

'Denmark's path to Europe' from Die Welt (5 October 1972)

Caption: On 5 October 1972, German daily newspaper Die Welt welcomes Denmark's accession to the European common market and describes the new openings that accession will bring for the Danish economy.

Source: Die Welt. Unabhängige Tageszeitung für Deutschland. Herausgeber Kremp, Herbert. 05.10.1972, Nr. 232. Hamburg: Die Welt. "Dänemarks Weg nach Europa", auteur:Schützsack, Axel , p. 11.

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Denmark's path to Europe

By Axel Schützsack, Copenhagen

Jens Otto Krag was not the only one to speak about a historical event during referendum night, it was also a great weight off the minds of the representatives of the Danish economy. Although they had supported accession to the European Economic Union and had firmly counted on it, the referendum in Norway had nevertheless succeeded in shaking their belief.

The mood indicator at the Stock Exchange had for some time now been pointing towards rosier times. Since the successful completion of the accession negotiations in Brussels some ten months ago, the Danish Stock Exchange has been seized by EEC fever. On average, share prices have risen by 25 %. Even Norway's 'No' to the EEC could not substantially influence this development.

Apart from the more or less positive consequences that the individual economic sectors are expecting from EEC accession, there is general unanimity over one point: industrialisation can no longer be dealt with alone. Over the next few years, extensive and expensive investment will be necessary which can only be financed through the international capital market. The creditworthiness of the already heavily indebted State would have suffered badly in the event of a rejection of full membership.

Danish agriculture, above all, will gain from the outcome of the referendum. Denmark is aware, though, that it will not be spared by the structural adaptations in European agriculture. This economic sector will also have to suffer substantial adjustment problems after accession. During the next three years, some 40 000 out of the existing 140 000 agricultural holdings will have to be abandoned. However, this adjustment process can be implemented with substantially less hardship for the individual if, after accession, the traditional export countries for Danish agricultural products, Great Britain and the German Federal Republic, can be supplied without customs barriers. According to the Danish Minister for Economic Affairs, Ivar Nørgaard, some 100 000 farms would have had to be closed if Denmark had rejected full membership.

The rejection of full membership would have also led to Great Britain's rapid invoking of the protection clauses laid down in the EEC Treaties for agricultural imports from non-member countries. Danish agricultural exports to Great Britain would have then declined into an almost hopeless situation, especially since the EEC's own agricultural industry would have been perfectly capable of meeting the British market demand.

In the Danish economy's small and medium-sized businesses, expectations and fears are almost evenly balanced. While, on the one hand, they are hoping for better outlets for their own products, they fear, on the other hand, that small and medium-sized businesses might be sacrificed in the course of EEC concentration movements unless they can come up with special offers on the European market — as in the case of the Lego Factory in Billund, the world famous porcelain manufactures and the export-intensive textile sector with specifically Danish designs.

Experts had predicted that, in the event of rejection, industrial production would have had to be reduced by some 25 % of the current volume. It was also feared that a whole series of industrial plants would have had to be moved into the EEC.

A number of Swedish and Norwegian companies are now firmly expected to open subsidiary plants in Denmark. Serious applications from around 100 Swedish companies have already been received for the areas of North and West Jutland alone. A number of German companies have also expressed interest. Some Norwegian companies have also applied to the Danish authorities in North Jutland after the negative outcome of the EEC referendum in their own country. The island of Funen is getting ready for an invasion of Swedish companies, too.

The result of the EEC referendum has also been vital for the future of many jobs. Job losses in agriculture can be offset only through intensified industrialisation. Prospects for this are high now.

The Danish economy had already seen its chance in Western Europe over the last few years, as numerous companies opening subsidiaries in northern Germany have proven. This development will stop now, because the road for Danish products into Europe has become shorter.