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COM (72)1607

Vol. 1972/0225

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In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABl. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

CONFIDENTIAL
OF THE
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General Secretariat

CONF(72) 1607 final
Brussels, 11 December 1972
Confidential

OF INFORMATION OF THE COUNCIL CONCERNING

THE CONVENTION RELATIVE TO THE

THE TREATY OF THE COUNCIL CONCERNING

concerning the signing of negotiations with Norway

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OF THE TREATY CONCERNING THE COUNCIL

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OF THE TREATY CONCERNING THE COUNCIL OF NEGOTIATIONS WITH NORWAY

CONF(72) 1607 final

THE COMMUNITY'S RELATIONS
WITH NORWAY

(Communication of the Commission to the Council)

1. Following the Norwegian request of 25 October 1972 for the opening of negotiations with the Community with a view to concluding an agreement between it and Norway, the Council, at its meeting of 6 November last, invited the Commission to conduct exploratory talks as had been requested by the Norwegian Government.

These talks took place on several occasions during November and were essentially devoted to the explanations and clarifications provided by the Commission as to the scope and raison d'être of the various provisions in the agreements concluded with the other non-acceding EFTA countries. At the end of the talks, the Norwegian Government informed the Community in the Memorandum it submitted on 4 December of its wishes as regards the contents of the agreement it aimed at negotiating with the Community.

2. In its Memorandum the Norwegian Government confirmed that the agreements signed with the other non-acceding EFTA States on 22 July of this year constituted a reasonable basis for an agreement with the Community. The Commission feels that this being so the negotiations could begin in the very near future, with the preparatory work at Community level being limited to those aspects which are particular to the agreement envisaged with Norway.

The Norwegian Government also set out in its Memorandum certain wishes as regards departures from the pattern of the agreements with the other EFTA States. For the most part they concern fishery products, industrial products subject to special arrangements and matters of sea transport.

.../...

Industrial products subject to special arrangements

3. As regards the most important products subject in the agreements with the other EFTA States to special arrangements, the Norwegian Government analyzed the economic and business situation in the industries concerned. It went on to request that exceptions to the normal timetable for tariff reductions be limited as far as possible in view of the considerable effect that such exceptions are likely to have owing to the composition of Norwegian exports.

It may be noted in this respect that the economic problems raised in this field are similar to those the Community faced with the other EFTA countries. It does not therefore appear that the list of products subject to special transitional arrangements when imported into the Community should differ substantially from the list appearing in the Protocols on sensitive products in the agreements concluded with countries having a comparable economic structure.

This list covered the following products, if those products are omitted for which Norwegian exports are negligible or nil: staple fibre, paper and paperboard, ferro-alloys, special steels, lead, zinc, aluminium, rare metals; it accounted for about 30% of the Community's imports from Norway.¹ When this percentage is considered, it must also be borne in mind that, subject to the optional re-introduction of customs duties where indicative ceilings are exceeded, on most of the products exported from Norway the acceding States will not be increasing customs duties.

.../...

¹Calculated on the basis of the average for imports from 1969 to 1971.

Two products call for special attention:

(i) Unwrought aluminium

Norway is one of the Community's main suppliers of this product. When concluding the agreements with the other non-applicant EFTA countries, the Community had based the tariff arrangements applicable to aluminium on the assumption that Norway would accede to the Community, hence full integration of Norwegian production in the Community's production over a four and a half year transitional period. Now integration will not take place. It would therefore seem sufficient to apply to Norway the same seven year tariff dismantlement arrangements as have been adopted for aluminium originating in the other non-acceding EFTA countries.

Under these circumstances, measures designed to impose quantitative guidelines on the basis of the principles already negotiated with the other EFTA countries should be applied to imports of aluminium originating in Norway.

(ii) Silicon carbide (CCT heading No. 28.56A)¹

This product is manufactured in Norway mostly for export purposes and benefits from extremely low production costs due to the presence of cheap sources of electric power. It would therefore seem desirable to allow Community enterprises manufacturing this product a longer period of adaptation than the normal transitional period and to institute special measures imposing guidelines for imports. Silicon carbide should therefore be made subject to the seven year arrangements with the possibility of introducing indicative ceilings.

.../...

¹With the inclusion of this product, the percentage of products subject to special arrangements upon import into the Community would increase by less than 1%.

The Norwegian Memorandum also pointed out that products subject to special transitional arrangements in the other EFTA agreements would cover, where Norway is concerned, a very large proportion of its exports to the Community. This percentage is in fact only exceeded by Finland.

In this respect, the Commission feels that, as was done for the other EFTA countries, any requests made by Norway for the introduction of special transitional arrangements for certain products of its industry should be considered at the proper time on their own economic merits.

Farming and fishery products in particular

4. The pattern adopted by the Community for the agreements with the non-acceding EFTA States was the progressive attainment of a free trade area covering industrial products. In the cases of Austria, Finland, Switzerland and Sweden, it covers the bulk of trade in accordance with Article XXIV of the GATT, as may be seen in the Table below, which indicates the approximate percentage of products not covered. Although for Norway this percentage is substantially higher than that for the other four countries, it does not affect conformity with GATT criteria.

Share of agricultural products in the enlarged Community's trade with the non-acceding EFTA States (Basis: value of imports for average of 1968-70)

	Austria	Finland	Iceland	Norway	Portugal	Sweden	Switzerland
Community's imports from each country	6.9	2.9	68.9	11.4	22.6	3.5	4.9
Imports into each country from the Community	7.1	5.3	21.7	5.8	2.7	4.7	10.2
Trade in both directions	7.0	4.0	40.4	8.4	9.8	4.1	8.2

Only in the cases of Iceland and Finland did provision have to be made for concessions by the Community for certain agricultural products in order to obtain a cover which corresponded to GATT requirements.

Norway's case may not therefore be assimilated to that of the above two countries. Its exports not covered by industrial free trade mostly concern the fishing industry. As regards fresh fish and preserved fish, the Community's internal suppliers are already incapable of meeting demand, which furthermore continues to expand rapidly. The incidence of the customs duties to be reintroduced progressively by the acceding countries in accordance with the timetable laid down by the Treaty of Accession might not under these circumstances have a decisive influence on the trend of trade; any difficulties could be examined by the Joint Committee under the provision in the agreements for agricultural questions.

Further, the customs duty indicated in the CCT for fish meal is only 2% and for most crude fats and oils of marine mammals the duty is zero. The inclusion of these products would not therefore be of any real economic significance.

These various points may lead the Community to consider, as it did for the other non-acceding EFTA countries in circumstances similar to Norway's, that it does not appear advisable to go beyond the framework limited to industrial products which was adopted by the Community in the agreements in question, despite the pressing requests formulated by certain partners in respect of one or other of their products which until now had a big market for example in the United Kingdom.

.../...

5. Stressing in its Memorandum the importance for its country of fishing, the Norwegian Government pointed to the special significance of this industry for its northern regions and to the fact that the situation in those regions is not very different from that in Iceland, a country which has obtained concessions from the Community for its fishery products.

Without in any way wishing to contest these regional features (which had been duly taken into account during the membership negotiations), the Commission must nonetheless make the point that the agreements with the non-acceding EFTA States are limited to trade questions.

What is more, the concessions made to Iceland were tied up with the problem of fishing rights. Similarly, this problem of fishing rights was taken into consideration¹ with a view to achieving free trade, in accordance with the Stockholm Convention, for quick frozen fish fillets.

In this respect, it might be useful to ascertain during the negotiations how the Norwegian Government views the question of fishing limits in its future relations with the Community in connection with its requests in the fishing sector, for the Norwegian Memorandum of 4 December makes no reference to this question, the importance of which must not be underestimated if at a later stage the Council should wish to examine the Norwegian requests in greater detail. On the basis of the information so obtained, the Commission could if necessary make further points with regard to the elements of the agreement as a whole.

.../...

¹ During the negotiations on the Stockholm Convention, it was understood, in addition to a quantitative limitation by the United Kingdom, that free trade would be ended, barring a unanimous vote by the Council, should the conditions of competition in the fishing industry be changed fundamentally.

When Iceland acceded to the Convention in 1970, it was agreed to widen the quantitative limit on access to the United Kingdom by adding to it a system of minimum export prices.

Sea transport

6. Of the other points raised in the Norwegian Memorandum, only the problem of sea transport requires a special position to be adopted. The Member States have for a long time been taking part in the work carried out in this field in the various international organizations, in particular in the OEEC, and later in the OECD. The Community as such has not yet worked out a common policy to deal with these problems, and it is not excluded that the situation will change as a result of enlargement.

The position adopted by the Community as regards the other EFTA partners on questions of the same kind has led it to refuse any treaty commitment involving an obligation to hold consultations of this kind at a later date.

This in no way excludes the possibility in the future, however, where circumstances make it desirable, of holding continuing contacts with the Norwegian Government on questions of common interest in this field. Contacts of this kind might well prove to be useful and desirable. The same considerations might also apply to other problems, such as petroleum.

The Commission intends to bring the above points to the notice of the Norwegian Delegation during the negotiations.

It is obvious that a possible future application of the "evolutionary clause" would not in any way be affected.

.../...

7. The Council, and the representatives of the ECSC Member States meeting within the Council, will find annexed to this Communication the proposals for decisions on the opening of negotiations with Norway. The proposals include in annex the guidelines on the basis of which these negotiations should be conducted. These stem partly from the general principles in the original guidelines for the negotiations with the other non-acceding EFTA States (Internal Council Document No. 697 of 9 November 1971) and from the elements which are common to the agreements signed or initialled on 22 July 1972 with the countries having an economic structure similar to that of Norway.

In order to take into account the wish expressed by the Norwegian Government that tariff reductions begin on 1 April 1973, it would appear to be highly desirable for the Council to deliberate on the annexed draft decisions as soon as possible.

.../...

Draft
Recommendation
for a Council Decision
concerning the opening of
negotiations with Norway

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to Article 113 of the Treaty establishing the EEC,

Having regard to the Recommendation of the Commission,

Whereas the Government of the Kingdom of Norway lodged a request on 25 October 1972;

HAS DECIDED AS FOLLOWS:

SINGLE ARTICLE

The Commission is authorized to open negotiations with a view to concluding an agreement between the EEC and Norway.

It shall conduct these negotiations in accordance with the annexed guidelines, subject to any subsequent guidelines, with the assistance of the Special Committee on Article 113.

.../...

ANNEX

The general principles of the Agreement will be those appearing on pages 1 to 4 of Internal Document No. 697 of 9 November 1971.

The Agreement will cover products of Chapters 25 to 99 of the Brussels Nomenclature, except products of those chapters listed in Annex II to the Treaty and products of Chapters 1 to 24 listed in Table I of the Annex to Protocol No. 2 of the Agreements signed by the Community on 22 July 1972.

The provisions of the Agreement shall in principle be the same as those in the agreements of 22 July 1972 with Sweden, Switzerland, Austria and Finland.

As regards special import arrangements:

(a) In the Community:

The provisions of the of the Agreement will take over Articles 1 to 3 of Protocol No. 1 of the above Agreements. The list to be put to the Norwegian Delegation for Article 2 of this Protocol is given below:

Common Customs Tariff heading No.	Description
28.56	Carbides (for example, silicon carbide, boron carbide, metal carbides): A. Of silicon
56.01	Man-made fibres (discontinuous), not carded, combed or otherwise prepared for spinning: B. Regenerated textile fibres
56.02	Continuous filament for the manufacture of man-made fibres (discontinuous): B. Of regenerated textile fibres
ex 73.02	Ferro-alloys, excluding ferro-nickel
73.15	Alloy steel and high carbon steel in the forms mentioned in headings Nos. 73.06 to 73.14

Common Customs Tariff heading No.	Description
76.01	Unwrought aluminium; aluminium waste and scrap: A. Unwrought
78.01	Unwrought lead (including argentiferous lead); lead waste and scrap A. Unwrought: II. Other
79.01	Unwrought zinc; zinc waste and scrap: A. Unwrought
18.01	Tungsten (Wolfram), unwrought or wrought, and articles thereof
81.02	Molybdenum, unwrought or wrought, and articles thereof
81.03	Tantalum, unwrought or wrought, and articles thereof
81.04	Other base metals, unwrought or wrought, and articles thereof; cermets, unwrought or wrought, and articles thereof: B. Cadmium C. Cobalt II. Wrought D. Chromium E. Germanium F. Hafnium (celtium) G. Manganese H. Niobium (colombium) IJ. Antimony K. Titanium L. Vanadium M. Uranium depleted in U 235 O. Zirconium P. Rhenium Q. Gallium; indium; thallium R. Cermets

The indicative ceilings will be established by the Commission with the help of the Special Committee on Article 113, on the same bases as those adopted for establishing the ceilings for 1973 in the agreements referred to above;

(b) in Norway:

The Commission, helped by the Special Committee on Article 113, will consider any Norwegian requests, taking care to establish a balance corresponding to that achieved in the agreements of .

22 July 1972.

Draft

Decision of the Representatives
of the Governments of the ECSC Member States,
meeting within the Council, concerning
the opening of negotiations with Norway

The Representatives of the Governments of the Member States of the European Coal and Steel Community, meeting within the Council,

Whereas the above Member States have concluded between them the Treaty establishing the European Coal and Steel Community;

Whereas they have also concluded the Treaty establishing the European Economic Community, Article 232 of which stipulates that the provisions of that Treaty shall not modify the provisions of the Treaty establishing the European Coal and Steel Community, in particular as regards the rights and obligations of Member States;

Whereas the Government of the Kingdom of Norway lodged a request on ...

HAVE DECIDED AS FOLLOWS:

1. The Commission is requested to open negotiations with Norway on behalf of the Member States. The aim of these negotiations will be to ascertain whether an agreement is possible for products covered by the European Coal and Steel Community on the bases appearing in the annex and subject to subsequent guidelines.

2. In implementing this decision, the Commission will be assisted by representatives of the Member State.

.../...

ANNEX

The provisions of the Agreement shall in principle be the same¹ as those in the Agreements with the other non-acceding EFTA States of 22 July 1972, according to the choice to be made by the Norwegian Government as regards price rules between the two solutions appearing on page 45 of Internal Document No. 697 of 9 November 1971.

¹Certain products for which special import arrangements in the Community should be made are included in the list given in the draft EEC Council Decision.