

COMMISSION OF THE EUROPEAN COMMUNITIES

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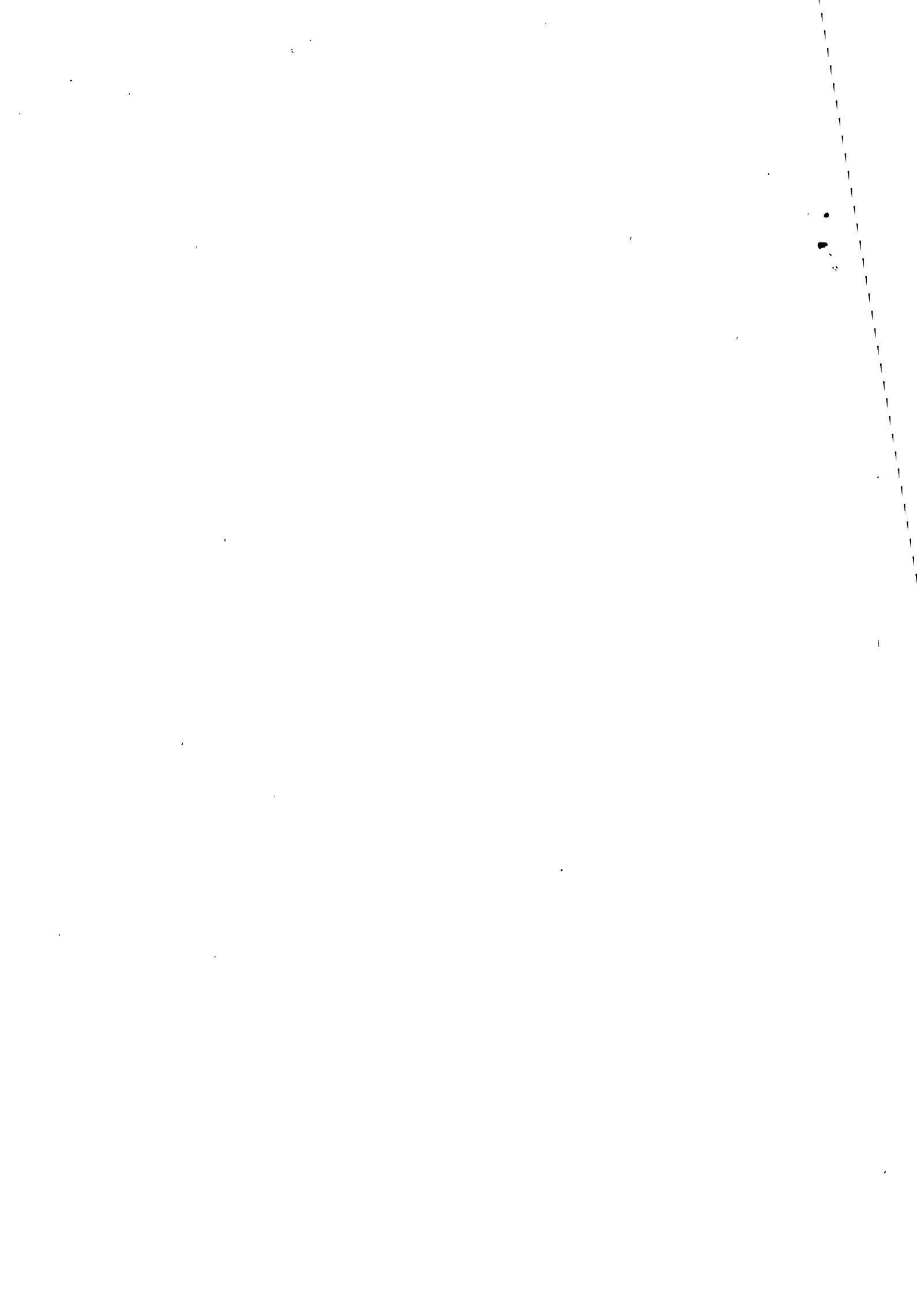
Brussels, 15 July 1975

COMMISSION COMMUNICATION TO THE COUNCIL

on the Community position in respect of the negotiations concerning
the harmonization of agricultural policies between the Community and
Greece

RECOMMENDATION FOR A COUNCIL DECISION

adopting certain directives on the position of the Community within
the EEC-Greece Council of Association concerning the harmonization
of the agricultural policies of the Community and Greece



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Commission Communication to the Council on the
harmonization of agricultural policies

The Commission would like to emphasize that the attached Communication to the Council has been drawn up in accordance with the decision of the Association Council of 28 April 1975 to start work on the harmonization of agricultural policies, a decision which was taken before the application for membership submitted by Greece on 12 June 1975.

The Commission therefore asked itself whether the analyses and proposals contained in this Communication were still relevant. After examining in particular the Greek attitude to the general plan and Greece's approach to the specific matter of what should be done at the Association Council meeting in July, which is to be held in Athens, the Commission considers that the enclosed text is still relevant. It will take time to initiate and carry out the procedure which will have to follow the application for membership and the Greek authorities are perfectly aware of this.

In the first place the Commission should draw up an opinion which the Member States should then examine. Secondly, at a date which cannot yet be fixed, negotiations could be opened. If they were successful the result would have to be ratified in all the Member States and in Greece.

This is a very lengthy procedure and therefore it is not possible to delay by such a period of time the negotiations on the harmonization of agricultural policies, which is a prerequisite for the development of the Association and also an important aspect of the membership negotiations. It is only at a later stage, in a number of months, that the measures to be negotiated will tend in one direction or another according to whether association or accession is assumed as the basis. Nevertheless the measures proposed in this communication for a decision by the Association Council will have to be taken before negotiations start.

The Commission therefore stresses that this document must be examined rapidly by the Council in view of the decisions to be taken by the Association Council on 28 July next.

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Commission Communication to the Council on the Community position in
respect of the negotiations concerning
the harmonization of agricultural policies between the Community and
Greece

1. The first phase of the reactivation of the Association between Greece and the Community, which began in July 1974 following the overthrow of the dictatorship in Athens, has now been completed. It was mainly concerned with : the freeing of the balance of the first financial protocol, which was frozen in 1967 ; the holding of the first Council of Association at ministerial level on 2 December 1974 ; the decision to take up again the process leading to the harmonization of agricultural policies ; the conclusion of the additional protocol extending the Association to the three new Member States and of an interim agreement to ensure the application from 1 July 1975 of the trade provisions of that protocol ; the Community's decision in principle, which has been notified to the Greek Government, to negotiate a second financial protocol ; and finally, the resumption of parliamentary cooperation with the appointment on both sides of the members of the Joint Parliamentary Committee (which held its first meeting in Athens from 26 to 28 June 1975). The most remarkable results of the freezing of the Association were in the sectors of financial cooperation and of agriculture. The community in fact halted the application of the financial protocol in force at the time of the coup d'état. In the agricultural sector the Community stopped the negotiations begun in 1962 on the harmonization of agricultural policies for certain sectors and decided to no longer make, as regards the other sectors, the declarations which are required under Article 35 in order to set in train the harmonization process.

Hence, immediately democracy was restored in Greece, the Community indicated its readiness to open these two important sets of negotiations. For these reasons also, the Council of Association of 2 December 1974 decided to start the negotiations.

Numerous contacts have been made subsequently between the relevant departments of the Commission and the Greek Government in order to identify the problems to be solved and the obstacles to be overcome if the task entrusted to the two Parties by the Council of Association is to be carried out successfully.

These interdepartmental contacts, the results of which should be examined in the light of all the questions raised by the relaunching of the Association, have led the Commission to the conclusions and proposals that are the subject of this communication, which sets out to deal with the question of harmonization of agricultural policies. A communication concerning financial cooperation will be submitted forthwith to the Council.

2. The harmonization process should, according to the terms of the Agreement (article 32), cover agriculture as a whole. In accordance with the fourth paragraph of Article 33 it should be completed by 1 November 1984. Nine years remain to accomplish this whereas thirteen years have passed since 12 November 1962 when the Community made the harmonization declaration for the first five groups of products (1).

Moreover, almost all sectors of agriculture are now covered by the common organization of the markets. This means that the Council of Association decision of 2 December 1974 implies that the overall harmonization process should be started relatively soon.

(1) Cereals, pigmeat, poultrymeat, eggs, fruit and vegetables

3. Both Greece and the Commission have found that a certain degree of priority should be granted to a limited number of sectors of mutual interest to Greece and the Community and firstly to the fruit and vegetable and wine sectors, from which come most Greek exports to the Community countries and which have caused certain difficulties that it would be as well to avoid in future. It should also be stressed that, in the case of wine, the special treatment which accorded in advance by the Agreement (Protocol no. 14), set up before the common organization of the markets was achieved and, therefore, defined on a national basis, should be replaced as soon as possible by a system which conforms with the common organization of markets in the Community and with the Treaty of Rome. Fruit and vegetables have been coming into the Community free of duty since 1st July 1968.

For these reasons the Council of Association decided on 28 April 1975 to give priority to the two sectors mentioned. This decision does not prejudice actions in the other sectors, in particular the five aforementioned sectors amongst which cereals are of particular Community interest.

4. The actual contents of the harmonization programme are not set out in the Athens Agreement. The third paragraph of Article 33 merely defines its aims: "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 account the objectives set out in Article 39 of the Treaty establishing the Community".

Article 35 of the Agreement states, however, that "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 and as soon as Greece has declared its readiness to undertake harmonization"; thus it is clearly understood that it is up to Greece to align itself on Community policy, the Community for its part, being obliged under the second paragraph of Article 33 to "take due account" of Greece's position when setting up the common agricultural policy.

Moreover Greece accepts this obligation completely. To this effect, it decided and accordingly informed the Community, that it was

ready to take over all the Community rules. Indeed, in the course of technical discussions held on this subject, the Greek authorities pointed out to the Commission that work on the two "priority" sectors was already well in hand on their side. As a first stage towards harmonization, Greece has chosen to adapt its legal instruments to that of the Community. The Commission feels that this necessary step will not be taken without difficulties, especially in view of the economic situation of Greek agriculture and the organisation of its markets. Greece will need assistance, mainly technical, from the Community to accomplish this first step. The Greek authorities are perfectly aware of this and have pointed it out to the Commission's experts on several occasions. The Commission feels that the Community should give a positive reply to the Greek requests in this field when they come to be expressed.

5. This step alone, though necessary, will not suffice. It will have to be coupled with economic measures taken by Greece to prepare its agriculture for the possibility of taking advantage, on the Community market, of equality of treatment with Community products, which is in line with the final objective of the Agreement in the field of harmonization, while taking into account the objectives set out in Article 39 of the Treaty of Rome, in accordance with the provisions of the third paragraph of Article 33 of the Athens Agreement. This clearly means that equality of treatment with Community products must not be a source of disturbance for the Community market as governed by the common rules. Here again, the difficulties will be many. The Greek authorities seem determined to overcome them, this too with Community aid. Greece will request this aid at two levels, technical and financial. The Commission feels that, as in the case referred to above of requests for help in the matter of legal instruments, the Community should respond to the request for technical help.

The restructuring of Greek agriculture will take time and will be effected by progressive stages ; the same is likely to be true of the adoption of Community rules. As far as possible these stages should be defined right from the start. It should be understood, however, that it is only at the end of the process, when the Community rules determining the conditions that are the basis for free intra-Community movement of agricultural products are actually applied in Greece - account being taken of course, of the special features of Greek agriculture - that the aim of harmonization will be achieved and, consequently, the equality of treatment between products referred to in the third paragraph of Article 33 can be applied. Until then it will obviously be necessary to correct any disparities that persist - though normally less and less - during the process of achieving harmonization. Appropriate machinery will have to be established for this purpose.

This should not raise any insurmountable difficulties since the Community can find the technical means of solving these problems within the array of mechanisms prescribed by its agricultural policy.

6. Implementation of the first stage of the harmonization process must in any case be resumed - or begun - whatever the deadlines to be set by the Parties and whatever the overall framework they give to these negotiations. It is also by reference to this initial situation that the Council of Association will have to take, as soon as possible, its first practical decisions under Article 34 of the Athens Agreement. The Commission considers that, when the Council of Association meets, the Community should propose that the Council decide on the basis of Article 34, and in particular paragraph 2 thereof :

(1) That the Community inform Greece of

(a) all amendments to the common rules in the fruit and vegetable sector introduced since the last official information supplied before 1967;

(b) the common rules in the wine sector and any related rules (for example, the viticultural land register) and any proposals for amendments to regulations being studied by the Council.

(2) That Greece inform the Community of

(a) any laws, regulations or administrative action which Greece has already adopted or is proposing to adopt in order to take over Community rules ;

(b) any basic documentation giving supporting reasons for a given special provision considered necessary by Greece in order to take account of its special position but conforming in spirit nevertheless to Community rules.

(3) That consultations under Article 34 (3) take place within the Council of Association on the measures communicated in accordance with paragraphs 1 and 2 above.

7. Such consultations should, however, be interpreted in a wide sense because, as both sides have acknowledged on more than one occasion, there is lost time to be made up. Moreover, the time remaining for total harmonization is relatively short. For this reason the Commission considers that the consultations will have to cover the whole range of fields referred to above, in addition to dealing with the Greek requests for technical assistance, not only from the angle of drawing up texts and providing normal explanations on given aspects of Community

rules or their operation, but also from the angle of measures to adapt Greek agriculture to the requirements of a development of trade in agricultural products between the Parties. In addition, the need to make rapid progress implies that the Parties should not restrict themselves to exchanging some views at the rhythm of meetings of the Association bodies, whether it be the Council or the Committee even. The numerous technical tasks will have to be carried out by experts designated for the purpose. For these reasons the Commission considers that the Community should propose that the Council of Association decide that, for each of the two sectors, the text communicated by both sides should be submitted to panels of experts set up according to necessity, whose task it would be to suggest to the Committee of Association, with a minimum of delay, possible amendments to be made or decisions that should be taken on those texts by the Council of Association.

Moreover, the Community should declare itself ready, in the Council of Association, to place at the disposal of Greece all the experts or advisers found to be required by the Greek departments in the light of the study of problems cropping up as the process undertaken proceeds.

8. In conclusion, the Commission would like to stress the importance of the negotiations which,

will very soon be opened with Greece. It is important that the negotiations should be carefully prepared and approached with an open-minded, but realistic attitude in view of what is at stake. A solid basic fund of information must be built up and a detailed examination of that information carried out. It is for this reason that the Commission proposes that negotiations in the field of the harmonization of agricultural policies should begin on the basis of the decisions that the Council of Association would be asked to take : these decisions would concern both the content of the communications that are to be presented and the ways and means of examining them.

The Commission consequently submits to the Council a recommendation for a Council decision adopting certain directives on the position of the Community within the EEC-Greece Council of Association concerning the harmonization of the agricultural policies of the Community and Greece.

9. Although the question is not directly connected with the harmonization of agricultural policies proper, the Commission considers that the Council of Association which decides on the first practical measures concerning harmonization will have to decide to terminate the tariff standstill referred to in Article 37 (2) of the Athens Agreement. This standstill concerns all products not listed in Annex III to the Agreement, that is those not enjoying the treatment in anticipation of harmonization of agricultural policies laid down by Article 37 (1). This standstill arrangement froze the duties existing in 1962 as regards the original Member States, and in 1972 as regards the three new Member States, in respect of imports from Greece into the Community of the agricultural products in question. They constitute therefore a breach of the CCT and are a source of useless complication to the customs departments in as much as the products concerned are of trifling importance in trade between Greece and the Community, since all products of any importance are included in Annex III and hence, from the customs angle, are subject to intra-Community rules.

The Commission suggests, therefore, that the Council of Association be asked to terminate the standstill and entrust the Customs Cooperation Committee with the task of preparing proposals to be submitted to the Council to that end.

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RECOMMENDATION FOR A COUNCIL DECISION ADOPTING CERTAIN
DIRECTIVES ON THE POSITION OF THE COMMUNITY WITHIN THE EEC-
GREECE COUNCIL OF ASSOCIATION CONCERNING THE HARMONIZATION
OF THE AGRICULTURAL POLICIES OF THE COMMUNITY AND GREECE

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to the Recommendation from the Commission;

Whereas it is appropriate to adopt certain directives on the Community's position within the EEC-Greece Council of Association concerning the harmonization of the agricultural policies of the Community and Greece in accordance with Articles 33 to 35 of the Agreement establishing an Association between the EEC and Greece;

HAS DECIDED AS FOLLOWS:

Sole Article

In the deliberations within the Council of Association on the harmonization of the agricultural policies of the Community and Greece in accordance with Articles 33 to 35 of the Agreement of Association

the Commission shall state the Community's position on the basis of the Directives annexed hereto.

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ANNEX

1. The Community should propose that the Council of Association decide pursuant to Articles 34 and 35 of the Association Agreement:

a) that the Community inform Greece of:

- all amendments to its common rules in the fruit and vegetable sector introduced after declarations made by the Community up to 1967;
- its common rules in the wine sector and any amendments under consideration by the Council;

b) that Greece inform the Community of:

- any laws, regulations or administrative measures adopted or contemplated in order to take over Community rules in particular in the sectors referred to in subparagraph (a)
- any basic documentation providing supporting reasons for special measures considered necessary by Greece to take account of its special situation while respecting the aims of the rules;

c) that the Community and Greece immediately begin consultations within the Council of Association on the measures communicated in accordance with paragraphs (a) and (b);

d) that committees made up of ad hoc experts be created in the case of necessity to prepare for these consultations and to propose to the Council of Association, all appropriate recommendations and decisions regarding the harmonization of agricultural policies.

2. The Community should propose that the Council of Association undertake, in accordance with Article 5 (2) of the Interim Agreement, the harmonization of the levels of customs duties resulting from the arrangements provided for in Article 37 (2) (a) and (b) of the Association Agreement and instruct the Customs Cooperation Committee to submit proposals to this end.