

Statement by Poul Nyboe Andersen to the Danish Parliament (5 February 1970)

Caption: On 5 February 1970, Poul Nyboe Andersen, Danish Minister for Economic Affairs and European Integration, delivers an initial report to the Folketing on the negotiations for his country's accession to the European Economic Community (EEC) and gives his views on the implications of a future Nordic economic and customs union.

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URL: http://www.cvce.eu/obj/statement_by_poul_nyboe_andersen_to_the_danish_parliament_5_february_1970-en-bf75ea1d-b94f-4735-9b00-18f09f3dc0f2.html

Publication date: 24/10/2012

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I. Introduction

Denmark's market policy is based on resolutions adopted by the Folketing on May 11, 1967, and May 15, 1968.

The former resolution was prompted by new chances resuming the negotiations for Danish membership of the European Communities that were discontinued in the beginning of 1963. The Folketing empowered the Government "to resume the negotiations for Danish membership of the European Communities together with Great Britain", and expressed the expectation that "the other Scandinavian countries, too, will solve their problems of co-operation with the European Communities". Acting on these powers, the former Government renewed the Danish application for membership. This application still stands.

When it was realized in December 1967 that the EEC countries could not reach agreement on negotiations for an enlargement of the EEC, the Danish Government took the initiative in February 1968 to expand the economic co-operation of the Nordic countries. This step was taken in order to use the period of stagnation in European integration efforts to strengthen the economies of the Nordic countries so as to facilitate their eventual participation in a broader European co-operation.

The Government's initiative and the decision taken by the Nordic Prime Ministers at their meeting in Copenhagen in April 1968 were endorsed by the Folketing in the form of a resolution "calling upon the Government to intensify the efforts to bring about a progressive and dynamic Nordic economic co-operation, taking its natural starting point in a common Nordic political decision to form a Nordic economic community with a comprehensive European solution as the ultimate aim".

The subsequent negotiations have now reached a stage where conclusive political decisions appear to be possible in a very near future.

At the same time, developments seen in recent months within the European Communities — including, not least, the decisions taken at the summit meeting held at the Hague last December — have opened up new possibilities for an early resumption of negotiations for an enlargement of the Community as provided for in the Treaty of Rome. The present situation thus offers greater opportunities than previously for realization of the aims of Denmark's market policy. This, in turn, attracts special interest to the decisions which the Folketing will now have to take on market policy.

Before I go on to deal with Denmark's opportunities in this situation, I propose to discuss the developments seen in the Common Market, in the EFTA and in the Nordic negotiations.

II. Developments in the EEC

In the past year, the elaboration of the Common Market proceeded faster than in the immediately preceding years. The period of transition expired at the end of 1969 as foreseen in the Rome Treaty. The EEC is now facing major tasks in connection with the creation of the economic union which is to consolidate the results achieved through the customs union, viz. free mobility of goods, manpower and capital as well as the realization of the common agricultural policy.

In the early months of 1969 France and the other member countries still disagreed about the admission of new members. The retirement of the French President last April generated new expectations, but the French election and, later, the German election held up far-reaching decisions for several months. On the other hand, the Six succeeded during the last months of the year in solving a number of difficult problems. The French devaluation and the German revaluation held up the common agricultural policy, thus demonstrating that co-operation in economic policy had not kept pace with the broad agricultural co-operation. All the member countries have realized that, at the present level of Common Market integration, economic fluctuations in one country have inevitable and substantial repercussions on the other countries. In this

situation the Council of Ministers last July made a policy decision which was to bring about a co-ordination of national economic policies. Agreement was also reached in principle on a system of monetary support.

As a first step towards broader European co-operation, the Common Market invited the EFTA countries to enter into negotiations for a European convention on patents. Later in the year, invitations were issued to a number of European countries, including Denmark, for discussion of specific projects for advanced technological research. Denmark and the other countries welcomed the invitation and declared their readiness to participate in the proposed technological co-operation which is likely to hold a central place in European co-operation during the seventies.

The position of France has played a considerable rôle in the discussions of the last few months. The policy of the new French Government is based upon the need of the French economy for close co-operation with the other countries of Western Europe. At the same time, France wants to retain, in an enlarged Common Market, the fundamental economic advantages obtained so far within the EEC. At the recommendation of President Pompidou, the EEC held a meeting of its heads of state or heads of government at The Hague in early December. The meeting discussed the three sets of problems relating to (1) termination of the transitional period, (2) expansion of the EEC co-operation, and (3) enlargement of the membership.

As a background document to this summit meeting, the Commission had submitted an opinion concerning the enlargement of the Common Market. In this document the Commission pointed out that the British application could not be regarded in isolation, and that the applicant countries should enter on the same date following a fairly short transitional period, which should be the same for all applicant countries and for all sectors. The Commission concluded that none of the problems posed by an enlargement were considered to be insoluble. It recommended, therefore, that negotiations be opened with the applicant countries at the earliest convenient date.

All the six member states responded positively to the Commission's statement.

At their summit meeting at The Hague the six countries confirmed that they agreed, in principle, to an enlargement of the Communities on the basis of the Treaty of Rome. They declared that they would be ready to enter into negotiations with the applicant countries, provided that the latter would adhere to the treaties and their political goals, to the decisions taken since the entry into force of the treaties, and to the measures to be taken to strengthen European co-operation. They agreed to open negotiations with the applicant countries as soon as a joint basis had been established for such negotiations. No time-limit for this was given in the communiqué, but the Prime Minister of the Netherlands, who presided over the meeting, was authorized to state on behalf of all the six countries that their negotiations on this question were to be completed by the end of June 1970, whereupon the negotiations for enlargement were to be initiated immediately. It was agreed that when these negotiations had begun, discussions were to be opened with any other interested EFTA countries.

With regard to intra-EEC co-operation it was decided that the new financing scheme should be adopted by the end of 1969 in connection with the expiry of the transitional period. The Six also agreed to draw up a plan for the gradual build-up of an economic and monetary union on the basis of the guidelines adopted earlier in the year. It was decided to intensify the activities of the EEC in other spheres too. By the end of July 1970, the foreign ministers will examine how progress towards political unity can be achieved in the light of an enlargement of the Common Market.

At their last meeting, just before Christmas, the ministers managed to reach agreement on the most essential problems that will have to be solved to bring the transitional period to an end. Foremost among these problems is the final scheme for the financing of the common agricultural policy. The adoption of this scheme implies that rules have now been laid down for the distribution of the financial burdens among the member countries, and so the principles governing a common market for agricultural products and joint economic responsibility for the agricultural policy have been confirmed.

In the course of January 1970 the EEC Council of Ministers discussed the formalization of these decisions.

The discussions have not yet been completed, but the prospects are that they will be brought to a conclusion in the near future.

In connection with the compromise it was not clarified what measures will have to be taken to ensure better control of the agricultural production and limitation of the financial burdens of the common agricultural policy. It seems to be clear, however, that price adjustments, and not quantitative limitations, will be applied to attain such means. The recommendations which the Commission submitted in 1968 with regard to changes in the agricultural policy, known as the Mansholt Plan, are still being discussed, and these discussions will continue in connection with the negotiations for enlargement.

With the compromise on the financing scheme the EEC member countries took the first step agreed upon at the summit meeting at The Hague, thereby paving the way for the intra-EEC discussions to be held on an enlargement of the Community. Preliminary discussions on the negotiating platform of the EEC are expected to be held at a meeting of ministers in February. The Six have agreed that a common stand is to be established with regard to the adaptation of the financing scheme to an enlarged Common Market, the length of the transitional period, UK's relations with the Commonwealth, enlargement of EURATOM and CECA, institutional changes and negotiating procedures. The six member countries will hardly run into insurmountable problems in the matter of reaching agreement on a common stand with regard to these questions.

I shall now turn to our trade with EEC countries during the past year. Total Danish exports to EEC markets increased in 1969. Manufactures accounted for the greatest increase, the rate of growth being in the vicinity of 18 per cent. There was an increase in agricultural exports too, in spite of the great difficulties facing these exports. Exports of live cattle rose considerably, and there was a marked improvement of prices. Cheese exports, on the other hand, declined appreciably because of the large surplus production in EEC countries, and there are no prospects of any change in the near future. On the contrary, it is to be expected that the increase envisaged in EEC threshold prices of cheese will lead to mounting difficulties.

[...]

IV. Nordic co-operation

The Government has kept the members of the Foreign Affairs Committee and the Market Relations Committee currently informed of the negotiations for expanded economic co-operation among the Nordic countries. These negotiations have now, in all essentials, been completed, and the outcome thereof is the central item on the agenda of the session of the Nordic Council which will open at Reykjavik the day after tomorrow.

The members of the Folketing have received the report which the Nordic Committee of Government Officials submitted in July 1969 on the continued discussions in the first half of 1969. Annexed to the report was a draft treaty on Nordic economic co-operation, drawn up by the government officials.

The officials had then reached agreement, in most fields, on the organization of Nordic co-operation, but a few major problems remained unsolved. One of them was the right to maintain tariff suspension for imports of raw materials and semi-manufactures for Danish industry. Moreover, the officials failed to clarify in sufficient detail the content of short-term agricultural co-operation. It was not possible, therefore, to assess to what extent such co-operation would serve Danish agricultural export interests. In these circumstances, Denmark could not take any decision on the entry into force of the customs union. This question has since become of central importance as a result of developments in the European market situation during the past few months. Among the unsolved problems were also certain aspects of financial co-operation, fishery policy, etc.

After a meeting of the Nordic Prime Ministers in Stockholm in early November it was decided to initiate negotiations at government level in order to find solutions to the outstanding issues. On the recommendation of Denmark, the Prime Ministers agreed upon a rigid time-table for these negotiations which were to be

completed before the session of the Nordic Council at Reykjavik. Due to the decision taken by the Finnish Government in December, the negotiations could not be conducted as foreseen. It was then agreed to let the officials continue the discussions while keeping in constant touch with the Prime Ministers. The decision of the Finnish Government was foreseen to imply that a final political decision could only be taken after the Finnish elections in March. In early January the Finnish Government announced, however, that the Nordic negotiations could be finalized with Finnish participation.

I shall not go into detail about the circumstances which led the Finnish Government to take these decisions. Suffice it to say that Finland, too, has now endorsed the Danish view that it will be necessary to bring the negotiations about Nordic co-operation to a speedy conclusion. An agreement must be brought about which will not only determine the scope of the Nordic co-operation and the time-table for its implementation but will also make it possible for the Nordic countries that are facing negotiations with the EEC to enter into and carry through these negotiations without being in any doubt as to what obligations they have undertaken under the Nordic co-operation and in what manner they can be released from these obligations, if necessary.

The following brief review of the outcome of the negotiations of the government officials will bear out, I hope, that the basis for such an agreement has been provided.

The government officials have reached agreement on the important issue of the entry into force of the customs union on the basis of a transitional arrangement of the following content:

The Nordic customs union will enter into force on January 1, 1972. This will also be the date when co-operation in the fields that are linked to the customs union (agriculture, fisheries and financing) will be initiated. The common Nordic tariff will not be implemented on that date, however. There will be only a partial adaptation to the rates of the Nordic tariff in that each country will lower or raise its rates to new ones halfway between the present national rates and the rates of the Nordic tariff. Through such adjustments as will be necessary, the adaptation can be arranged in such manner that the Nordic rates will never move away from or exceed the EEC tariff. The tariff adaptation which is to take effect on January 1, 1972, will in fact be an adaptation to both the Nordic tariff and the common external tariff of the EEC. On January 1, 1974, the Nordic countries will adopt the rates of the common Nordic tariff unless, before then, the treaty has been terminated or suspended in connection with the entry of one or more of the Nordic countries into the Common Market. It seems reasonable to assume that the negotiations for an enlargement of the Common Market will have been concluded well in advance of that date. The draft treaty lays down a procedure which the Nordic countries will follow in that situation for those fields of their co-operation (notably the customs union) which are incompatible with membership of the EEC. In addition to the provisions which had already been embodied in the draft treaty, the government officials have now agreed upon a procedure for suspension of the treaty when negotiations between a Nordic country and the EEC have reached the stage when a decision on entry into the European Communities can be taken. Whether the decision for suspension will require ratification or can be taken by the government concerned (without ratification) will be left to the decision of the country taking it. Each of the Nordic countries will be entitled to suspend the treaty, also the country which decides to enter into the European Communities. In that event, the Nordic countries intend to hold consultations on those fields of their co-operation which will have to be revised as a result of such a decision. The details of the first adaptation to the common Nordic tariff have not yet been laid down; this will be done within the next few weeks.

Another main issue which was in the focus during the last phase of the negotiations was that of tariff suspensions, i.e. the right for each country to continue to apply the existing national tariff rates instead of the common Nordic tariff rates. In the case of Denmark there is a large number of goods which are duty-free under the Danish tariff and are so important as raw materials or semi-manufactures for Danish industry that customs duties, if imposed on these goods, would raise the cost level of Danish industry to an extent that would make it reasonable to postpone such a step for some years. Denmark acquiesced in the Swedish wish that these suspensions should, in principle, be time-limited. As a main rule, Denmark requested suspension for 10 years and, for certain particularly important commodity groups, 15 years. Finland had already previously taken a similar stand, while Norway until the very end of the negotiations insisted on unlimited suspensions for a large number of commodity groups. Following lengthy negotiations, agreement has now

been reached on a compromise according to which all countries will be entitled to suspend, without time-limit, customs duties on iron and steel. A similar rule will apply to a few other commodities. Among these are, of special interest to Denmark, certain electronic components, including transistors. For most of the goods which play an important rôle in the supply of raw materials to industry, Denmark will be allowed to uphold the freedom from duty or to apply a relatively low tariff rate. It is difficult to assess the importance of these suspensions in the longer term, seeing that production conditions and, in consequence, the need for tariff protection or freedom from duty may change considerably within a few years.

Duties on motor cars and fertilizers played a special rôle during the negotiations. Norway has for many years maintained a relatively high fiscal duty on motor cars and has therefore not implemented the ordinary intra-EFTA elimination of tariffs on this commodity. Sweden has attached decisive importance to obtaining preferences for exports to Norway of Swedish-made cars. After difficult negotiations, Sweden achieved such preferences on making certain concessions to Norway that the Swedish motor car manufacturing industry will expand its existing co-operation with Norwegian industry in regard to subcontracts.

Norway, being a major exporter of fertilizers, has attached very great importance to obtaining tariff preferences in Denmark. We have been rather reluctant, however, to meet this wish because a custom levy on fertilizers would increase the costs of the farming industry. After difficult negotiations, a compromise was reached according to which Denmark, after a transitional period, will adopt the Nordic rates which are either 6 per cent or 7 per cent varying with the type of fertilizer. Until 1974, the present freedom from duty will be upheld.

This concession must be viewed against the background of the advantages which Denmark obtained for the agricultural sector during the final negotiations. The other countries' more specific offers for short-term agricultural co-operation now justify expectations that during the years of short-term co-operation better prices and higher exports may result in an increase of between kr. 300 million and kr. 400 million in the value of Denmark's agricultural exports to the other Nordic countries. The Swedish offer is of special interest because it involves, among other things, that within a ceiling of Sw.kr. 100 million Sweden will refund the full amount of duties levied on imports of agricultural products from the other Nordic countries. Denmark may thus expect a very substantial increase in these refunds. The present level of Danish exports would have yielded refunds of some Sw.kr. 60 million, equal to almost D.kr. 100 million, while refunds under the existing arrangement amount to only between D.kr. 50 million and D.kr. 60 million. The preferences offered by the other Nordic countries involve concrete concessions in respect of tariffs and import restrictions in accordance with the principles of effective preferences and fair prices. The short-term agricultural co-operation covers not only major agricultural products but also products of the market-gardening, horticultural and fruit-growing sectors as well as a wide range of industrially processed food products. Some of these products have been included in the Nordic customs union and will thus, in intra-Nordic trade, be exempt from restrictions. With regard to the other industrially processed food products, the parties have agreed that immediately after the entry into force of the treaty they will take preparatory steps, notably by eliminating price differentials for raw materials, so as to make these products successively eligible for transfer to full customs union treatment.

The treaty provides for adoption, before January 1, 1974, of a long-term plan for agricultural co-operation, covering all intra-Nordic trade in agricultural products. The aim of this plan must be to bring about a growing Nordic market for agricultural products and to abolish existing restrictions on trade. Norway originally made reservations in respect of this co-operation but withdrew these reservations in the final stage of the negotiations.

The third important result secured for Danish agriculture is the decision to establish an agricultural price stabilization fund for the Nordic countries of Sw.kr. 90 million per year. Denmark can expect to receive most of this fund, seeing that allocations from it are to be determined by national shares of total Nordic exports of agricultural products of which Denmark accounts for about 90 per cent.

In the fisheries sector, the parties have agreed to adopt, in the short run, a price stabilization arrangement to be supported by a common Nordic fund of Sw.kr. 50 million a year. In the longer view, co-operation in

fishery policy is to be extended. In this context, decisions are to be taken on direct landings, trans-shipment, and transit.

Financial co-operation was one of the principal issues in the final stage of the negotiations. Last summer, the Swedish spokesmen in the negotiations of the government officials maintained that the maximum Swedish contribution to this aspect of the co-operation would be Sw.kr. 1,000 million during the first five-year period. A proposal which is subject to a Finnish reservation, has now been submitted under which a total of Sw.kr. 2,200 million will be made available in the first five-year period, beginning on January 1, 1972. Finland, though finding this amount insufficient, will nevertheless consider accepting the agreement reached by the other three countries on this proposal. It has also been agreed to distribute the amount over three funds, viz. the above-mentioned price stabilization funds for agriculture and fisheries, and a general fund of Sw.kr. 1,500 million for projects of structural adjustment, industrial development, research, etc. Within the limit of the general fund, certain amounts have been earmarked for Finland and Norway, primarily for structural reorganization in the agricultural sector and, in Norway, both in agriculture and fisheries.

Agreement has also been reached on a Nordic Investment Bank with an initial capital of \$ 200 million. The Bank, which will gradually increase its lending capacity to \$ 500 million, equal to Dan.kr. 3,500 million, is primarily expected to finance, on commercial terms, projects for which it will be difficult to obtain sufficient loan capital from existing credit institutions in the Nordic area.

The parties agreed that the contributions to be made to the financial co-operation in the second five-year period must be at least as big as those foreseen for the first five years and that consideration must be given also to developments in Nordic co-operation so that it may proceed at a steady pace without being hampered by any prearranged ceilings on the financial co-operation.

The outcome of the negotiations of the government officials is a compromise which takes account of the participating countries' interests and, at the same time, enables them to adapt their co-operation to any factors which, in the coming years, may affect their economies and the developments in European integration. A foundation has thus been laid for maintaining and expanding a co-operation which is so important to all the Nordic countries.

V. Present stage of negotiations

The Nordic initiative is, as I said before, in keeping with our European market integration policy. The Government's initiative was prompted by a close connection between our interests in co-operation with the Nordic countries and with other European countries. For Denmark, the ideal solution to the problem of market integration will be to take part in an enlarged European co-operation, comprising our traditional principal markets, with room for the other Nordic countries in such forms as they may prefer. The Government has therefore consistently endeavoured to achieve a form of Nordic co-operation which — without preventing Denmark from full participation in European co-operation — can be maintained to the greatest possible extent within a broader European framework.

The efforts to extend Nordic co-operation are not intended to bring about joint Nordic negotiations for participating in the European Communities. Any such joint negotiations are, in fact, precluded by the four countries' divergent aims of market policy: Denmark and Norway have applied for full membership, Sweden seeks the closest possible participation that will be compatible with Swedish neutrality — full membership not excluded. Finnish spokesmen have pointed out that Finland's economic interests depend on a potential enlargement of the Communities. In a recent statement to the press, the Foreign Minister of Finland said that he took an optimistic view of Finland's chance to obtain a future arrangement with the EEC in some form or other.

Against this background, it has always been clear that the Nordic countries must conduct their negotiations with the EEC individually. This does obviously not prevent them from maintaining close contact during such negotiations. In view of the large market of the Nordic countries, a positive outcome of the Nordic negotiations will no doubt place them in a stronger position vis-à-vis non-Nordic countries. Moreover, close

co-operation will enhance the influence of the Nordic countries within an enlarged European market, even if one or two of the countries obtain participation in a form other than full membership.

The preparations for the coming negotiations with the Common Market have been completed. A supplementary report on Denmark's relations with the European Communities, covering the year 1969, will be published in about a month's time. The conclusion drawn from studies made in connection with the preparation of this report is that there is nothing in the Community treaties, or in the rules promulgated in pursuance of them, to render a Danish acceptance of the treaties and rules inadvisable. The report further concludes that no Danish reservations will be necessary, except for the special consideration to be given to the Faroe Islands and Greenland. The studies also confirmed a previous finding to the effect that it will serve our interests best if Danish membership is effected without a transitional period.

The build-up of the Common Market in the direction of an economic union, which is a Community aim, may take forms whose consequences cannot all be foreseen at the present time, but we have always held the view that this aim is in harmony with Denmark's long-range interests. In the past decade, the debate on EEC co-operation in all European countries has been concerned primarily with problems of tariff elimination and adjustments to the common agricultural policy, while the debate in the 1970's is likely to take a different direction. Interest will be focused increasingly on monetary and economic policies, non-tariff trade barriers, extended fiscal co-operation, and co-operation in technology and research.

It is absolutely essential, therefore, that Denmark should take part in the negotiations for an enlargement of the Common Market from the very beginning, not least because the adaptation of British agricultural policy to the EEC's common agricultural schemes will affect vital Danish interests. Concurrent negotiations appear to be a necessary condition for the safeguarding of Danish interests. In the Government's contacts with the EEC countries all parties have said that negotiations with all the applicant countries should be opened and completed simultaneously and that matters affecting several countries would probably be discussed concurrently with the countries concerned. I shall have an opportunity to discuss these questions again in the middle of this month when I am making another visit to Brussels in continuation of my previous contacts with the Commission.

At the summit meeting in The Hague it was agreed that as soon as negotiations with the applicant countries had begun the Six would enter into discussions with the other European countries which had asked for such discussions. The Six want to reach simultaneous decisions on the position of all interested European countries in a broad European market. At EFTA's ministerial meeting last November the ministers agreed to maintain their declaration of April 1967 in which all the EFTA countries confirmed that they wanted to take part in European economic integration while seeking suitable arrangements that would give all EFTA countries a fair chance of conducting negotiations with the European Communities without reintroducing barriers to intra-EFTA trade during that period.

At the November meeting, the EFTA countries confirmed their interest in preserving the free market, which has been created within EFTA, as an important element of an extended European co-operation. The EFTA co-operation has given Denmark many advantages. We shall serve our own interests and give fair consideration to those countries which have been our EFTA partners for almost ten years by co-operating actively in the efforts to find a solution that will be satisfactory also to our EFTA partners. It was agreed, therefore, that the EFTA countries would continue their consultations on problems of market policy.

As I said before, it is not considered desirable that Denmark should ask for transitional arrangements in connection with our entry into the Common Market. An appraisal of the problems of adjustment arising in connection with Danish membership suggests no reasons for requesting transitional arrangements. A relatively long period of negotiation, followed by a ratification procedure of at least one year's duration plus the necessary time for legislative and administrative adjustment will leave sufficient time for Danish economic life to prepare itself for Danish membership. Denmark prefers full rights of membership at the earliest possible stage. This implies, of course, that we must accept the obligations involved.

As I said before, the Commission has pointed out that the period of transition should be the same for all

countries and all sectors of economic life. The present member countries seem to share this view. Since the United Kingdom wants a period of transition, it is possible that the Six, in the negotiations with Denmark, will propose a certain period for incorporation into the Common Market, also for Denmark. If and when such a proposal is made, we shall have to consider it in the course of the negotiations together with the consequences to the obligations we may have to undertake.

The Secretariat for European Market Relations and the government departments concerned are quite prepared to open negotiations with the Common Market. The Government has decided that the delegation which took part in the Nordic negotiations will also handle the negotiations with the EEC at the departmental level. These negotiations will hardly make demands on our personnel resources that we cannot meet. Over the years, we have always kept au fait with developments in the Common Market and we have, together with other interested departments and organizations, disseminated a considerable amount of information on Common Market problems. Now that developments appear, as we hope, to be more predictable, we intend to launch specific training programmes with a view to Denmark's membership of the Common Market in order to strengthen those sectors of the administration that will be affected by our membership and to ensure availabilities of qualified applicants for posts in the EEC Secretariat in Brussels. This training, most of which will take place abroad, will cover languages as well as practical and theoretical subjects. It will be implemented in collaboration with educational institutes, certain international organizations in Europe and our diplomatic missions to these organizations.

The Six expect the negotiations with the applicant countries to be opened before the holiday season. This implies that substantive negotiations will probably be started in the autumn. The negotiations can hardly be completed in less than one year. Ratification procedures will take another year, which means that treaties extending the Common Market cannot become effective before January 1, 1973. If for any reason complications should arise during the negotiations, they will take longer. Moreover, we must expect a transitional period which may last from three to five years. It will thus be understood that most of the 1970's will be used to incorporate the countries of Europe into one big common market.

This background throws into relief the importance of extending the economic co-operation of the Nordic countries. The Government took the initiative for such co-operation and has made great efforts to get the negotiations completed soon enough for the possibilities of Nordic co-operation to have become clearly defined by the time when negotiations are opened with the European Communities. The outcome of the most recent negotiations of the Nordic government officials has given us a solid basis. The Government will take active steps to have the final political discussions completed as soon as possible in order that a draft treaty may be tabled in the Folketing already during the present session.

I hope that the broad agreement on which our market policy has been based in the Folketing will be sustained now that we are passing from the stage of negotiations to a stage of action in Nordic co-operation and also — after several years of waiting — to the point of entering into negotiations for European market integration.