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EHG (V)(80) 17 Revise

9 JUNE 1980

COPY NO 1

EUROPEAN COUNCIL, VENICE

12/13 JUNE 1980

ENLARGEMENT

Brief by Foreign and Commonwealth Office

OBJECTIVE

1. To make plain if necessary that the UK continues firmly to support the accession of Spain and Portugal and does not accept that the Community's internal situation provides justification for delaying this.

POINTS TO MAKE

2. UK has supported and continues firmly to support accession of Greece, Portugal and Spain.

3. Accession of Greece now assured, that of Portugal and Spain should be pursued no less vigorously.

4. Community of course has internal problems but these must be kept in perspective. Recent events have demonstrated Community's ability to confront and surmount its problems. Am confident that it will continue to be able to do so. Do not believe that Community's internal problems require delay in negotiations for accession of Portugal and Spain.

BACKGROUND

5. On 5 June President Giscard told a meeting of the Chambers of Agriculture in Paris that because of problems over the integration of 'certain new member states' into the Community it was 'right that the Community should give priority to finishing off the first enlargement before being able to undertake a second'. These remarks have been widely interpreted both inside and outside France as marking a change in the French attitude to enlargement. Hitherto while not hiding privately their doubts and the likely difficulties, the French, particularly at the high political level, have paid lip service to the desirability of Portuguese and Spanish accession (it has been

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made clear that President Giscard's remarks do not apply to Greece, which of course signed its treaty with the Community over a year ago). The Spaniards reacted sharply.

6. The pretext given by President Giscard for delaying the accession of Portugal and (in particular) Spain is not plausible. The real French motive lies in the fears of French farmers that they will suffer seriously from increased competition in, especially, Mediterranean products once Spain and Portugal join. The Gaullists and the Communists are already firmly opposed to their entry and President Giscard appears to have decided, no doubt for electoral reasons, that he also must take notice of the views of his farming constituents.

7. On 9 June Chancellor Schmidt, speaking to a Social Democrat Party Congress, made a brief reference to enlargement in the course of a wide ranging speech. He said that unless things changed in the Community (by implication CAP and budgetary arrangements) it would not be possible to finance an enlarged Community. Contrary to the impression given in The Times report, however, he did not (according to a member of our embassy who was present) endorse President Giscard's suggestion that enlargement would thus have to be delayed.

8. It is likely to be in the UK interest firmly to maintain our public support for Portuguese and Spanish entry. This rests essentially on the political case for helping to consolidate democracy in Portugal and Spain by welcoming them into the Community; also our bilateral relations with them require a favourable British attitude.

9. In the case of Spain these reasons are now reinforced by the consideration that consistent UK support for the Spanish application will be of increased importance to the Spaniards in view of the new French attitude and this could help us to hold the Spaniards to their commitments over Gibraltar.

10. At the same time it would not necessarily be against UK interests if the French attitude indeed led to some delay in the timetable for Spanish accession (on which our formal position is one of support for signature of a treaty in 1981 and entry on 1 January 1983). We attach great importance to the review of the Community Budget on which the Commission are committed to make proposals by June 1981 and would not want this to be complicated or delayed by the accession negotiations. Similar considerations

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could apply when the Community reaches the 1% VAT ceiling
some time in 1981/82.

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