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EHG(L2)(80)15

COPY NO. 1

18 November 1980

EUROPEAN COUNCIL, LUXEMBOURG

1/2 DECEMBER 1980

ENLARGEMENT

Brief by the Foreign and Commonwealth Office

OBJECTIVE

1. To make plain our views on enlargement if necessary.

POINTS TO MAKE

2. Continue to support accession of Spain and Portugal, in which Community and Europe have an important long-term political interest. Restructuring no reason not to proceed with entry negotiations. Two should progress in parallel.
3. Need to limit costs to Community of Spanish membership. Restructuring must take account of this. So should discussion of changes in arrangements before, in particular, Spain's accession.
4. Not possible to consult Spanish Government about restructuring, but Community should try to keep them informed.
5. Community should keep up pressure for better implementation of 1970 EC/Spain Agreement.
6. (If possibility of Portugal joining earlier than Spain is raised). Hypothetical at this stage. Likely to cause difficulties with Spain.

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ESSENTIAL FACTS

1. All Member States still committed in principle to Spanish and Portuguese accession. Initial phase of negotiations over; substantive phase just beginning.
2. French want delay (as Giscard made plain in June) emphasizing need to complete review of budgetary and CAP arrangements before enlargement. We accept privately that this is realistic but have stressed in Community and to Spaniards that accession negotiations should progress in parallel with restructuring (while the French would like to hold them up).
3. Spain accepts postponement of accession beyond 1983 caused by Community's need to deal first with internal problems, but still wants January 1984 to be a firm target for entry. Portugal remains publicly committed to entry by 1983 but privately now recognises delay likely.
4. Spaniards accept that Community has genuine internal problems which it must resolve before enlargement; but want to be informed and if possible consulted about changes in acquis, which they fear could diminish advantages of membership.
5. Unless changes made in existing acquis, cost to Community of Spanish membership, particularly of aids for Mediterranean agricultural products, would be large. Potential problem of surpluses in olive-oil, wine, vegetables, citrus.
6. British exporters increasingly critical of Spanish performance under 1970 EC/Spain Agreement, especially lack of transparency in handling of quotas and use of discriminatory taxes. UK wants the Community to review these problems with Spain. Spaniards have told EC Commissioner Natali that they will consider a list of complaints to be drawn up by the Community.

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