

II

1. As regards the association arrangements to be made on the expiry of the Convention of Association signed on 29 July, 1969, the Community is ready to pursue its policy of association both with regard to the Associated African and Malagasy States and with regard to the independent developing Commonwealth countries which become parties to the same association.

2. The accession of the new Member States to the Community and the possible extension of the policy of association should not be the source of any weakening in the Community's relations with the Associated African and Malagasy States which are parties to the Convention of Association signed on 29 July 1969.

The Community's relations with the Associated African and Malagasy States ensure for those States a range of advantages and are based on structures which give the Association its distinctive character in the fields of trade relations, financial and technical cooperation and joint institutions.

3. The Community's objective in its policy of association shall remain the safeguarding of what has been achieved and of the fundamental principles referred to above.

4. The provisions of this association, which will be defined during the negotiations referred to in the third subparagraph in Part I (2) of this Protocol, must similarly take account of the special economic conditions common to the independent developing Commonwealth countries situated in Africa, the Indian Ocean, the Pacific Ocean and the Caribbean, and the Associated African and Malagasy States, the experience acquired within the framework of association, the wishes of the Associated States and the consequences for those States of the introduction of the generalised preference scheme.

III

The Community will have as its firm purpose the safeguarding of the interests of all countries referred to in this Protocol whose economies depend to a considerable extent on the export of primary products, and particularly of sugar.

The question of sugar will be settled within this framework, bearing in mind with regard to exports of sugar the importance of this product for the economies of several of these countries and of the Commonwealth countries in particular.

PROTOCOL No. 23

ON THE APPLICATION BY THE NEW MEMBER STATES OF THE GENERALISED TARIFF PREFERENCE SCHEME APPLIED BY THE EUROPEAN ECONOMIC COMMUNITY

1. The new Member States are authorised to defer until 1 January 1974 the application of the generalised tariff preference scheme applied by the European Economic Community to products originating in the developing countries.

2. However, in respect of products falling under Regulations (EEC) Nos. 2796/71, 2797/71, 2798/71 and 2799/71, Ireland is authorised until 31 December 1975 to apply, vis-à-vis countries benefiting from generalised preferences, customs duties equal to the duties applied in respect of the same products vis-à-vis Member States other than the United Kingdom.

PROTOCOL No. 24⁽¹⁾

ON THE PARTICIPATION OF THE NEW MEMBER STATES IN THE FUNDS OF THE EUROPEAN COAL AND STEEL COMMUNITY

The contributions of the new Member States to the funds of the European Coal and Steel Community shall be fixed as follows:

United Kingdom	57,000,000 ua
Denmark	635,500 ua
Ireland	77,500 ua

Payment of these contributions shall take place in three equal annual instalments beginning on accession.

Each instalment shall be paid in the freely convertible national currency of each new Member State.

PROTOCOL No. 25

ON THE EXCHANGE OF INFORMATION WITH DENMARK IN THE FIELD OF NUCLEAR ENERGY

ARTICLE 1

1. From the date of accession, such information as has been communicated to Member States, persons and undertakings, in accordance with Article 13 of the Euratom Treaty, shall be placed at the disposal of Denmark, which shall give it limited distribution within its territory under the conditions laid down in that Article.

2. From the date of accession, Denmark shall place at the disposal of the European Atomic Energy Community an equivalent volume of information in the sectors specified below. This information will be set forth in detail in a document transmitted to the Commission. The Commission shall communicate this information to Community undertakings under the conditions laid down in the above mentioned Article.

The sectors in which Denmark shall make information available to the Community are as follows:

- DOR heavy water moderated organic cooled reactor;
- DT-350, DK-400 heavy water pressure vessel reactors;
- high temperature gas loop;

- instrumentation systems and special electronic equipment;
- reliability;
- reactor physics, reactor dynamics and heat exchange;
- in-pile testing of materials and equipment.

4. Denmark shall undertake to supply the Community with any information complementary to the reports which it shall communicate, in particular during visits by Community personnel or personnel from the Member States to the Risø Centre, under conditions to be determined by mutual agreement in each case.

ARTICLE 2

1. In those sectors in which Denmark places information at the disposal of the Community, the competent authorities, at present the "*Atomenergi-kommission*," shall grant upon request, licences on commercial terms to Member States, persons and undertakings of the Community where they possess exclusive rights to patents filed in Member States of the Community and in so far as they have no obligation or commitment in respect of third parties to grant or offer to grant an exclusive or partially exclusive licence to the rights in these patents.

2. Where an exclusive or partially exclusive licence has been granted, Denmark shall encourage and facilitate the granting of sublicences on commercial terms to Member States, persons and undertakings of the Community by the holders of such licences.

Such exclusive or partially exclusive licences shall be granted on a normal commercial basis.

PROTOCOL No. 26

ON THE EXCHANGE OF INFORMATION WITH IRELAND IN THE FIELD OF NUCLEAR ENERGY

ARTICLE 1

1. From the date of accession, such information as has been communicated to Member States, persons and undertakings, in accordance with Article 13 of the Euratom Treaty, shall be placed at the disposal of Ireland, which shall give it limited distribution within its territory under the conditions laid down in that Article.

2. From the date of accession, Ireland shall place at the disposal of the European Atomic Energy Community information obtained in the nuclear field in Ireland, which is given limited distribution, in so far as strictly commercial applications are not involved. The Commission shall communicate this information to Community undertakings under the conditions laid down in the above mentioned Article.

3. This information shall mainly concern studies for the development of a power reactor and work on radioisotopes and their application in medicine, including the problems of radiation protection.

ARTICLE 2

1. In those sectors in which Ireland places information at the disposal of the Community, the competent authorities shall grant upon request licences on commercial terms to Member States, persons and undertakings of the Community where they possess exclusive rights to patents filed in Member States of the Community and in so far as they have no obligation or commitment in respect of third parties to grant or offer to grant an exclusive or partially exclusive licence to the rights in these patents.

2. Where an exclusive or partially exclusive licence has been granted, Ireland shall encourage and facilitate the granting of sub-licences on commercial terms to Member States, persons and undertakings of the Community by the holders of such licences.

Such exclusive or partially exclusive licences shall be granted on a normal commercial basis.

PROTOCOL No. 27⁽⁶⁾

PROTOCOL No. 28

ON THE EXCHANGE OF INFORMATION WITH THE UNITED KINGDOM IN THE FIELD OF NUCLEAR ENERGY

ARTICLE 1

1. From the date of accession, such information as has been communicated to Member States, persons and undertakings in accordance with Article 13 of the Euratom Treaty, shall be placed at the disposal of the United Kingdom, which shall give it limited distribution within its territory under the conditions laid down in that Article.

2. From the date of accession, the United Kingdom shall place at the disposal of the European Atomic Energy Community an equivalent volume of information in the sectors set out in the annexed list. This information will be set forth in detail in a document transmitted to the Commission. The Commission shall communicate this information to Community undertakings under the conditions laid down in the above-mentioned Article.

3. In view of the Community's greater interest in certain sectors, the United Kingdom shall lay special emphasis on the transmission of information in the following sectors:

- fast reactor research and development (including safety);
- fundamental research (applicable to reactor types);
- reactor safety (other than fast reactors);
- metallurgy, steel, zirconium alloys and concrete;
- compatibility of structural materials;
- experimental fuel fabrication;
- thermohydrodynamics;
- instrumentation.

⁽⁶⁾ Lapsed, Article 46, Council Decision of 1 January 1973. (See footnote (1).)

ARTICLE 2

1. In those fields in which the United Kingdom places information at the disposal of the Community, the competent authorities, at present the United Kingdom Atomic Energy Authority and the United Kingdom Generating Boards, shall grant upon request licences on commercial terms to Member States, persons and undertakings of the Community where they possess exclusive rights to patents filed in the Member States of the Community and in so far as they have no obligation or commitment in respect of third parties to grant or offer to grant an exclusive or partially exclusive licence to the rights in these patents.

2. Where an exclusive or partially exclusive licence has been granted, the United Kingdom shall encourage and facilitate the granting of sub-licences on commercial terms to the Member States, persons and undertakings of the Community by the holders of such licences.

Such exclusive or partially exclusive licences shall be granted on a normal commercial basis.

ANNEX

List of sectors referred to in Article 1(2)

I. *Basic science*

- Reactor physics
- Basic work in metallurgy and chemistry
- Work on isotopes
- Chemical engineering

II. *Reactors*

- (a) Research and development on reactor systems
- (b) Operating experience with Magnox reactors (including research on reactor operations)
- (c) Reactor safety (except fast reactors)
- (d) Fast reactor research and development (including safety)
- (e) Operating experience with materials-testing reactors

III. *Materials and components*

- (a) Graphite and coolant chemistry
- (b) Compatibility of structural materials for reactors
- (c) Steel and concrete (including corrosion): welding and weld tests
- (d) Experimental fuel fabrication and evaluation of fuel design and performance
- (e) Heat exchange
- (f) Metallurgy

IV. *Instrumentation (including health physics instrumentation)*

V. *Radiobiology*

VI. *Marine propulsion*

PROTOCOL No. 29⁽¹⁾

ON THE AGREEMENT WITH THE INTERNATIONAL ATOMIC ENERGY AGENCY

The Kingdom of Denmark and Ireland undertake to accede, under conditions to be established therein, to the Agreement between certain original Member States jointly with the European Atomic Energy Community, on the one hand, and the International Atomic Energy Agency, on the other hand, on the application in the territories of certain Member States of the Community of the guarantees provided for in the Treaty on the Non-Proliferation of Nuclear Weapons.

PROTOCOL No. 30

ON IRELAND

THE HIGH CONTRACTING PARTIES,

DESIRING to settle certain special problems of concern to Ireland, and

HAVING AGREED the following provisions,

RECALL that the fundamental objectives of the European Economic Community include the steady improvement of the living standards and working conditions of the peoples of the Member States and the harmonious development of their economies by reducing the differences existing between the various regions and the backwardness of the less-favoured regions;

TAKE NOTE of the fact that the Irish Government has embarked upon the implementation of a policy of industrialisation and economic development designed to align the standards of living in Ireland with those of the other European nations and to eliminate underemployment while progressively evening out regional differences in levels of development;

RECOGNISE it to be in their common interest that the objectives of this policy be so attained;

AGREE to recommend to this end that the Community institutions implement all the means and procedures laid down by the EEC Treaty, particularly by making adequate use of the Community resources intended for the realisation of the Community's above-mentioned objectives;

RECOGNISE in particular that, in the application of Articles 92 and 93 of the EEC Treaty, it will be necessary to take into account the objectives of economic expansion and the raising of the standard of living of the population.

EXCHANGE OF LETTERS ON MONETARY QUESTIONS

Brussels, 22 January 1972

Your Excellency,

1. At the Ministerial Meeting of the Conference on 7 June 1971, it was agreed that the declaration on monetary questions which I made at the Meeting should form the subject of an exchange of letters annexed to the Act concerning the Conditions of Accession and the Adjustments to the Treaties. I therefore now have the honour to confirm that at that Meeting I made the following declaration:

- “(a) We are prepared to envisage an orderly and gradual run-down of official sterling balances after our accession.
- (b) We shall be ready to discuss after our entry into the Communities what measures might be appropriate to achieve a progressive alignment of the external characteristics and practices in relation to sterling with those of other currencies in the Community in the context of progress towards economic and monetary union in the enlarged Community, and we are confident that official sterling(*) can be handled in a way which will enable us to take our full part in that progress.
- (c) In the meantime we shall manage our policies with a view to stabilising the official sterling balances in a way which would be consistent with these longer term objectives.
- (d) I hope that the Community will regard this statement as disposing satisfactorily of the question of sterling and associated matters, leaving only the arrangements for U.K. compliance with the Directives relating to capital movements under the Treaty of Rome to be settled in the course of the negotiations.”

2. At the same meeting on 7 June, the above declaration was agreed by the Community delegation.

3. I understand that the delegations of the Kingdom of Denmark, Ireland and the Kingdom of Norway have also signified their agreement to the above-mentioned declaration as confirmed by the present letter.

4. I would be grateful if you would kindly acknowledge receipt of this letter and confirm the agreement of the Governments of the Member States of the Community and of the Governments of the Kingdom of Denmark, Ireland and the Kingdom of Norway to the above-mentioned declaration.

Please accept, Your Excellency, the assurances of my highest consideration.

GEOFFREY RIPPON

G. Rippon,

Chancellor of the Duchy of Lancaster.

Monsieur G. Thorn,
Ministre des Affaires Etrangères
du Grand-Duché du Luxembourg.

* “Official sterling” means “official sterling balances”.

Brussels, 22 January 1972

Your Excellency,

You were good enough to make the following communication to me in your letter of today's date:

'1. At the Ministerial Meeting of the Conference on 7 June 1971, it was agreed that the declaration on monetary questions which I made at the Meeting should form the subject of an exchange of letters annexed to the Act concerning the Conditions of Accession and the Adjustments to the Treaties. I therefore now have the honour to confirm that at that Meeting I made the following declaration:

"(a) We are prepared to envisage an orderly and gradual run-down of official sterling balances after our accession.

(b) We shall be ready to discuss after our entry into the Communities what measures might be appropriate to achieve a progressive alignment of the external characteristics and practices in relation to sterling with those of other currencies in the Community in the context of progress towards economic and monetary union in the enlarged Community, and we are confident that official sterling (*) can be handled in a way which will enable us to take our full part in that progress.

(c) In the meantime we shall manage our policies with a view to stabilising the official sterling balances in a way which would be consistent with these longer term objectives.

(d) I hope that the Community will regard this statement as disposing satisfactorily of the question of sterling and associated matters, leaving only the arrangements for U.K. compliance with the Directives relating to capital movements under the Treaty of Rome to be settled in the course of the negotiations."

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3. I understand that the delegations of the Kingdom of Denmark, Ireland and the Kingdom of Norway have also signified their agreement to the above-mentioned declaration as confirmed by the present letter.

4. I would be grateful if you would kindly acknowledge receipt of this letter and confirm the agreement of the Governments of the Member States of the Community and of the Governments of the Kingdom of Denmark, Ireland and the Kingdom of Norway to the above-mentioned declaration.'

I have the honour to acknowledge receipt of this communication and to confirm the agreement of the Governments of the Member States of the Community and of the Governments of the Kingdom of Denmark, Ireland and the Kingdom of Norway to the declaration contained in paragraph 1 of your letter.

* "Official sterling" means "official sterling balances".

Please accept, Your Excellency, the assurance of my highest consideration.

GASTON THORN

G. Thorn

*Ministre des Affaires Etrangères
du Grand-Duché du Luxembourg.*

P. HARMEL

Ministre des Affaires Etrangères
du Royaume de Belgique
Minister van Buitenlandse Zaken
van het Koninkrijk België

IVOR NØRGAARD

Kongeriget Danmarks
udenrigsøkonomiminister

WALTER SCHEEL

Bundesminister des Auswärtigen
der Bundesrepublik Deutschland

MAURICE SCHUMANN

Ministre des Affaires Etrangères
de la République française

PADRAIG OH IRIGHILE

Aire Gnóthaí Eachtracha
na hÉireann

ALDO MORO

Ministro per gli Affari Esteri
della Repubblica Italiana

N. SCHMELTZER

Minister van Buitenlandse Zaken
van het Koninkrijk der Nederlanden

ANDREAS CAPPELEN

Kongeriket Norges utenriksminister

The Right Honourable Geoffrey Rippon, Q.C., M.P.,
Chancellor of the Duchy of Lancaster

FINAL ACT

The Plenipotentiaries of HIS MAJESTY THE KING OF THE BELGIANS, HER MAJESTY THE QUEEN OF DENMARK, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF IRELAND, THE PRESIDENT OF THE ITALIAN REPUBLIC, HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS, HIS MAJESTY THE KING OF NORWAY, HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE COUNCIL OF THE EUROPEAN COMMUNITIES represented by its President,

Assembled at Brussels on the twenty-second day of January one thousand nine hundred and seventy-two on the occasion of the signature of the Treaty relating to the accession of the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland to the European Economic Community and the European Atomic Energy Community,

Have placed on record the fact that the following texts have been drawn up and adopted within the Conference between the European Communities and the States which have applied for accession to those Communities:

- I. the Treaty concerning the accession of the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland to the European Economic Community and to the European Atomic Energy Community;
- II. the Act concerning the Conditions of Accession and the Adjustments to the Treaties;
- III. the texts listed below which are annexed to the Act concerning the Conditions of Accession and the Adjustments to the Treaties:
 - A. ANNEX I List referred to in Article 29 of the Act of Accession,
 - ANNEX II List referred to in Article 30 of the Act of Accession,
 - ANNEX III List of products referred to in Articles 32, 36 and 39 of the Act of Accession (Euratom),
 - ANNEX IV List of products referred to in Article 32 of the Act of Accession (Commonwealth products which are subject to contractual margins of preference in the United Kingdom),
 - ANNEX V List referred to in Article 107 of the Act of Accession,
 - ANNEX VI List of countries referred to in Article 109 of the Act of Accession and in Protocol No. 22,
 - ANNEX VII List referred to in Article 133 of the Act of Accession,
 - ANNEX VIII List referred to in Article 148(1) of the Act of Accession,

- ANNEX IX List referred to in Article 148(2) of the Act of Accession,
- ANNEX X List referred to in Article 150 of the Act of Accession,
- ANNEX XI List referred to in Article 152 of the Act of Accession,

- B. PROTOCOL No. 1 on the Statute of the European Investment Bank,
- PROTOCOL No. 2 on the Faroe Islands,
- PROTOCOL No. 3 on the Channel Islands and the Isle of Man,
- PROTOCOL No. 4 on Greenland,
- PROTOCOL No. 5 on Svalbard (Spitzbergen),
- PROTOCOL No. 6 on certain quantitative restrictions relating to Ireland and Norway,
- PROTOCOL No. 7 on imports of motor vehicles and the motor vehicle assembly industry in Ireland,
- PROTOCOL No. 8 on phosphorus (CCT subheading No. 28.04 C IV),
- PROTOCOL No. 9 on aluminium oxide and hydroxide (alumina) (CCT subheading No. 28.20 A),
- PROTOCOL No. 10 on tanning extracts of wattle (mimosa) (CCT subheading No. 32.01 A) and tanning extracts of chestnut (CCT subheading No. 32.01 C),
- PROTOCOL No. 11 on plywood (CCT heading No. 44.15),
- PROTOCOL No. 12 on wood pulp (CCT subheading No. 47.01 A II),
- PROTOCOL No. 13 on newsprint (CCT subheading No. 48.01 A),
- PROTOCOL No. 14 on unwrought lead (CCT subheading No. 78.01 A),
- PROTOCOL No. 15 on unwrought zinc (CCT subheading No. 79.01 A),
- PROTOCOL No. 16 on markets and trade in agricultural products,
- PROTOCOL No. 17 on the import of sugar by the United Kingdom from the exporting countries and territories referred to in the Commonwealth Sugar Agreement,
- PROTOCOL No. 18 on the import of New Zealand butter and cheese into the United Kingdom,
- PROTOCOL No. 19 on spirituous beverages obtained from cereals,
- PROTOCOL No. 20 on Norwegian agriculture,
- PROTOCOL No. 21 on the fisheries regime for Norway,

- PROTOCOL No. 22 on relations between the European Economic Community and the Associated African and Malagasy States and also the independent developing Commonwealth countries situated in Africa, the Indian Ocean, the Pacific Ocean and the Caribbean,
- PROTOCOL No. 23 on the application by the new Member States of the generalised tariff preference scheme applied by the European Economic Community,
- PROTOCOL No. 24 on the participation of the new Member States in the funds of the European Coal and Steel Community,
- PROTOCOL No. 25 on the exchange of information with Denmark in the field of nuclear energy,
- PROTOCOL No. 26 on the exchange of information with Ireland in the field of nuclear energy,
- PROTOCOL No. 27 on the exchange of information with Norway in the field of nuclear energy,
- PROTOCOL No. 28 on the exchange of information with the United Kingdom in the field of nuclear energy,
- PROTOCOL No. 29 on the Agreement with the International Atomic Energy Agency,
- PROTOCOL No. 30 on Ireland;

C. Exchange of Letters on Monetary Questions;

- D. The texts of the Treaty establishing the European Economic Community and of the Treaty establishing the European Atomic Energy Community, together with the Treaties amending or supplementing them, in the Danish, English, Irish and Norwegian languages.

The Plenipotentiaries have taken note of the Decision of the Council of the European Communities of 22 January 1972 concerning the accession of the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland to the European Coal and Steel Community.

Furthermore, the Plenipotentiaries and the Council have adopted the Declarations listed below and annexed to this Final Act:

1. Joint Declaration on the Court of Justice,
2. Joint Declaration on the Sovereign Base Areas of the United Kingdom of Great Britain and Northern Ireland in Cyprus,
3. Joint Declaration on the fisheries sector,
4. Joint Declaration of Intent on the development of trade relations with Ceylon, India, Malaysia, Pakistan and Singapore,

5. Joint Declaration on the free movement of workers.

The Plenipotentiaries and the Council have also taken note of the following Declaration to this Final Act:

Declaration by the Government of the Federal Republic of Germany on the application to Berlin of the Decision concerning Accession to the European Coal and Steel Community and of the Treaty of Accession to the European Economic Community and to the European Atomic Energy Community.

The Plenipotentiaries and the Council have also taken note of the arrangement regarding the procedure for adopting certain decisions and other measures to be taken during the period preceding accession which has been reached within the Conference between the European Communities and the States which have applied for accession to those Communities and which is annexed to this Final Act.

Finally, the following declarations have been made and are annexed to this Final Act:

1. Declaration by the Government of the United Kingdom of Great Britain and Northern Ireland on the definition of the term "nationals",
2. Declarations on the economic and industrial development of Ireland,
3. Declarations on liquid milk, pigmeat and eggs,
4. Declaration on the system for fixing Community farm prices,
5. Declarations on hill farming.

IN WITNESS WHEREOF, the undersigned Plenipotentiaries have signed this Final Act.

DONE at Brussels this twenty-second day of January in the year one thousand nine hundred and seventy-two.

[For signatures see page 283]

JOINT DECLARATION

on the Court of Justice

Such additional measures as may prove necessary following the accession of the new Member States should be taken by the Council which, at the request of the Court, may increase the number of Advocates-General to four and adjust the provisions of the third paragraph of Article 32 of the ECSC Treaty, the third paragraph of Article 165 of the EEC Treaty and the third paragraph of Article 137 of the Euratom Treaty accordingly.

JOINT DECLARATION

on the Sovereign Base Areas of the United Kingdom of Great Britain and Northern Ireland in Cyprus

The arrangements applicable to relations between the European Economic Community and the Sovereign Base Areas of the United Kingdom of Great Britain and Northern Ireland in Cyprus will be defined within the context of any agreement between that Community and the Republic of Cyprus.

JOINT DECLARATION

on the Fisheries Sector

1. The institutions of the European Economic Community will examine the problems of the fish meal and fish oils sector with a view to adopting measures which might prove necessary in that sector in respect to the raw material used. These measures should meet the need for protection and rational use of the sea's biological resources while avoiding the creation or retention of insufficiently profitable production units.

2. The application of common marketing standards for certain fresh or chilled fish must not have the effect of excluding any marketing method and, conversely, no marketing method should hinder the application of the said standards; it is in this spirit that the problems which could arise may be settled when the time comes by the institutions of the European Economic Community.

3. The European Economic Community is aware of the importance of Norwegian exports of fish products to third countries, which are subject like other Community exports to Regulation (EEC) No. 2142/70.

4. It is understood that the Norwegian law on "the marketing of fish coming from processing industries" of 18 December 1970 will be the subject, as soon as possible, of a detailed study with a view to examining the conditions under which it might be applied, having regard to the provisions of Community law.

JOINT DECLARATION OF INTENT

on the Development of Trade Relations with Ceylon, India, Malaysia, Pakistan and Singapore

Inspired by the will to extend and strengthen the trade relations with the developing independent Commonwealth countries in Asia (Ceylon, India, Malaysia, Pakistan and Singapore), the European Economic Community is ready, from the date of accession, to examine with these countries such

problems as may arise in the field of trade with a view to seeking appropriate solutions, taking into account the effect of the generalised tariff preference scheme and the situation of the other developing countries in the same geographical area.

The question of exports of sugar from India to the Community after the expiry of the Commonwealth Sugar Agreement on 31 December 1974 must be settled by the Community in the light of this Declaration of Intent, taking account of the provisions which may be adopted as regards imports of sugar from the independent Commonwealth countries listed in Protocol No. 22 on relations between the European Economic Community and the Associated African and Malagasy States and also the independent developing Commonwealth countries situated in Africa, the Indian Ocean, the Pacific Ocean and the Caribbean.

JOINT DECLARATION

on the Free Movement of Workers

The enlargement of the Community could give rise to certain difficulties for the social situation in one or more Member States as regards the application of the provisions relating to the free movement of workers.

The Member States declare that they reserve the right, should difficulties of that nature arise, to bring the matter before the institutions of the Community in order to obtain a solution to this problem in accordance with the provisions of the Treaties establishing the European Communities and the provisions adopted in application thereof.

DECLARATION

by the Government of the Federal Republic of Germany on the Application to Berlin of the Decision concerning Accession to the European Coal and Steel Community and of the Treaty of Accession to the European Economic Community and to the European Atomic Energy Community

The Government of the Federal Republic of Germany reserve the right to declare, when the accession of the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland to the European Coal and Steel Community takes effect and upon depositing its instrument of ratification of the Treaty concerning the accession of the abovementioned countries to the European Economic Community and to the European Atomic Energy Community, that the Decision of the Council of 22 January 1972 concerning accession to the European Coal and Steel Community and the Treaty referred to above shall equally apply to Land Berlin.

DECLARATION

by the Government of the United Kingdom of Great Britain and Northern Ireland on the Definition of the Term "Nationals"

At the time of signature of the Treaty of Accession, the Government of the United Kingdom of Great Britain and Northern Ireland make the following Declaration:

"As to the United Kingdom of Great Britain and Northern Ireland, the terms "nationals", "nationals of Member States" or "nationals of Member States and overseas countries and territories" wherever used in the Treaty establishing the European Economic Community, the Treaty establishing the European Atomic Energy Community or the Treaty establishing the European Coal and Steel Community or in any of the Community acts deriving from those Treaties, are to be understood to refer to:

- (a) persons who are citizens of the United Kingdom and Colonies or British subjects not possessing that citizenship or the citizenship of any other Commonwealth country or territory, who, in either case, have the right of abode in the United Kingdom, and are therefore exempt from United Kingdom immigration control;
- (b) persons who are citizens of the United Kingdom and Colonies by birth or by registration or naturalisation in Gibraltar, or whose father was so born, registered or naturalised."

DECLARATIONS

on the Economic and Industrial Development of Ireland

At the 6th Ministerial Meeting in the negotiations between the Community and Ireland, held on 19 October 1971, Mr. A. MORO, Minister for Foreign Affairs of the Italian Republic, made, on behalf of the Community delegation, the declaration appearing under I hereinafter.

Mr. P. J. HILLERY, Minister for Foreign Affairs of Ireland, replied, on behalf of the Irish delegation, with the declaration appearing under II hereinafter.

I. Declaration made by Mr. A. MORO, Minister of Foreign Affairs of the Italian Republic on behalf of the Community delegation

I.

1. The Irish delegation has stressed that the Irish Government is faced with serious economic and social imbalances of a regional and structural nature. This delegation has stated that these imbalances should be remedied in order to achieve a degree of harmonisation consistent with the objectives of the Community and particularly with the realisation of economic and monetary union. The Irish delegation has asked the Community to undertake

to employ its means to support the Irish Government's programmes aimed at eliminating these imbalances and to take full account of Ireland's special problems in this field in the development of a major Community regional policy at a later date.

2. The Irish delegation has submitted documents to the Community delegation indicating the general direction and the instruments of the Irish regional programmes. The Irish delegation has also explained how the Irish exporting industries are supported by tax relief. In this respect it is also a question of measures the aim of which is to do away with economic and social imbalances by the development of industry.

II.

1. The Community delegation emphasises in this connection that—as follows from the Preamble to the Treaty of Rome—the essential objectives of the Community consist in the constant improvement of the living and working conditions of the peoples of the Member States, and the harmonious development of the economies of these States by reducing the differences existing between the various regions and the backwardness of the less-favoured regions.

2. The common policies and the various instruments created by the Community in the economic and social sectors are a positive realization of the abovementioned objectives and are furthermore likely to develop. The European Social Fund has been directed along new lines. The European Investment Bank is constantly expanding the field of its activities. At the present time, the institutions of the Community are engaged in discussions to decide the Community instruments, which it is possible to introduce, and according to what procedure, in order to achieve the objectives of the regional policy.

The aids granted by the States, including those granted by way of tax exemptions, are subject to the rules laid down in Articles 92 to 94 of the EEC Treaty. With regard to State aids for regional purposes it should be stressed that, under the terms of Article 92(3)(a) "aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious under-employment" may be considered to be compatible with the common market. Experience shows that this provision is flexible enough for the Community authorities to be able to take into consideration the special requirements of the under-developed regions.

Tax exemptions—in common with all other aids existing in Ireland at the time of accession—will be studied by the Commission in the normal framework of the permanent examination of existing aids. If this examination were to reveal that it would not be possible to retain any particular aid in its existing form, it will fall to the Commission under the rules of the Treaty to establish the appropriate time limits and transitional procedures.

3. Having regard to the abovementioned special problems with which Ireland is confronted, the Community delegation proposes to annex to the Act of Accession a protocol on the economic and industrial development of Ireland.

II. *Declaration made by Mr. P. J. HILLERY, Minister for Foreign Affairs of Ireland, on behalf of the Irish delegation*

I am pleased to record the Irish delegation's acceptance of the text of the proposed Protocol concerning Ireland which has been the subject of discussions between our two delegations and the background to which has been so clearly set out in your introductory statement. The text adopted will enable the Irish Government to proceed with their plans for economic and social development in the knowledge that the Community, through its institutions and agencies, will be ready to co-operate with us in the pursuit of the objectives which we have set ourselves.

I have on a number of occasions in the course of the negotiations, drawn attention to the problems posed by differences in the level of economic development in an entity such as the enlarged Community. I have endeavoured also to explain to you the difficulties which a country such as Ireland, situated on the periphery of the enlarged Community, must overcome in order to approximate its level of economic development to that of the other Member States. I am fully aware of the Community's will and purpose to achieve the aims set out in the EEC Treaty of ensuring the constant improvement of the living and working conditions of the peoples of the Member States and the harmonious development of their economies. The Protocol on which we have reached agreement today is a convincing demonstration of the Community's determination to give real content to these fundamental aims. This Protocol will be an instrument of practical value in enabling my country to play a full part within the enlarged Community in achieving these aims. Its effectiveness for this purpose will be greatly enhanced by the development of a comprehensive Community regional policy. In this connection may I say that I am heartened by the efforts being made to deal with this important issue as part of the evolution of the Community.

In Irish circumstances, the effectiveness of development measures, whether at the national or at Community level, must be judged by progress in the reduction of unemployment and emigration and the raising of living standards. This is essentially a matter of providing for our growing work force the necessary job opportunities without which a substantial proportion of our most valuable economic resource will remain unused or be lost through emigration and the pace of economic development will be retarded.

My Government will be gratified that our discussions today have shown that Ireland's accession to the Community will enable them to maintain the drive towards the realisation of their aims as recited in the Protocol. I have particularly in mind here the continuing growth of industry which is central to our general aim of economic expansion. It is of vital importance to us that progress in this area be maintained through the application of effective measures of industrial promotion. I understand that, like any other incentive scheme, our industrial incentives will come up for examination under Community rules after accession. I note with satisfaction that you recognise the necessity for an incentive policy in Ireland but that questions may arise about the particular forms our scheme of incentives has taken while we have been outside the Community.

I would like to draw your attention to the fact that the question would arise in this connection of the commitments which we had previously entered into. We shall, of course, have to honour these commitments but we shall be ready to discuss in all its aspects the change-over to whatever new incentive system is devised and we shall collaborate in solving these problems in an appropriate way.

I am fully satisfied from what you have said about the flexible nature of the relevant Treaty provisions that in the examination of our incentives the Community institutions will take full account of our special problems. I am also satisfied in the light of the identity of aims of both the Irish government and the Community that if adjustment of these incentives is called for, the Irish government will be able to maintain the growth of Irish industry, and achieve a continuous improvement in the level of employment and living standards.

Finally, may I say in conclusion that I appreciate the sympathy and understanding which the Community has shown in its approach to and examination of the questions of our regional problems and industrial incentives which are of the greatest importance to my country. The agreement which we have reached augurs well for our future co-operation within the enlarged Community in pursuit of the fundamental aims of the Treaty. I see in this future co-operation the means by which we in Ireland can best achieve our national economic objectives.

DECLARATIONS

on Liquid Milk, Pigmeat and Eggs

At the 2nd Ministerial Meeting in the negotiations between the Community and the United Kingdom held on 27 October 1970, Mr. G. RIPPON, Chancellor of the Duchy of Lancaster, speaking on behalf of the United Kingdom delegation and Mr. W. SCHEEL, Minister of Foreign Affairs of the Federal Republic of Germany, speaking on behalf of the Community delegation, made the two following statements.

In conclusion, the two delegations noted that agreement had been reached on the basis of these two statements.

I. *Statement made by Mr. G. RIPPON, Chancellor of the Duchy of Lancaster, on behalf of the United Kingdom delegation.*

1. At the 1st Ministerial meeting on 21 July my predecessor said that the United Kingdom was ready to adopt the common agricultural policy within an enlarged Community. He added, however, that we should need to consider carefully a number of points, including the production, marketing and consumption implications for the United Kingdom of the Community's regimes for milk, pigmeat and eggs.

2. There has been a considerable amount of exploration and discussion since then, both with the Commission at a technical level and more generally at meetings of the Deputies. On our side the aim has been to see whether any serious problems were likely to arise and, if so, how they might best be avoided. I am pleased to be able to say that we have had a good deal of elucidation and understanding from the Community, which has helped to clarify matters considerably and leads me to hope that we may be successful in reaching agreement on these matters and thus removing them from our future agenda.

Milk

We consider it important in the interests of the Community as well as the United Kingdom that we should be able to provide adequate supplies of liquid milk to meet consumer demand throughout the country and throughout the year. We believe this will be possible in the light of the confirmation we have received from the Community about our understanding of the scope and nature of the current and proposed arrangements. It is, therefore, important that I should record the main heads of that understanding, namely:

- (i) it is one of the objectives of the common policy to use as much milk as possible for liquid consumption throughout the Community, and the policy should not be applied so as to impede this aim;
- (ii) the price differential between milk sent for processing and milk for liquid consumption contained in Council Resolution of 24 July 1966 has no legally binding effect; it will in due time be superseded by a Community milk regulation; and, under the existing regulations, Member States are free to fix retail prices for milk for liquid consumption, but are not obliged to do so;
- (iii) Regulation (EEC) No. 804/68 refers only to measures by national governments permitting price equalisation, and accordingly a non-governmental producer organisation, provided it acts within the provisions of the EEC Treaty and of secondary legislation deriving from it, is free by its own decisions to consign milk wherever it chooses in order to get the best return for its members, to pool its financial returns and to remunerate its members as it wishes.

Pigmeat

We consider it also in the interest of an enlarged Community, expected to be more than self-sufficient in pigmeat, to ensure adequate market stability, including stability on the United Kingdom bacon market. The Community's present system, naturally enough, took no account of this important market—absorbing annually some 640,000 tons of bacon worth over 1,000 million units of account. But it could make a great contribution to stability, not only for the United Kingdom and other bacon producers who are directly affected, but to all pig producers in the enlarged Community.

We have not concluded from our discussions that the Community's existing arrangements for pigmeat will necessarily be inadequate or unsuited for the new situation emerging from enlargement.

We do consider it essential, however, to secure your recognition of the intrinsic importance of the bacon market in an enlarged Community; of the benefits that its continued stability under conditions of fair competition would bring to pig production throughout the whole Community; and of the need, therefore, to keep this situation under careful review during the transitional period and thereafter.

Eggs

The enlarged Community will be self-sufficient in eggs so that prices are likely to be determined by internal market forces rather than by the operation of measures at the frontiers. Since that is already true both of the existing Community and of the United Kingdom, the market of the enlarged Community may be subject to price fluctuation no different in kind, although possibly a little greater in degree, than obtains in the individual markets today. On the other hand, the trend towards the concentration of production in the hands of specialist producers and parallel developments in marketing should reduce instability in the longer term. I therefore believe that we shall be able to adapt to the Community's arrangements.

3. If you are now able formally to confirm that our understanding of the possibilities open to us for milk is correct; that you can accept the views I have expressed on the importance and characteristics of the bacon market in an enlarged Community and recognise the desirability of stability for pigmeat and eggs, we for our part can agree that we need raise no further points on these items during the negotiations, except in the general context of transitional arrangements.

II. Statement made by Mr. W. SCHEEL, Minister of Foreign Affairs of the Federal Republic of Germany, on behalf of the Community delegation

The Community delegation subscribes to your analysis of the objectives of the common policy in the milk sector, and of existing possibilities as regards retail price fixing for liquid milk and the activities of non-governmental producer organisations. It recalls, in so far as it may be necessary, that the prohibition of national measures permitting an equalisation of prices for the various milk products stipulated in Regulation (EEC) No. 804/68 applies equally to all national legislation aimed at achieving such equalisation.

The Community delegation can accept your statement on the importance and characteristics of the bacon market in an enlarged Community. In the light of the objectives pursued by the common policy in the pigmeat and eggs sectors it shares your concern for stability in these sectors.

Noting the statement by the United Kingdom delegation, the Community delegation notes with satisfaction that the existing regulations concerning the three abovementioned sectors will not have to be amended to take into account the anxieties expressed by the United Kingdom delegation.

DECLARATION

on the System for Fixing Community Farm Prices

At the 2nd Ministerial Meeting in the negotiations between the Community and the United Kingdom, held on 27 October 1970, Mr. W. SCHEEL, Minister of Foreign Affairs of the Federal Republic of Germany, on behalf of the Community delegation, made a statement on the system for fixing Community farm prices.

Mr. G. RIPPON, Chancellor of the Duchy of Lancaster, on behalf of the United Kingdom delegation, recorded his agreement to this statement. He added that he had no doubt as to the importance to all concerned of these agricultural reviews and of the intention to have effective and meaningful contacts in particular with producer organisations operating at Community level.

In conclusion, the two delegations noted that an agreement had been reached in the terms contained in the following statement made by Mr. W. SCHEEL:

“ 1. Since the discussions held on this subject in 1962, an annual review of the condition of agriculture and agricultural markets has been established within the Community. This comes under the procedure for fixing Community prices.

This procedure may be described as follows:

As a general rule, the various agricultural regulations stipulate that the Council, on a proposal from the Commission, shall fix for the Community each year, before 1 August, for the marketing year starting the following year, all the agricultural prices which, under the common organisation of the markets, must be fixed.

When submitting its proposals, the Commission at the same time submits an annual report on the condition of agriculture and agricultural markets. This report is submitted in accordance with the legal obligations of and the undertakings made by the Commission.

The Commission draws up this report on the basis of the relevant statistical and accounting data from all available national and Community sources.

The analysis made in the report comprises the following:

- examination of the economic condition of agriculture and of its overall development, both at national and at Community level, as well as in the general economic context;
- examination of the market by products or groups of products, in order to provide an outline of the situation and of its characteristic trends.

The review of the data undertaken by the Commission includes, in particular, information about trends in prices and costs, employment, productivity and farm incomes.

Agricultural prices are fixed in accordance with the procedure laid down in Article 43(2) of the EEC Treaty, which means that the Assembly must be consulted.

To this end, the Commission's proposals, together with the annual report, are referred to the Assembly, where a general debate is held on the common agricultural policy.

In addition, the Economic and Social Committee, composed of representatives of the various economic and social sectors, is regularly consulted on the proposals and the report. As regards the duties of this Committee, Article 47 of the EEC Treaty lays down that its Agricultural section shall have as its task that of holding itself at the service of the Commission for the purpose of preparing the discussions of the Committee, in accordance with the provisions of Articles 197 and 198 of the EEC Treaty.

Before, during and after the drawing up by the Commission of the annual report and the price proposals, contacts take place with the professional agricultural organisations organised at Community level. These contacts include a discussion of the statistical and other data bearing on the economic conditions and prospects of agriculture, which the Commission takes into account in its report to the Council.

Because of the nature of the prices fixed under the common agricultural policy, the Commission has decided not to limit these contacts to the agricultural sectors alone, but to maintain them also with industrial, commercial and trade union circles and with consumers.

These contacts provide an opportunity for all the interested parties to make known their views or claims. They also allow the Commission to draw up its annual report on the condition of agriculture and its proposals with regard to prices in full knowledge of the position of the interested parties.

The consultations of the Assembly and the Economic and Social Committee, during the policy-making process leading towards a final decision of the Council, combined with continual and direct contacts between the institution responsible for drawing up the report and the proposals and the organisations of the interested parties, are a sufficient guarantee that the interests of all those concerned by the decisions in question are given fair consideration.

2. It is understood that, notwithstanding this procedure, the Member States may themselves carry out annual reviews of their own agriculture, in contact with the professional organisations concerned and in accordance with their national procedures.

3. The Community delegation proposes that the Conference take formal note of the following:

—the procedures and practices within the Community, as well as in the Member States, will provide for appropriate contacts with the professional organisations concerned;

- the institutions of the Community intend to extend the practices and procedures described in paragraph 1 above to the enlarged Community;
- the application of the two preceding subparagraphs will ensure a system within the enlarged Community whereby it will be possible to review the economic conditions and prospects of agriculture and to maintain appropriate contacts with the professional producer organisations and with other interested organisations and parties.”

DECLARATIONS

on Hill Farming

At the 8th Ministerial Meeting in the negotiations between the Community and the United Kingdom, held on 21, 22 and 23 June 1971, Mr. G. RIPPON, Chancellor of the Duchy of Lancaster, on behalf of the United Kingdom delegation, made the statement appearing under I below.

Mr. M. SCHUMANN, Minister of Foreign Affairs of the French Republic, on behalf of the Community delegation, replied with the statement appearing under II below.

I. *Statement made by Mr. G. RIPPON, Chancellor of the Duchy of Lancaster, on behalf of the United Kingdom delegation*

In his opening statement to the Conference of 30 June 1970 Mr. BARBER referred, amongst other agricultural issues, to the problems of hill farming areas. Parts of Scotland, Wales, Northern Ireland and of the North and South-West of England consist of hill regions, which because of climate, soil structure and geography are suitable only for extensive livestock rearing.

Farming enterprises in these areas are limited in scope and are bound to be particularly vulnerable to market conditions, so that high end-prices alone will not enable them to remain viable. Under our present system, they receive assistance, therefore, both as a part of our general economic and social policies and as part of our agricultural policies. Many of the existing members of the Community certainly have areas with similar problems and we shall of course deal with them, as you yourselves already do, in conformity with the Treaty and the common agricultural policy. I should be grateful for the Community's confirmation of my understanding that it is necessary for all members of the enlarged Community who face situations of this kind to deal with the problem of maintaining reasonable incomes of farmers in such areas.

II. *Statement made by Mr. M. SCHUMANN, Minister of Foreign Affairs of the French Republic, on behalf of the Community delegation*

The Community delegation has taken careful note of the United Kingdom delegation's statement on hill farming in the United Kingdom and measures taken to support it.

In reply to this statement, the Community delegation is in a position to make the following communication :

The Community is aware of the special conditions obtaining to hill farming areas as compared with other areas of the United Kingdom, as it is, moreover, of the differences, at times very marked, between areas in the Member States of the present Community.

The special conditions obtaining in certain areas of the enlarged Community may indeed require action with a view to attempting to resolve the problems raised by these special conditions and, in particular to preserve reasonable incomes for farmers in such areas.

Such action must, of course, as you have just said, be in conformity with the provisions of the Treaty and the common agricultural policy.

PROCEDURE FOR THE ADOPTION OF CERTAIN DECISIONS AND OTHER MEASURES TO BE TAKEN DURING THE PERIOD PRECEDING ACCESSION

I.

INFORMATION AND CONSULTATION PROCEDURE FOR THE ADOPTION OF CERTAIN DECISIONS

1. In order to ensure that the Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland, hereinafter referred to as the "acceding States" are kept adequately informed, any proposal or communication from the Commission of the European Communities which might lead to decisions by the Council of these Communities shall be brought to the knowledge of the acceding States after being transmitted to the Council.

2. Consultations shall take place pursuant to a reasoned request by an acceding State, which shall set out expressly therein its interests as a future member of the Communities and its observations.

3. Administrative decisions shall not, as a general rule, give rise to consultations.

4. Consultations shall take place within an Interim Committee composed of representatives of the Communities and of the acceding States.

5. On the Community side, the members of the Interim Committee shall be the members of the Committee of Permanent Representatives or persons designated by them for this purpose, who shall, as a general rule, be their deputies. The Commission shall be invited to be represented in this work.

6. The Interim Committee shall be assisted by a Secretariat which shall be that of the Conference, continued for this purpose.

7. Consultations shall normally take place as soon as the preparatory work carried out at Community level with a view to the adoption of decisions by the Council has produced common guidelines enabling such consultations to be usefully arranged.

8. If serious difficulties remain after consultations, the matter may be raised at Ministerial level at the request of an acceding State.

9. The procedure laid down in the above paragraphs shall also apply to any decision to be taken by the acceding States which might affect the commitments resulting from their position as future members of the Communities.

II.

The Kingdom of Denmark, Ireland, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland shall take the necessary measures to ensure that their accession to the agreements or conventions referred to in Articles 3 (2) and 4 (2) of the Act concerning the Conditions of Accession and the Adjustments to the Treaties coincides so far as possible, and under the conditions laid down in that Act, with the entry into force of the Treaty of Accession.

In so far as the agreements or conventions between the Member States, referred to in the second sentence of Article 3 (1) and in Article 3 (2), exist only in draft, have not yet been signed, and probably cannot be signed in the period before accession, the acceding States will be invited to be associated, after the signature of the Treaty of Accession and in accordance with appropriate procedures, in the preparation of those drafts in a positive spirit and in such manner as to facilitate their conclusion.

III.

With regard to the negotiation of the agreements envisaged with the EFTA States which have not applied for membership of the European Communities, and the negotiation of certain adjustments to the preferential agreements concluded under the Treaties establishing the European Communities, the representatives of the acceding States shall be associated with the work as observers, side by side with the representatives of the original Member States.

Certain non-preferential agreements concluded by the Community which remain in force after 1 January 1973 may be the subject of adaptations or adjustments in order to take account of the enlargement of the Community. These adaptations or adjustments will be negotiated by the Community in association with the representatives of the acceding States in accordance with the procedure under the preceding paragraph.

IV.

With regard to the Treaty on the Non-Proliferation of Nuclear Weapons, the Kingdom of Denmark, Ireland and the Kingdom of Norway shall coordinate their positions with that of the European Atomic Energy

Community when negotiating a verification agreement with the International Atomic Energy Agency. With regard to the control agreements which they might conclude with the Agency, they shall ask for the inclusion in these agreements of a clause allowing them to replace these agreements as soon as possible after accession by the verification agreement which the Community may conclude with the Agency.

In the period preceding accession the United Kingdom and the Community shall enter into consultations occasioned by the fact that the control and inspection system applicable under the agreement between several Member States and the European Atomic Energy Community on the one hand and the International Atomic Energy Agency on the other hand will be accepted by the United Kingdom.

V.

The consultations between the acceding States and the Commission provided for in Article 120 (2) of the Act concerning the Conditions of Accession and the Adjustments to the Treaties, shall take place before accession.

VI.

The acceding States undertake that the granting of the licences referred to in Article 2 of Protocols Nos. 25 to 28 on the exchange of information in the field of nuclear energy shall not be deliberately accelerated before accession with a view to reducing the scope of the commitments contained in those Protocols.

VII.

The institutions of the Community shall, in due course, draw up the texts referred to in Article 153 of the Act concerning the Conditions of Accession and the Adjustments to the Treaties.

VIII.

The Community shall adopt the necessary provisions to ensure that the measures provided for in Protocol No. 19 on spirituous beverages obtained from cereals shall enter into force on accession.

SIGNATURES TO TREATY AND FINAL ACT

Belgium
Denmark
France
Germany, Federal Republic of
Italy
Ireland, Republic of
Luxembourg
Netherlands
Norway
United Kingdom

RATIFICATIONS

Belgium	20 December 1972
Denmark	18 October 1972
France	19 December 1972
Germany, Federal Republic of	22 December 1972
Italy	29 December 1972
Ireland, Republic of	16 December 1972
Luxembourg	28 December 1972
Netherlands	28 December 1972
United Kingdom	18 October 1972

DECISION
OF 21 APRIL 1970 ON THE REPLACEMENT
OF FINANCIAL CONTRIBUTIONS FROM MEMBER STATES
BY THE COMMUNITIES' OWN RESOURCES

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

HAVING REGARD to the Treaty establishing the European Economic Community, and in particular Article 201 thereof;

HAVING REGARD to the Treaty establishing the European Atomic Energy Community, and in particular Article 173 thereof;

HAVING REGARD to the proposal from the Commission;

HAVING REGARD to the Opinion of the European Parliament;

HAVING REGARD to the Opinion of the Economic and Social Committee;

WHEREAS complete replacement of the financial contributions from Member States by the Communities' own resources can only be achieved progressively;

WHEREAS Article 2 (1) of Regulation No. 25 on Financing the common agricultural policy stipulates that at the single market stage revenue from agricultural levies shall be allocated to the Community and appropriated to Community expenditure;

WHEREAS Article 201 of the Treaty establishing the European Economic Community refers explicitly, among the Community's own resources which could replace financial contributions from Member States, to revenue accruing from the Common Customs Tariff when the latter has been finally introduced;

WHEREAS the effects on the budgets of the Member States of the transfer to the Communities of revenue accruing from the Common Customs Tariff should be mitigated; whereas a system should be provided which will make it possible to achieve total transfer progressively and within a definite period of time;

WHEREAS revenue accruing from agricultural levies and customs duties is not sufficient to ensure that the budget of the Communities is in balance; whereas, therefore, it is advisable to allocate to the Communities, in addition, tax revenue, the most appropriate being that accruing from the application for a single rate to the basis for assessing the value added tax, determined in a uniform manner for the Member States;

HAS LAID DOWN THESE PROVISIONS, WHICH IT RECOMMENDS TO THE MEMBER STATES FOR ADOPTION:

ARTICLE 1

The Communities shall be allocated resources of their own in accordance with the following Articles in order to ensure that their budget is in balance.

ARTICLE 2

From 1 January 1971 revenue from:

- (a) levies, premium, additional or compensatory amounts, additional amounts or factors and other duties established or to be established by the institutions of the Communities in respect of trade with non-member countries within the framework of the common agricultural policy, and also contributions and other duties provided for within the framework of the organisation of the markets in sugar (hereinafter called "agricultural levies");
- (b) Common Customs Tariff duties and other duties established or to be established by the institutions of the Communities in respect of trade with non-member countries (hereinafter called "customs duties");

shall, in accordance with Article 3, constitute own resources to be entered in the budget of the Communities.

In addition, revenue accruing from other charges introduced within the framework of a common policy in accordance with the provisions of the Treaty establishing the European Economic Community or the Treaty establishing the European Atomic Energy Community shall constitute own resources to be entered in the budget of the Communities, subject to the procedure laid down in Article 201 of the Treaty establishing the European Energy Community having been followed.

ARTICLE 3

1. From 1 January 1971 the total revenue from agricultural levies shall be entered in the budget of the Communities.

From the same date, revenue from customs duties shall progressively be entered in the budget of the Communities.

The amount of the customs duties appropriated to the Communities each year by each Member State shall be equal to the difference between a reference amount and the amount of the agricultural levies appropriated to the Communities pursuant to the first subparagraph. Where this difference is negative, there shall be no payment of customs duties by the Member State concerned nor payment of agricultural levies by the Communities.

The reference amount referred to in the third subparagraph shall be:

- 50% in 1971
- 62.5% in 1972
- 75% in 1973
- 87.5% in 1974
- 100% from 1 January 1975 onwards

of the total amount of the agricultural levies and customs duties collected by each Member State.

The Communities shall refund to each Member State 10% of the amounts paid in accordance with the preceding subparagraphs in order to cover expense incurred in collection.

2. During the period 1 January 1971 to 31 December 1974, the financial contributions from Member States required in order to ensure that the budget of the Communities is in balance shall be apportioned on the following scale:

Belgium	...	...	...	...	6.8
Germany	...	...	...	...	32.9
France	...	...	...	...	32.6
Italy	...	...	...	...	20.2
Luxembourg	...	...	...	...	0.2
Netherlands	...	...	...	...	7.3

3. During the same period, however, the variation from year to year in the share of each Member State in the aggregate of the amounts paid in accordance with paragraphs 1 and 2 may not exceed 1% upwards or 1.5% downwards, where these amounts are taken into consideration within the framework of the second subparagraph. For 1971, the financial contributions of each Member State to the combined budgets for 1970 shall be taken as reference for the application of this rule, to the extent that these budgets are taken into consideration within the framework of the second subparagraph.

In the application of the first subparagraph, the following factors shall be taken into consideration for each financial year:

- (a) Expenditure relating to payment appropriations decided on for the financial year in question for the research and investment budget of the European Atomic Energy Community, with the exception of expenditure relating to supplementary programmes;
- (b) Expenditure relating to appropriations to the European Social Fund;
- (c) For the European Agricultural Guidance and Guarantee Fund, expenditure relating to appropriations to the Guarantee Section and to the Guidance Section, with the exception of appropriations entered or re-entered for accounting periods preceding the financial year concerned. For the reference year 1970 such expenditure shall be:
 - for the Guarantee Section, that referred to in Article 8 of Council Regulation (EEC) No. 728/70 of 21 April 1970 laying down additional provisions for financing the common agricultural policy;
 - for the Guidance Section, an amount of 285 million units of account apportioned on the basis of the scale laid down in Article 7 of that Regulation;it being understood that, for calculating the share of Germany, a percentage of 31.5 shall be taken as the reference scale;
- (d) Other expenditure relating to the appropriations entered in the Community budget.

Should the application of this paragraph to one or more Member States result in a deficit in the budget of the Communities, the amount of that deficit shall be shared for the year in question between the other Member States within the limits laid down in the first subparagraph and according to the contribution scale fixed in paragraph 2. If necessary, the operation shall be repeated.

4. Financing from the Communities' own resources of the expenditure connected with research programmes of the European Atomic Energy Community shall not exclude entry in the budget of the Communities of expenditure relating to supplementary programmes or the financing of such expenditure by means of financial contributions from Member States determined according to a special scale fixed pursuant to a decision of the Council acting unanimously.

5. By way of derogation from this Article, appropriations entered in a budget preceding that for the financial year 1971 and carried over or re-entered in a later budget shall be financed by financial contributions from Member States according to scales applicable at the time of their first entry.

Appropriations to the Guidance Section which, while being entered for the first time in the 1971 budget, refer to accounting periods of the European Agricultural Guidance and Guarantee Fund preceding 1 January 1971 shall be covered by the scale relating to those periods.

ARTICLE 4

1. From 1 January 1975 the budget of the Communities shall, irrespective of other revenue, be financed entirely from the Communities' own resources.

Such resources shall include those referred to in Article 2 and also those accruing from the value added tax and obtained by applying a rate not exceeding 1% to an assessment basis which is determined in a uniform manner for Member States according to Community rules. The rate shall be fixed within the framework of the budgetary procedure. If at the beginning of a financial year the budget has not yet been adopted, the rate previously fixed shall remain applicable until the entry into force of a new rate.

During the period 1 January 1975 to 31 December 1977, however, the variation from year to year in the share of each Member State in relation to the preceding year may not exceed 2%. Should this percentage be exceeded, the necessary adjustment shall be made, within that variation limit, by financial compensation between the Member States concerned proportionate to the share borne by each of them in respect of revenue accruing from value added tax or from the financial contributions referred to in paragraphs 2 and 3.

2. By way of derogation from the second subparagraph of paragraph 1, if on 1 January 1975 the rules determining the uniform basis for assessing the value added tax have not yet been applied in all Member States but have been applied in at least three of them, the financial contribution to the budget of the Communities to be made by each Member State not yet applying the uniform basis for assessing the value added tax shall be determined according to the proportion of its gross national product to the sum total of the gross national products of the Member States. The balance of the budget shall be covered by revenue accruing from the value added tax in accordance with the second subparagraph of paragraph 1, collected by the other Member States. This derogation shall cease to be effective as soon as the conditions laid down in paragraph 1 are fulfilled.

3. By way of derogation from the second subparagraph of paragraph 1, if on 1 January 1975 the rules determining the uniform basis for assessing the value added tax have not yet been applied in three or more Member States, the financial contribution of each Member State to the budget of the Communities shall be determined according to the proportion of its gross national product to the sum total of the gross national products of the Member States. This derogation shall cease to be effective as soon as the conditions laid down in paragraphs 1 or 2 are fulfilled.

4. For the purpose of paragraphs 2 and 3, "gross national product" means the gross national product at market prices.

5. From the complete application of the second subparagraph of paragraph 1, any surplus of the Communities' own resources over and above the actual expenditure during a financial year shall be carried over to the following financial year.

6. Financing expenditure connected with research programmes of the European Atomic Energy Community from the Communities' own resources shall not exclude entry in the budget of the Communities of expenditure relating to supplementary programmes nor the financing of such expenditure by means of financial contributions from Member States determined according to a special scale fixed pursuant to a decision of the Council acting unanimously.

ARTICLE 5

The revenue referred to in Article 2, Article 3 (1) and (2) and Article 4 (1) to (5) shall be used without distinction to finance all expenditure entered in the budget of the Communities in accordance with Article 20 of the Treaty establishing a Single Council and a Single Commission of the European Communities.

ARTICLE 6

1. The Community resources referred to in Articles 2, 3 and 4 shall be collected by the Member States in accordance with national provisions imposed by law, regulation or administrative action, which shall, where necessary, be amended for that purpose. Member States shall make these resources available to the Commission.

2. Without prejudice to the auditing of accounts provided for in Article 206 of the Treaty establishing the European Economic Community, or to the inspection arrangements made pursuant to Article 209 (c) of that Treaty, the Council shall, acting unanimously on a proposal from the Commission and after consulting the European Parliament, adopt provisions relating to the supervision of collection, the making available to the Commission, and the payment of the revenue referred to in Articles 2, 3 and 4, and also the procedure for application of Article 3 (3) and Article 4.

ARTICLE 7

Member States shall be notified of this Decision by the Secretary-General of the Council of the European Communities; it shall be published in the Official Journal of the European Communities.

Member States shall notify the Secretary-General of the Council of the European Communities without delay of the completion of the procedures for the adoption of this Decision in accordance with their respective constitutional requirements.

This Decision shall enter into force on the first day of the month following receipt of the last of the notifications referred to in the second subparagraph. If, however, the instruments of ratification provided for in Article 12 of the Treaty amending Certain Budgetary Provisions of the Treaties establishing the European Communities and the Treaty establishing a Single Council and a Single Commission of the European Communities, have not been deposited before that date by all the Member States, this Decision shall enter into force on the first day of the month following the deposit of the last of those instruments of ratification.

Done at Luxembourg, 21 April 1970.

*For the Council
The President*

P. HARMEL