotiations will be opened as soon as possible allowing substantial progress to be made before its next session;
4. As a representative body of the peoples of the Community and Greece, asks to be kept informed of the progress of those negotiations and for a report to be forwarded for its next session in the spring of 1976.

RECOMMENDATION II on the state of the association

The Joint Parliamentary Committee of the Association

1. Stresses the need to systematically orient the association's development in such a way as to expedite Greece's accession to the Community;
2. Accordingly requests that, in consolidating and strengthening economic, commercial and political ties between the two parties, special importance should be attached to :
  - the harmonization of agricultural policies,
  - the conclusion of the second financial protocol,
  - questions of social progress;
3. Notes with satisfaction that at the last meeting of the group of experts, harmonization arrangements were spelt out along the lines recommended in the preceding paragraphs;
4. Recommends that further to the proposals of the Greek government, the negotiations on the financial protocol be completed as soon as possible and that the protocol take effect as soon as an agreement is signed, thus ensuring continuity in the Community's contribution to the financing of the Greek economy.

RECOMMENDATION III on the situation in CYPRUS

The EEC-Greece Joint Parliamentary Committee,

- recalling its resolution of 27 June 1975,
  - emphasizing that the nine Community Member States have supported the decisions of the Security Council and the General Assembly of the United Nations Organization, in particular the General Assembly's Resolution No. 3398 (XXX) of 20 November 1975;
1. Observes how important it is to apply within a set period, the full provisions of the above-mentioned resolutions of the UN Security Council and General Assembly;

2. Stresses the urgent need to resume negotiations between the island's two communities with a view to ensuring the sovereignty, independence and territorial integrity of the Republic of Cyprus;
3. Requests the European Community and its Member States to take stronger action to this end and to increase their efforts to restore a just and lasting peace in Cyprus, a country which, like Greece and Turkey, is linked with the Community by an association agreement.

XIth Meeting

Crete, 18 - 21 May 1976

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FINAL COMMUNIQUE

The EEC-Greece Joint Parliamentary Committee met at Aghios Nikolaos from 18 to 21 May 1976 under the chairmanship of Mr PESMAZOGLU, Chairman of the Greek Parliament Delegation and Mr DE CLERCQ, Chairman of the European Parliament Delegation.

Also present at this meeting of the parliamentary organ of the EEC-Greece Association were:

for the Greek Government:

- Mr Panayotis PAPALIGOURAS, Minister for Economic Coordination and Planning of the Hellenic Republic, President-in-Office of the Association Council.
- Mr Georges CONTOGEOORGIS, Secretary of State for Coordination and Planning;

for the Council of Ministers of the European Communities:

- Mr Raymond VOUEL, Vice-President of the Government of the Grand Duchy of Luxembourg, President-in-Office of the Council of the European Communities;

for the Commission of the European Communities:

- Sir Christopher SOAMES, Vice-President of the Commission of the Communities.

The Joint Parliamentary Committee held a broad exchange of views on the international situation and on several political questions of common interest, including south-eastern Europe and the eastern Mediterranean.

The principles underlying the European Community were reaffirmed, notably respect for the law in international relations, the rejection of all arbitrary actions, faits accomplis, and the threat or the use of force.

It then considered the main points arising from Greece's application for membership of the Community, including both the political and institutional aspects and those of an economic and social nature.

The Joint Committee looks forward to the opening of negotiations on those matters in the coming months.

The Joint Committee also discussed matters relating to the Association between the Community and Greece and stressed that developments here should pave the way for the negotiations for Greece's accession. With this in mind, the Committee considered the various problems arising in the commercial, economic and social sectors as well as the issues involved in the current negotiations on the harmonization of agricultural policies.

A further topic considered was the conclusion of a second financial Protocol between the Community and Greece. The members of the Joint Parliamentary Committee hoped that this Protocol would be implemented as soon as it was signed and that it would take account of the special status of Greece.

At the close of its proceedings, the Joint Parliamentary Committee adopted the following recommendations which were addressed to the Association Council and forwarded to the Greek Parliament, the European Parliament, the Government of the Greek Republic and the Commission of the European Communities.

RECOMMENDATION No. 1

ON

international political problems

The EEC-Greece Joint Parliamentary Committee,

- reaffirming the commitment of the peoples of the Community and Greece to the fundamental principles of the Treaties establishing the European Communities,
  - stressing the unanimous resolve of its members to work for the enlargement and consolidation of a Europe politically and economically united in democracy, freedom and social progress,
  - expressing its wholehearted support for measures leading to the creation of a European Union within which a directly elected Parliament will, for all the peoples concerned, ensure the preservation of democracy and liberty and the promotion of peace,
  - firmly convinced that the solution of the present economic and social problems, as well as the balanced development of the countries concerned, can only be achieved by common efforts in the European Community,
  - after a broad exchange of views on a number of international political problems,
1. Reaffirms that Greece's application for membership makes it even more imperative to establish closer political cooperation between Greece and the Member States of the Community, especially in areas of common interest;
  2. Notes with great interest the initiatives with regard to cooperation by the Community and Greece with third countries, especially with other European countries of the Balkans and the Mediterranean;
  3. Will continue to keep a close watch over developments in the policies of the Community and Greece towards all the countries of the Mediterranean basin as part of a process of cooperation designed to forge closer links with those countries;

4. Recalling its previous resolutions and stressing the importance of implementing, within a fixed period, all the points of Resolution No. 3384/75 of the General Assembly of the United Nations approved by the nine members of the Community, profoundly regrets that no progress has been made towards a peaceful and just solution of the problem of Cyprus and insists on the urgent need for a resumption of negotiations between the Cypriot communities to ensure the security, independence and territorial integrity of the Republic of Cyprus and the return of the refugees to their homes;
5. Appreciates Greece's initiative to secure the early conclusion of a non-aggression pact to help establish the climate of confidence which should mark relations between countries associated with the Community.

RECOMMENDATION No. 2

on

the main issues involved in Greece's application  
for membership of the Community

The EEC-Greece Joint Parliamentary Committee,

1. Welcomes the decision of the Council of the Communities of 9 February 1976 to give a favourable reply to Greece's application for membership of the European Communities and to open constructive negotiations to that end;
2. Reaffirms that Greece's membership, far from impeding the process of integration of the European democracies now in train, will give fresh impetus to the Community and strengthen its cohesion and its capacity for action;
3. Trusts that Greece's accession will be accompanied by a substantial improvement in the effectiveness of the decision-making process in the Community and a strengthening of its institutions; declares its support, therefore, for the steps now being taken to achieve European Union, especially the move to secure the election of Members of the European Parliament by direct universal suffrage.
4. Notes with satisfaction the readiness displayed by the democratic representatives of the Greek people to accept the provisions of the Community Treaties, together with the decisions relating thereto;
5. Takes the view that with the present structure of the Greek economy - considered overall and allowing for such special measures as might prove necessary over a given period - Greece can become a member of the Community in the fairly near future;
6. Stresses that the development of the Association has already made it possible to establish a customs union between the Community and Greece and that this will make accession easier;
7. Calls upon the Council of the Communities and the Greek Government, therefore, to expedite the procedures for opening the negotiations, and to conduct them in the constructive spirit called for in the decision of the Council of the Communities of 9 February 1976;
8. Trusts that the Association Council will direct its activities towards this end and asks to be kept regularly informed of the progress made.

RECOMMENDATION No. 3

on

questions relating to the Association and its development

The EEC-Greece Joint Parliamentary Committee,

- having heard the statements by the President-in-Office of the Association Council, the President of the Council and the Vice-President of the Commission of the European Communities,

1. Urges that the Association be developed in all sectors in such a way as to smooth the negotiations for Greece's early accession to the Community;
2. Notes that since 1 November 1974, with a few exceptions, all Greece's exports to the Community and approximately two-thirds of the Community's exports to Greece have been allowed duty-free entry under the terms of the Association Agreement, and that the remaining third of the Community's exports to Greece is subject to a timetable, leading in successive stages to a complete customs union in 1984;
3. Notes with satisfaction that Greece has so far shown great restraint in exercising its option to reintroduce up to 1980 and even beyond to 1984, customs duties on a specified scale for the purpose of protecting emerging industries;
4. Calls for more rapid progress in the negotiations which should achieve an immediate harmonization of the Community's and Greece's agricultural policies, stressing that such harmonization is expressly provided for in the Association Agreement;
5. Expresses its grave concern that no progress can be discerned towards the conclusion of a second financial Protocol and asks that the relevant negotiations be speeded up and account taken of prospective membership and, more specifically, of the urgent need to allocate adequate funds, once the protocol is signed, for the restructuring and reorientation of Greek agriculture.
6. Requests in particular that, in drafting this new financial Protocol, due regard also be paid to the following considerations:
  - (a) that when the Athens Agreement was concluded in 1961, the sum specified in the first Financial Protocol, introduced pursuant to Annex 19 of the Agreement, amounted to 125 million units of account;



- (b) that the amount of the first Financial Protocol had been agreed between Greece and a Community which at the time consisted of only six members;
- (c) that during the seven years of the dictatorial regime suffered by the Greek people, the freezing of the Association ruled out the possibility of negotiating a second Financial Protocol;

7. Further requests the Association Council to plan joint measures for the development of Greek industry, particularly small and medium-sized enterprises, in order to promote diversification and encourage efforts to reduce the disparities between the various industries and the various regions.

XIIth MEETING

22 - 24 November 1976

Reichstag

BERLIN

Final Communiqué

The EEC-Greece Joint Parliamentary Committee held its XIIth meeting at the Reichstag, Berlin, from 22 to 24 November 1976, under the chairmanship of Mr Paul De Clercq, Chairman of the European Parliament delegation, and Mr Jean Pasmazoglou, Chairman of the Greek Parliament delegations.

Mr P.H. Kooijmans, President of the Association Council and President of the Council of the Communities, Secretary of State at the Ministry of Foreign Affairs of the Kingdom of the Netherlands, Mr George Contogeorgis, Deputy Minister at the Ministry of Coordination and Planning of the Greek Government, and Mr Raymond Vouel, Member of the Commission of the Communities, took part in this meeting.

At the conclusion of its discussions the Joint Parliamentary Committee adopted the following recommendations:

RECOMMENDATION No. 1

on the accession negotiations

The Joint Parliamentary Committee,

- recalling its previous deliberations on the opening and conduct of the negotiations which should lead to the accession of Greece to the European Community,
- 1. Welcomes the fact that negotiations on the accession of Greece to the Community formally opened on 27 July 1976 and that on 19 October 1976, the procedure for conducting them was adopted;
- 2. Notes with satisfaction that the studies concerning the application of the rules of secondary Community legislation, and the necessary adjustments, have already started and are being actively pursued;
- 3. Further notes that with accession in mind, Greece will be kept regularly informed of the progress of Community policies in order to ensure the necessary consultations;
- 4. Stresses that over and above the results already obtained by the Association, the achievement of the principal objectives laid down in the Athens Agreement - particularly Customs Union and the harmonization of agricultural policies - will facilitate and expedite the negotiations on accession;
- 5. Is convinced that Greece's accession will be an opportunity for the Community to strengthen its cohesion and its capacity for decision and action;
- 6. Is convinced that Greece's accession to the Communities will enable the peoples of the Community and of Greece to accomplish together, in a spirit of democracy, both political and economic and social progress;
- 7. Recommends that the European Parliament and the Greek Parliament support all efforts to facilitate the negotiations on Greece's accession to the Community.

RECOMMENDATION No. 2

on the Association

The Joint Parliamentary Committee,

- having noted the Report on the Activities of the Association Council and the statements by the President-in-Office, the representatives of the Greek Government and of the Council and Commission of the European Communities,
- 1. Reaffirms that the Association must be pursued and developed, particularly as regards the harmonization of agricultural policies, which will facilitate the negotiations on Greece's accession to the Community;
- 2. Welcomes the fact that the dismantling of tariffs and the alignment of Greek customs duties with the Common Customs Tariff are continuing in accordance with the timetable laid down by the Association Agreement and that the Customs Union is thus nearing completion;
- 3. Notes with regret, however, that the negotiations on the harmonization of agricultural policies have failed to make any appreciable progress and that countervailing charges are still imposed on Greek products listed in Annex III to the Association Agreement;
- 4. Considers that lasting and effective solutions to these problems can only be found as part of the harmonization of agricultural policies but meanwhile requests the Community to establish its position with regard to the measures to be taken to avoid the imposition of these countervailing charges;
- 5. Notes that the sums provided for within the framework of the Second Financial Protocol are less than those proposed by Greece and that they do not allow for compensation for the suspension of financial assistance during the dictatorship in Greece;
- 6. Stresses that financial assistance to Greece is provided for in the Athens Agreement and constitutes a vital factor in maintaining the balance of that Agreement;
- 7. Urgently requests that the Financial Protocol be signed as quickly as possible and emphasizes that, since Greece was deprived of financial assistance for many years, it must, as an exceptional measure, be applied as soon as it has been signed;
- 8. Notes that Greece's foreign trade has continued to expand but is concerned at the large deficit in Greece's trade balance and requests that the situation be made the subject of detailed discussions within the Association Council.

RECOMMENDATION No. 3

on the situation in the eastern Mediterranean

The Joint Parliamentary Committee,

1. Also discussed the development of the situation in the eastern Mediterranean and its effects on international relations in this region; it expressed its anxieties on this subject;
2. Emphasizes that the eastern Mediterranean links three continents and must be an area of peace and cooperation with active cultural, economic and political communication between the peoples of the region;
3. Confirms that the existing problems in this zone must be solved as soon as possible by peaceful means and on the basis of international law.

OPINION OF THE POLITICAL AFFAIRS COMMITTEE

Letter from the chairman to Mr KASPEREIT, chairman of the Committee on  
External Economic Relations

Brussels, 18 January 1977

Dear Mr Chairman,

At its meeting of 18 January 1977<sup>1</sup>, the Political Affairs Committee discussed the recommendations adopted by the EEC-Greece Joint Parliamentary Committee at the conclusion of its XIIth session held in Berlin from 22 to 24 November 1976 (Doc. 436/76).

At the same time, the Political Affairs Committee asked the Commission of the European Communities to give more publicity to the negotiations on the accession of Greece in order to awaken the interest of European public opinion.

The prospect of Greece acceding to the Community - on which the Political Affairs Committee will draw up a report in due time - must be widely discussed so that Community achievements can be preserved and the Community can strengthen its cohesion and its ability to take decisions and put them into action.

The committee again expressed its concern at the tension in the Eastern Mediterranean. It stresses the active role the Community has to play in this area. In particular, it recommends that the parties involved, all of whom enjoy privileged relationships with the Community, should, with Community support, endeavour to reach a negotiated settlement which respects both their interests and the rule of law.

It finds the first results of the negotiations between Greece and Turkey on the Aegean Sea encouraging.

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<sup>1</sup> Present: Mr Colombo, chairman;  
Mr Radoux and Mr Johnston, vice-chairmen;  
Mr Terrenoire, draftsman;  
Mr Amadei, Mr A. Bertrand, Lord Castle, Mr Faure, Mr Granelli,  
Sir Peter Kirk, Mr Mitchell, Mr Prescott, Lord Reay,  
Mr Scott-Hopkins, Mr Zagari

A suitable form of participation by Greece in the political consultations of the Community - which has the support of the Political Affairs Committee - should be one of the most important elements in this attempt to reach a settlement between Greece and Turkey.

The committee feels that, concurrently with the accession negotiations, the present Association ought to be strengthened in order to give the economies of Greece and of the Member States of the Community the greatest possible degree of complementarity, this being an essential condition of eventual Greek accession. The committee therefore gives top priority to the talks on harmonizing agricultural policies and to the implementation of the financial aid provided for in the Athens Agreement.

Yours sincerely,

(sgd) Emilio COLOMBO

OPINION OF THE COMMITTEE ON AGRICULTURE

Draftsman : Mr F. PISONI

At its meeting of 2-3 November 1976 the Committee on Agriculture appointed Mr F. Pisoni draftsman of an opinion.

At its meeting of 27 January 1977 the committee considered the draft opinion and adopted it unanimously.

Present: Mr Ligios, vice-chairman, acting chairman; Mr Laban, vice-chairman; Mr Pisoni, draftsman; Mr Aigner (deputizing for Mr Caro), Mr Albertini, Mr Früh, Mr Ove Hansen, Mr Howell, Mrs Kellett-Bowman (deputizing for Mr Scott-Hopkins), Mr De Koning, Mr McDonald, Mr Martens, Mr Ney, Mr Nolan (deputizing for Mr Liogier), Mr Pistillo, Mr Pucci, Mr Spillecke (deputizing for Mrs Dunwoody), Mr Schwabe (deputizing for Mr Brégégère), Mr Starke (deputizing for Mr Lücker), Lord Walston.



1. The half-yearly meeting of the EEC - Greece Joint Parliamentary Committee was held in Berlin from 22 to 24 November 1976 in the presence of representatives of the Council and the Commission of the European Communities. The discussions turned on a number of major topics, including the development of the EEC - Greece Association, Greece's application for membership of the Community submitted on 12 July 1975, and the progress of the official negotiations which began on 27 July 1976. Many of the speeches dealt also with the political problems relating to the situation in the Aegean Sea and to Cyprus. On agriculture, the Greek side laid emphasis on two principal points, subsequently included in the Recommendations adopted at the conclusion of proceedings: harmonization of agricultural policies and counter-vailing charges imposed in 1976 by the Community on some agricultural products originating in Greece.

2. In due course the Committee on Agriculture will have to issue a detailed opinion on the accession of Greece to the Community and in this connection examine the likely repercussions of accession, both for Greece and for the Community, and more especially for the organization and condition of Greek agriculture, for agricultural products competing with corresponding Community products, for the Community's financial aid under the EAGGF, etc. Within the restricted brief of the present opinion, your rapporteur will confine himself therefore to examining - also in the light of a possible future accession of Greece to the EEC - the problems discussed in Berlin and included in the Recommendations.

#### Harmonization of agricultural policies

3. For the agricultural sector this is undoubtedly the most important part of the Association Agreement between the EEC and Greece. No other agreement between the Community and a Mediterranean country contains a similar provision. Article 33 of the Agreement provides that the functioning and development of the Association in respect of agricultural products shall be accompanied by progressive harmonization of the agricultural policies of the Community and of Greece. In establishing its common agricultural policy, the Community shall take due account of the special situation, potential and interests of Greek agriculture.

The purpose of harmonization shall be to ensure equality of treatment between products of Member States and like products of Greece on the markets of the Contracting parties, taking into account the objectives set out in Article 39 of the Treaty of Rome.

The process of harmonization is to be completed by 1 November 1984 and will comprise the full adoption by Greece of the basic provisions of the common agricultural policy, and particularly of the EEC's system of guaranteed prices, intervention thresholds and export refunds.

4. Under Article 35 of the Association Agreement the harmonization procedure shall be set in motion as soon as the Community ' has declared that the basic provisions for implementing the common agricultural policy in respect of a particular product have been laid down' .

Such 'harmonization declarations' were made in 1962 for five categories of products: cereals, pork, poultry meat, eggs and fruit and vegetables, all of primary importance in Greek exports to the Community. In 1975 a similar declaration was made for wine.

5. The principles of the harmonization, which have been accepted by Greece, are the following:

- Greece will conform to the basic principles and current regulations of CAP;
- in order, however, to ensure that this process of alignment does not perturb the Community market, certain well-defined economic conditions must first be achieved;
- the Community will undertake to supply to Greece the necessary technical and financial assistance to enable her to adapt her agriculture;
- the whole, necessarily lengthy, process should be completed in stages and conclude, in principle, by 1 November 1984.

In the initial stage the EEC and Greece will exchange all the necessary information concerning their respective legislations and will draw up a list of outstanding problems. Thereafter the negotiations proper will begin to determine the measures and the aids needed for the adaptation of Greek Agriculture to the CAP.

6. The Community and Greece have agreed that harmonization will be achieved as a priority in two sectors: fruit and vegetables and wine, i.e. those which are particularly sensitive for both sides. After several experts' meetings, Greece announced that she hoped to be able to introduce in 1977 the Community price system and mechanisms for fruit and vegetables. In respect of wine, however, much greater difficulties existed, due primarily to the absence of suitable structures in Greece, and it was considered that a transition period of at least three years would be necessary before the Community system could apply.

7. In the Recommendations adopted in Berlin, the Joint Parliamentary Committee regrets the fact that harmonization of the agricultural policies had made no significant progress. The Greek side noted that in the fruit and vegetables sector Greece was still treated as a third country and had countervailing charges imposed upon some of her products, despite the efforts she had made towards harmonization. These efforts had concentrated principally on the standardization of products, on the implementation of the system of intervention and withdrawal and on promoting producers' associations.

8. Certainly, compared with the scope of the CAP and its common market organization, the progress achieved towards harmonization so far can only be described as modest. In any event, the Association Agreement provides for harmonization and this must be implemented irrespective of whether accession takes place or not. But structural differences between Community agriculture and Greek agriculture make progress in this direction difficult. In many respects Greek agriculture is comparable to that of southern Italy and of other Mediterranean countries, being characterized by the fragmentation of holdings and strong conditioning by geographical circumstances, by the high proportion of mountain areas, problems of erosion irrigation etc., by its output of Mediterranean products, by low mechanization and by a shortage of preserving and packaging facilities. All these factors combine to prevent Greek agriculture from facing on an equal footing competition not only from the well-organized, highly mechanized and geographically favoured Community agriculture, but also from such Mediterranean countries as Israel or, for some products from the Maghreb.

All this illustrates the difficulty of carrying out a harmonization which obviously cannot consist merely in the adoption by Greece of Community regulations but entails structural reforms requiring appropriate financial aid and a certain amount of time for their implementation.

(b) Countervailing charges

9. The Greek delegation strongly protested at the Berlin meeting against the imposition by the Community in 1976 of countervailing charges on some sensitive Greek products. The products concerned were:

- Peaches

Greek exports of fresh stone fruit, especially peaches, to the EEC amounted to 80.3 million dollars in 1975. In 1976, in consequence of the situation on the Community market and of large-scale imports of Greek peaches into Germany, often at a price below the reference price, there was a serious crisis, particularly in France, whose own output could not be cleared in the normal way. There followed disturbances and peaches arriving from Italy were destroyed. The Commission, having found that the reference price was not

observed, was obliged to introduce from 15 July a countervailing charge on Greek peaches of 3.56 u.a./100 kg. Greek sources claim that in the summer of 1976 it was necessary to withdraw from the market and destroy 19,000 tonnes of peaches.

- Tomato concentrates

This is another highly sensitive sector, as the Community is experiencing at the moment a considerable surplus of peeled tomatoes and tomato concentrates. Following large-scale imports of these products from Greece, at prices which sometimes were actually below Greek production costs, the Commission was obliged to introduce with respect to Greece, as towards other third countries, a system of minimum prices pursuant to Article 41 of the Association Agreement. This minimum price was first fixed at 550 u.a. per tonne and then increased to 587 u.a. per tonne. Greece, however, challenges the legality of this measure and presses for a broader interpretation of Article 41 of the Agreement. According to the Greek delegation, output of tomatoes intended for the concentrate processing industry was reduced by 50% in 1976.

- Oranges

The value of Greek citrus exports to the Community in 1975 was 11 million dollars. Last April the Commission was obliged to introduce a countervailing charge of 0.81 ua. per 100 kg on sweet oranges, though only a limited period. The Commission had found, in fact, that over a certain period the entry price of this product fluctuated above and below the reference price, fixed at 16.28 u.a. per 100 kg. Greece has strongly protested against this measure.

- Cucumbers

There was also problems with this product, on which the Commission was obliged to impose last April a countervailing charge of 9.53 u.a., subsequently reduced to 6.66 u.a. per 100 kg. The entry price was, in fact, at least 0.50 u.a. below the reference price of 47.78 u.a. for two consecutive days.

10. Your committee will not dwell on the legal argument between Greece and the Commission over the legitimacy of the countervailing charges. He wishes to note, however, that under Article 36 of the Association Agreement, if, within two years of the 'harmonization delcaration' the Council of the Association has not laid down the definitive rules which are to apply to trade in the products in question, the two parties shall be free to take any measures which they consider appropriate, provided that they are at least as favourable as the rules they apply to imports from states receiving

most-favoured-nation treatment. In view of the fact that for fruit and vegetables the declaration was made in 1962 and harmonization has not yet been achieved, the Commission considered itself justified in applying countervailing charges to products, such as peaches, which seriously perturbed the Community market.

11. Concerning the minimum prices applied to tomato concentrates, Greece maintains that the conditions specified in Article 41 of the Association Agreement for the application of such prices did not exist. In view of the grave crisis which struck the Community market at the time, this assertion does not appear substantiated, as was in fact pointed out by the European Parliament in Mr Liogier's report (Doc. 224/76) on tomato concentrates.

12. While, therefore, we may share to some extent the regret expressed in the Recommendations that countervailing charges were introduced, in so far as this was evidence of how much remains to be done before harmonization is achieved, we cannot do otherwise than maintain that, within the context of current regulations, the countervailing charges were perfectly justified and indeed appropriate, particularly as applied to peaches and tomato concentrates, in view of the grave situation obtaining on the Community market.

#### Remarks

13. The difficulties in the area of agriculture currently bedevelling relations between the Community and Greece clearly demonstrates how long the road to accession is bound to be and how hard and complex will be the continued implementation and administration of the Association Agreement. The adaptation of Greek agriculture to the CAP cannot be rapid: there will be need for a prolonged transition period and for a thorough transformation of the entire Greek economy, and these will inevitably have complex repercussions, not least in the social domain.

As noted at the Berlin meeting, the aim for Greek agriculture is to be become complementary and not competitive with the Community's. But when it is realized that the typical products of Greek agriculture, in addition to the already mentioned fruit and vegetables and citrus fruits, are olive oil (annual output approximately 200,000 tonnes), wine (output 5 million hectolitres, exports to the Community: 12 million dollars), tobacco (output: 80,000 tonnes, exports to the Community: 49.5 million dollars in 1975), it is possible to appreciate the effort which is required to make Greek agriculture complementary to the Community's.

14. This brings us to the crux of the problem, that is, the generous financial aid which Greece expects from the Community for the restructuring of her agriculture under the provisions of the second Financial Protocol under the EAGGF (Guidance Section), the Regional Fund and the Social Fund.

The importance of the Financial Protocol for the improvement of Greek agricultural structures is obvious: a considerable part of the 280 million u.a. which the Community is to make available to Greece over five years in the form of EIB loans (225 million u.a.) and contributions from the Community's budgetary resources (55 million u.a.) will be used for soil improvement programmes, irrigation and diversification of output to make it complementary to that of the Community.

A problem exists, however, as to the date on which Greece can begin to use this finance: if, after the protocol is signed, ratification by all the nine national Parliaments must be awaited, it is highly probable that the Community's aid, already fairly modest and spread over five years, will have no palpable impact on adapting Greek agriculture to the Community's. If normal procedure is observed, it is likely that negotiations on accession will have been concluded by the time Greece is finally able to use the resources to be made available under the second Protocol.

Despite the legal problems involved, therefore, it is essential that the second Financial Protocol become operative as soon as possible if it is not to be rendered ineffectual, if only by a serious inflationary erosion of the resources for which it provides.

15. The Guidance Section of the EAGGF will have to be extended in the event of Greece's accession, much more than simple arithmetical proportion would imply. The accession of Greece is likely to exacerbate the imbalances existing within the Community in regard of Mediterranean products, which are already disadvantaged by the Community's trade policy towards the other Mediterranean countries, and Community aids, both under this head and under the Regional Fund and Social Fund, will have to be adequately increased to prevent a crisis which could otherwise prove disastrous.

16. It should be noted in this connection that Greek agriculture could smoothly fit into the Community scheme, to the benefit of all concerned, only provided that the relevant problems are dealt with globally within the context of a consistent Mediterranean policy and, more generally, within the context of the CAP as a whole. The first requirement is to give preference and greater scope to the agricultural output of the Community's southern regions, to find at the same time new markets and new outlets for them, to partly abandon the sectoral approach favouring farming based on sound structures, well-organized units and highly protected crops, and give greater consideration to weaker structures and less-favoured products.

17. Unless this is done we shall be running very serious risks: of the further diminution of cohesion among Member States, of the slowing down of the process of unification, of 'selective' Community solidarity, and perhaps even of a 'war of the poor' among Mediterranean countries, all producing competing agricultural products and having few other opportunities open to them.

18. We must ensure that the possible accession of Greece does not lead to a sad disillusionment and that - this is the essential message contained in the Berlin Recommendations - even the **continued** implementation and administration of the Association Agreement does not become impossible.

