

European BACKGROUND INFORMATION Community

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BACKGROUND NOTE

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EUROPEAN COMMUNITY COMMISSION GIVES "CLEAR AFFIRMATIVE REPLY" TO MEMBERSHIP APPLICATION OF GREECE

The Commission of the European Communities, in the mandatory "Opinion," has given a "clear affirmative reply" to the Greek request for membership in the European Coal and Steel Community (ECSC), the European Economic Community (EEC), and the European Atomic Energy Community (Euratom).

EC Commission Vice President Christopher Soames personally presented the Opinion to member governments and to the Greek Ambassador. Soames announced the news at a press conference in Brussels yesterday afternoon. Attached is the full text of the statement released at the press conference.

Negotiations can begin after the Council of Ministers defines the Commission's negotiating mandate on the basis of the Opinion.

The Community signed an association agreement, leading to full membership, with Greece July 9, 1961, in Athens. Between the 1967 coup d'etat and 1974, when democracy was restored, the agreement was "frozen" and financial aid to Greece cut off. On June 12, 1975, Greece asked for full membership in the Community. In the meantime, the Community and Greece are negotiating new development aid arrangements under the association agreement.

COMMISSION OPINION ON THE GREEK REQUEST FOR MEMBERSHIP

The Commission has just adopted its opinion on the Greek application for membership of the European Communities, as requested by the Council under Articles 237 of the EEC Treaty, 98 of the ECSC, and 205 of the Euratom Treaties.

The Commission recommends that a clear affirmative reply be given to the Greek request and that negotiations for Greek accession should accordingly be opened. In making this recommendation, the Commission has also borne in mind, firstly, that the Greek request represents a remarkable affirmation of the overriding importance that the Greek Government and people attach to their country being committed to the cause of European integration and, secondly, that the consolidation of democracy in Greece, which is a fundamental concern not only of the Greek people but also of the Community and its member states, is intimately related to the evolution of Greece's relations with the Community.

The Commission notes however that the Greek application for membership at the present time, without waiting for the full implementation of the present association raises certain problems for both Greece and the Community. In particular, the Commission considers that in view of the size of the structural changes in the Greek economy that will be required, it would seem desirable to envisage a period of time before the obligations of membership, even subject to transitional arrangements, are undertaken. What is needed is a substantial economic program to enable Greece to accelerate the necessary structural reforms, using both the new financial protocol envisaged under the association and the Community's own social, regional, and agricultural structure funds. This would be combined with measures to bring Greece into a closer working relationship with the Community's institutions, not only in connection with the expenditure but also possibly in other fields. At the same time, negotiations should begin towards accession.

While taking a positive stand on the principle of Greek membership, the Commission identifies certain problems raised by the Greek application and proposes certain guidelines for approaching them.

Eastern Mediterranean

The European Community is not and should not become a party to the disputes between Greece and Turkey, an associate country whose agreement with the Community also has full membership as its final objective. The Community should urge Greece and Turkey to reach a just and lasting solution to their differences and examine how it could, parallel to the preparatory work for Greek accession, facilitate this process, though without making the decision on Greek membership dependent on it. Furthermore, specific steps will have to be taken to give substance to the Council's declaration of June 24, 1975, to the effect that the examination of the Greek application for membership will not affect relations between the Community and Turkey nor Turkish rights under the association agreement.

Economic Implications

The Greek economy at its present stage of development contains a number of structural features (relative size of agricultural population, the structure of Greek agriculture, and the relatively weak industrial base) which limits its ability to combine homogeneously with the economies of the present member states. Structural changes are necessary for which the Community will have to bear a considerable share of the cost. It is impossible at this stage to estimate the transfer of resources which will need to take place, particularly since the order of magnitude will be related to the time scale foreseen.

Although the association agreement has brought Greece and the Community a long way towards customs union, this has not greatly reduced the impact of full membership. Progress towards agricultural harmonization has regrettably been limited, largely because of the freezing of the agreement from 1967 to 1974. For complex political and social reasons, the integration of Greek agriculture with that of the European Community will take time and money. Secondly, so long as Greece is not a full member, it will be more easy to deal with the kind of difficulties that might arise from the necessary structural changes, since Greece is currently free to a large extent to conduct its trade policy towards third countries. As a member Greece would have to assume the obligation to grant various forms of preferential access to its market to a wide range of countries in Europe, the Mediterranean, and elsewhere.

Development of the Community

The prospect of further enlargement at a time when the full consequences of the preceding one have not yet been absorbed raises questions about the possible effects on the working methods and the future development of the Community.

The Commission considers that any further enlargement must be accompanied by a strengthening of the Community's institutions.

In both the political and the economic fields the Commission believes it essential for the Community to make significant progress in its internal development in the period leading up to enlargement.

Specific Aspects of the Greek Application

The Commission's opinion also examines the economic and technical questions which Greek membership might raise in specific sectors, though without at this stage indicating what solutions might be sought.

There Is Also A Statistical Appendix

The Commission has made purely illustrative calculations of the budgetary implications of Greek membership. On the basis of the Community budget for 1976 and assuming existing policies as regards agriculture and the regional and social funds, there would be an overall increase in expenditure of 450 million

units of account (UA)* (+ 60 per cent) and in revenue of UA 150 million leaving a net additional cost of UA 300 million. These figures take no account of the possible evolution of Community policies, the impact of any transitional arrangements or the actual financing requirements of the Greek economy.

* The value of one UA used in Community coal, steel, and development aid transactions varies daily and is based on a "basket" of the nine EC members' currencies. It is currently worth about \$1.17. The UA used in all other transactions is worth \$1.20635.