

EUROPEAN COMMUNITY

INFORMATION SERVICE

222 Southern Building, Washington, D.C.

Telephone NAAtions 3-5570

COMMON MARKET • EURATOM • COAL & STEEL COMMUNITY

FOR IMMEDIATE RELEASE

GREECE LINKED WITH COMMON MARKET TODAY

Library Copy

WASHINGTON, D.C., Nov. 1 -- The agreement of association between Greece and the European Economic Community came into force at midnight last night.

Signed in Athens on July 9, 1961, the agreement establishes close economic links between Greece and the EEC. It not only provides for the gradual establishment of a customs union, involving the mutual abolition of customs barriers and the introduction of a common external tariff, but also includes measures to harmonize the economic policies of both parties.

The agreement takes into account the difference in economic development between Greece and the EEC. From today, the Community countries will extend to Greece their own 50 per cent mutual tariff cuts. But Greece is lowering her own tariff on imports from the Community much more slowly -- by 10 per cent reductions staggered over 12 years from today. For certain products this period may, if necessary, be extended to 22 years.

The agreement also provides for special financial aid to the Greek economy in the form of loans (\$125 million in five annual installments during the first five years of the association). The association's express aim is to help Greece economically so that it can finally become a full member of the Community, with all the rights and obligation that this implies.

Statement by President Walter Hallstein of the EEC Commission on the entry into effect of the association of Greece:

"We welcome Greece as an associate member of the European Economic Community. After prolonged efforts by both sides, an event of great political and economic importance to all concerned has now taken place.

"The Community is demonstrating that it is open to the world. It is demonstrating that it is not a self-seeking enterprise for the sole purpose of benefiting its members, but that also beyond its own boundaries it serves the strength and peace of Europe.

"Greece is reaffirming the political principles to which it has long been true. It is strengthening its security by establishing closer relations with its old friends, and is opening up great opportunities for its economy. Association will enable the Greek economy to move forward cautiously and gradually until it reaches a level similar to that achieved by the member states of the Community. In this way it will be possible eventually to pass from association to full membership.

"I am convinced that we shall succeed. This certainty rests not only on the inner balance of the Treaty of Association, but also on the fact that both sides are inspired by the same political will. Both defend the idea of freedom -- an idea which took root more than 2,000 years ago on the Greek peninsula. This is today the dominant idea of the West -- and the basis of strength and cohesion of our Community."