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EUROPEAN COUNCIL, LUXEMBOURG

27/28 APRIL 1980

ENLARGEMENT

Brief by the Foreign and Commonwealth Office

OBJECTIVE

1. To reiterate, if necessary, United Kingdom support for enlargement.

POINTS TO MAKE

General

2. Firmly support enlargement.
3. Recognise it will cause economic and institutional strains in the Community. All the more important to resolve quickly current problems facing Community, e.g. budget, agricultural surpluses.

Timetable

4. Community should avoid unnecessary delay in Portuguese and Spanish negotiations.

BACKGROUND

References: Nil

Timetable for enlargement

(a) Greece

5. Treaty of Accession signed 28 May 1979. Formal entry due 1 January 1981.

(b) Portugal and Spain

6. Negotiations in train. Detailed stage will probably start in autumn. Entry possibly in 1983 but could slip.

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/Prospects

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Prospects for negotiations

7. Spanish negotiations expected to be difficult mainly because Spaniards unwilling to remove quickly protection enjoyed by Spanish industry and because French and Italians worried about Spanish competition in Mediterranean agricultural produce. First exchange of statements on agriculture due shortly. Concern also about possible cost to Community of applying CAP to Spain, without first amending it. Discussion of latter likely to be needed.

8. Gibraltar could be a complication, if no progress made on lifting restrictions.

9. Portuguese negotiations probably less difficult because of small size of Portuguese economy. Nevertheless problems for UK over textiles (we are currently blocking progress over Customs Union because Commission and most Member States oppose our request for transitional measures) and proposals in the pipeline for giving Portugal pre-accession aid.

Economic implications

10. New strains will be put on CAP (applicants have large agricultural sectors), Regional and Social Funds, and fisheries policy (Spain has largest fleet in Europe). Three new members will all probably be net recipients from budget, though now some doubt about Portugal on this score because of her heavy imports of grain and consequent liability to large levy payments.

11. Absorption of three relatively poor new members may act as a drag on Community and increase tendencies towards development of two tiers. But scale of problem should not be exaggerated: Spain has per capita GNP close to Italy's and Greece is about on par with Ireland.

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