Address given by Jean François-Poncet (5 December 1979)

Caption: On 5 December 1979, Jean François-Poncet, French Foreign Minister, emphasises to the National Assembly the historic and economic implications of Greece's accession to the European Communities.

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[…]

Mr Speaker, ladies and gentlemen of this House. Speaking in the inspired tones of the humanist and with the strength of conviction of a historian, Mr Maurice Druon has conveyed to us, far more effectively than I myself could have done, the underlying meaning of the accession of Greece to the Common Market and the reasons that have prompted the Government to seek authorisation from the Parliament to ratify the Treaty of Accession.

For Greece, after centuries of a troubled history throughout which its people never wavered in the assertion of its national identity, has applied to return to the fold of the peoples united in the European Community.

Which is where it belongs. Article 237 of the Treaty of Rome provides that any European State may apply to become a member of the Community. The Association Agreement concluded with Greece in 1961 made specific provision for this prospect. The return of Greece to democracy, its economic development and the political choices that it made have rendered this prospect both feasible and desirable.

But Greece is not only the distant mother of our civilisation. It is a modern, inventive, entrepreneurial nation, one that is outward-looking, trading skilfully in tangible things and ideas alike. That is why France argued in favour of its accession in the first instance and today claims the honour of having played a decisive role in bringing the negotiations to a successful conclusion.

But at no point did it hesitate to insist on its rights. At every stage in negotiations that were both long and difficult, it was firm, sometimes even harsh, in the defence of those rights.

This is why the Treaty, signed on 28 May this year and today put before Parliament, safeguards our country’s interests and offers to our partners in this newly enlarged Community opportunities for the future that are both balanced and satisfactory. Before going into greater detail on that point, there are two comments that I should like to make. The first is that the accession of Greece is not the accession of Spain or Portugal. It does not prefigure that accession. It does not prejudge it either. The problems are on a different scale and, hence, are of a different nature. Inevitably, this will also be true of the solutions.

A second comment is that Community enlargement should not, as is so often the case, be viewed only in terms of the risks. The opportunities that it creates are at least as deserving of our attention.

This is why, having first explained to the Assembly the measures that have been taken to eliminate the risks, I shall focus on the opportunities offered to us by the accession of Greece to the European Economic Community.

I spoke of risks. While they are very real in particular areas, they are limited overall. There are those, it is true, who paint an apocalyptic picture. If they are to be believed, France faces the collapse of its Mediterranean agriculture, its southern regions are about to go to rack and ruin, and thousands of industries will shortly be transferring to Greece, attracted by an unlimited supply of cheap labour.

Shall we now return to reality? We are talking about a country with a population of nine million whose industry is still relatively undeveloped in overall terms and whose agriculture is everywhere held in check by the mountains.

Do we also have to point out that Greek products — industrial products, but also, to a large extent, farm produce, too — have been entering the Community duty-free ever since the Association Agreement was signed 20 years ago? If the disasters foretold today had any credibility, they would have put in some sort of appearance since 1961.

The truth is that the Community, and that includes France, has long been exposed to Greek competition.

Indeed, if there is one partner which might have good reasons for fearing enlargement, that partner is Greece, for its relatively high trade barriers will be dismantled over the five-year transitional period.

Safeguards were, however, required. They are provided for in the Treaty of Accession.

To look first at industry: the Treaty includes a safeguard clause applicable to all sectors of the economy and, hence, also to industry. That safeguard will operate throughout the transitional period. Any Member State encountering serious difficulties in a particular sector or region as a result of Greek competition will be free to apply to the Commission for authority to apply safeguard measures, which is to say to stop imports from Greece. The Commission is obliged, where the matter is urgent, to rule on the application within five days.

I would point out that the safeguard clause set out in the 1961 Association Agreement has not been applicable since 1974; it is, therefore, the Treaty of Accession which will reinstate this practice.

Is it likely that this clause will often be invoked? In my view, no, for French industry has little to fear from Greek competition, except, perhaps, in the textiles sector. Ceasing, as from 1 January 1981, to be a non-member country, Greek will, by the same token, no longer be subject to the voluntary restriction commitments to which it subscribed when it signed the Multifibre Agreement. If, as some fear, Greek textile imports into France were to rise menacingly, our country would, thanks to the safeguard clause, be in a position to react.

As for agriculture, this was clearly the area in which there was the greatest need for precautions. This we made very clear to our Greek partners right from the outset.

Yet, here again, it is important not to overstate the problems, firstly because their quantitative impact is only limited. While it is true that agriculture accounts for 16 % of Greece’s gross domestic product, its volume is modest as a proportion of the Community’s overall farming output. As early as January 1976, the Commission found that incorporating Greek agriculture into the Common Market would not significantly affect the Community’s rate of self-sufficiency.

As Mr Pisani and Mr Sordel quite rightly observed in their May 1977 report, ‘the accession of Greece to the Common Market is unlikely, in the medium term, to bring further imbalance to the Community markets relevant to our southern regions.’

To assess properly the real impact on farming, account must also be taken of the export opportunities that Greek accession will create for us in the area of temperate-zone agricultural products.

With regard to cereals, livestock products and dairy products, the situation is not just that France has no reason to feel threatened by Greek competition. The fact is that, once the transitional period is over, with Greek prices having been brought into line with Community prices and with Community preference given free rein, a new market will open up for Community producers in general and for French producers in particular.

This takes me to Mediterranean products, by which I mean fruit, vegetables and wine. Research has shown that the problem does not lie with the full range of Mediterranean products but rather with particular products, for which protection should be sought in two directions — in the very definition of the terms of the Act of Accession, that is relations between Greece and the Community, and in a general improvement in Community rules concerning Mediterranean products.

These are the avenues which the Government has explored, and the Act of Accession includes the corresponding safeguards.

In the fruit and vegetables sector, there was a real problem with two particular products, namely fresh peaches and tomatoes and their derivatives, even though, as the rapporteur has quite rightly pointed out, Greek peach imports into France amount to a mere 1 % of our national yield.

Three series of measures have been provided for in the Act of Accession.

Firstly, the period of validity of the transitional measures applying to these two sensitive product categories is to be extended from five to seven years. Secondly, Article 75 introduces a mechanism for correcting price differentials observed as products are traded. That mechanism applies to all fruit and vegetables to which institutional prices apply.

This will be an effective mechanism. The lowest price at which the Greek product can be bought will be compared with the Community price on a daily basis. Account will be taken of packaging and transport costs and of cost trends. The price differential determined in this way will then be offset by a compensatory levy, adjusted daily. Using this mechanism, it should be possible in just a few days to staunch a flow of low-price imports.

Lastly, the opportunity will be there, given the particular structure of the markets for these agricultural products, to activate the safeguard clause to which I referred earlier and which, as I explained, covers the entire economy, within not five days but 24 hours.

These protective measures, which were, and I should like to make this quite clear, secured thanks to the repeated demands and quiet obstinacy of the French negotiators, provide us with the guarantees that we sought.

As regards wine, Greece’s present and future production capacity is limited. There is, moreover, a reasonable prospect that Community rules will check possible vineyard expansion. Accordingly, there was no reason to work for any special provisions in this area.

The Government has, at the same time, initiated action aimed at improving Community rules on Mediterranean products generally. As early as 1977, France addressed two memoranda to the Community, one concerning fruit and vegetables, the other the common organisation of the market in wine.

Significant advances were secured in both areas, and more particularly in the second, during 1979. Further progress must, however, be made.

With regard to fresh fruit and vegetables, the fact of determining a reference price that can be enforced against non-member countries should allow better account to be taken of production costs and thus enhance the protective effect of the compensatory levies. A regulation will shortly set a reference price for a number of types of vegetable to which the procedure would not otherwise have applied. It will henceforth be easier to declare a ‘serious crisis’, thereby triggering purchases by the state. Lastly, an optional aid scheme open to producer groups will help improve the way in which the profession is structured.

Special measures have been taken with regard to processed fruit and vegetables. The processing support scheme introduced in May 1978 has been extended to cover a larger number of products. The scheme will thus have a greater impact over a wider range.

The action being taken also includes a substantial package of measures concerning the wine sector. Those measures have been submitted for approval to the Council of Agriculture Ministers in Brussels. They establish a minimum price, extra obligatory wine deliveries and aid for grape must. Other measures are of a structural nature. Drawing on appropriations already entered in the 1979 budget, the EAGGF will be providing support, amounting to 127 million units of account, for restructuring and crop conversion programme in the Languedoc-Roussillon vineyards. The EAGGF will also be contributing to the conversion of certain wine areas in the Charente *départements*.

Other structural aid measures for the Mediterranean regions have also been approved or are planned: infrastructure improvements, reforestation, irrigation works in Corsica, flood prevention measures in the Hérault *département*.

Taken together, these various measures represent a significant initial effort on the part of the Community. That effort will be taken further.

The free movement of persons may constitute one of the areas in which the provisions agreed with Greece could serve as a model for the future accession of Spain and Portugal.

It has been agreed that the free movement of workers will not be introduced for seven years. This safeguard is of no great matter to France where Greece is concerned, but it might prove useful if employment difficulties were to persist within the Community.

I should like, finally, to refer to the merchant navy. Concern has been voiced about our shipping. It is true that the Greek merchant fleet is three times larger than the French fleet and is, indeed, the third largest in the world, accounting for almost 10 % of world tonnage.

It would, however, seem that this issue cannot be addressed in the Act of Accession because the only relevant Community provisions are two very recent directives dealing only with safety matters. During the negotiations, the Greek Government was, however, officially informed that, if shipping companies were to establish themselves in a country of the Community as currently constituted, they would be subject to that country's laws and regulations. This means that any Greek competitors wishing to operate from France would be subject to the same constraints as our own shipowners, with particular regard to social legislation.

I have, I believe, brought out the seriousness of the safeguards that have been introduced. None are superfluous. I am, however, convinced that many of those safeguards will not be activated, because the French economy, with just a few exceptions, has no reason to fear competition from Greece.

It has, on the other hand, every prospect of benefiting from the opening of the Greek market.

But the opportunities for our country are not limited to the economic sphere. The accession of Greece will reinforce the Community politically, and I feel sure that this aspect of the problem will leave no one indifferent.

I will deal first with the economic opportunities.

Greece is, as I said earlier, an active country whose economy is growing rapidly, more rapidly than that of the Community as a whole. For our agriculture and our industry, it offers openings which we would be ill-advised to underestimate, always assuming, that is, that we strengthen our position on the Greek market. In a country with which we have so many attachments — a point already developed by Mr Druon — can we settle for an unimpressive third place, behind the Federal Republic of Germany and seriously outdistanced by Italy?

This is particularly important, because the Greek market has a great deal of potential for us, on the agricultural as on other fronts, with opportunities for growth in feed grain, dairy products and meat exports.

Living standards in Greece can be expected to rise following accession, and domestic consumption should grow and diversify as a result. That was the path followed earlier by Italy. In 1958, as I well remember, Italy was essentially an exporter of agricultural products, being self-sufficient across the entire food industry. Twenty years on, its domestic consumption has risen to such an extent that the growth in its agricultural output, though fast, is unable to keep pace with the new demands that have emerged.

Italy buys in supplies from abroad, from France in particular. Our sales of livestock products rose from FRF 280 million in 1965 to FRF 4 500 million in 1977. Our cereals exports grew at the same rate. All in all, our farm industry has greatly benefited from Italy's membership of the European Economic Community. Why should developments in Italy not be mirrored in Greece, all the more so since Community preference will apply in full to Greece, without any exemptions?

For trade and industry, the outlook is surely more promising still. The residual customs protection which the Association Agreement has left in place concerns about one third of Greek imports. That protection will have disappeared by the end of the transitional period, easing access to the Greek market. At the same time, as it becomes part of the Common Market, the Greek economy will enjoy a substantial boost, stimulating a rate of development which, as I said, is already faster than our own. This should mean significantly greater scope for imports into Greece.

Development of the Greek economy will also benefit from Community financial support. Like every Member State, Greece will have access to the various structural funds: the Agricultural Guidance and Guarantee Fund, the Regional Development Fund and the European Social Fund in particular. It was agreed in the negotiations that this access would be substantial, as is entirely reasonable in the case of a country where per capita income is well below the Community average.

Subjecting the new Member State from the outset to the rules concerning the Community's own resources would have meant that, at the start of the transitional period, Greece would be having to make payments in excess of the sums it could expect to receive from the funds to which I have referred. This is why, taking account of its particular situation, a refund mechanism has been devised whereby Greece will be reimbursed a — rapidly declining — proportion of its contribution on the basis of GNP and of VAT.

In adopting these financial provisions, the Nine mean to make a contribution to the Greek economy which, while admittedly generous, is consistent with the true interests of Greece's partners.

In a well-ordered Community, solidarity, where it is exercised in compliance with the principles governing that Community, is more than just a duty; it is an advantage to all concerned. And, indeed, France itself will not fail to draw on that solidarity to the benefit of its southern regions and agriculture.

By cooperating with their Greek partners in a spirit of trust, our companies may expect to gain access to the extensive network of relations they have developed over the centuries in the various regions of the world and more particularly in the Middle East.

This brings me to the political benefits of Greek accession. Quite clearly, this historic opening to the East is political as well as economic. In welcoming Greece among its number, the Community acquires a frontier with Asia Minor and establishes a presence in the eastern Mediterranean. It will be joined by a nation whose cultural, human and political links with the Near East are long-standing, diverse and as vigorous as ever.

With Greece, Western Europe acquires a new dimension.

Like the rapporteur, and with the same conviction, I, too, wish to stress how greatly the consolidation of democracy in Greece is valued, particularly by France as a Mediterranean nation.

As part of a region of Europe which, in the century before our own, was a source of chronic tension and instability, Greece has now opted firmly, under the enlightened and courageous leadership of Mr Karamanlis, to join the democracies which form the European Community. In a world in which freedom, as we understand it, is both fragile and under threat, the nations whose political and social structures are founded thereupon must join together and, in so doing, acquire new strength.

Do I need to stress, as a final point, that the accession of Greece will help to restore in the Community a more even balance between North and South? The accession of the United Kingdom, Denmark and Ireland in 1973 accentuated its northern, ocean-facing bias. For us, from a cultural and linguistic viewpoint — a point well made by Mr Druon — some rebalancing is very much to the good. What better first step than the accession of the Greek people? This is why France cannot allow itself, guided by narrow self-interest, to refuse or delay a development of the Community which is consistent both with the nature of that Community and with the true interests of our country.

Ladies and gentlemen of this House, the nine States that make up the Community are now preparing to welcome a tenth. Each of them views that event in the light of its own situation but also with regard to the wider interests of the Community. The accession of Greece does not have the same significance for Ireland or Denmark as for France or the Federal Republic of Germany. And yet all are preparing a place for it in this wider circle.

For very many reasons, economic, political and human, France feels more concerned than others by this expansion of the Community. Hence the special vigilance shown by the Government. It has kept its word. It indicated clearly that precautions would have to be taken to ensure that the accession of Greece did not cause disruption. Those precautions have indeed been taken. It stated no less clearly that our southern regions would have to be given the means to catch up, where they were lagging behind, and to take on the competition, where this was a problem: the development plan for the South-West and its approaches (‘*Grand Sud-Ouest*’) responds to that concern.

The accession of Greece is proof that the European Community has the power to attract. Its expansion adds to its economic, human and political weight in world affairs. Manifestly, that expansion also carries the risk of some increase in institutional complexity. For this reason, a report was commissioned from three ‘wise men’, whose findings were recently submitted. The governments are now examining those findings, and the Heads of State or Government will deliberate on them at the next summit.

But what matters above all is that the European Community will, through this enlargement, be enriched by a proud and passionate, a free and democratic people.