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EUROPEAN COUNCIL, BRUSSELS

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ENLARGEMENT

Brief by Foreign and Commonwealth Office

POINTS TO MAKE (If appropriate)

1. Some movement though not yet substantial progress in both sets of negotiations. Welcome adoption of Portuguese (and if appropriate Spanish) mini-package.
2. (If raised) Too early to think of any question of delinking. Both negotiations should proceed separately but in parallel with aim of accession by 1 January 1984.

BACKGROUND

3. Belgian Presidency decided to adopt a modus operandi of grouping together a number of minor chapters as 'mini-packages' both for Spain and Portugal to promote at least an impression of progress. Mini-package for Portugal was agreed at EC/Portuguese Ministerial meeting on 22 February (except inclusion of the Escudo in the ECU on which no agreement was possible). Mini-package for Spaniards being taken at EC/Spanish Ministerial meeting in margins of 22/23 March Foreign Affairs Council. Really difficult chapters still to come however: customs union, agriculture, and fish (especially in case of Spain). Last two

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and question of contributions to budget cannot be settled until Community sorts out own affairs. On customs union recent Spanish agreement to implement VAT in full by accession welcome, but not a concession for which EC needs to pay a negotiating price in terms of a ten-year period for industrial tariff transition as Spain has suggested.

4. French are seeking to press ahead as fast as possible with Portuguese negotiations and have shown signs of wanting to delink them from Spanish negotiations because of extra difficulties over Spanish accession (especially in agricultural field). French may see these as meaning Spanish exclusion from the Community for a long time yet.

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