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EUROPEAN COUNCIL, BRUSSELS
28/29 JUNE 1982

ENLARGEMENT

Brief by Foreign and Commonwealth Office

OBJECTIVES

1. To repeat our general political support for the accession of Spain and Portugal to the Community.
2. To ensure that any blame for delays in the negotiations with Spain or Portugal are seen to lie with the French. (There are signs that they will try to point the blame on the UK for the internal disarray of the Community)

POINTS TO MAKE

3. We regard the further enlargement of the European Community with the accession of Spain and Portugal as very important for the further strengthening of democracy in Europe, and for the mutual benefits that could flow from widening the application of the Common Market.
4. The Community has always accepted that the political benefits which will accrue from enlargement are overriding, although we must obviously ensure that the economic costs involved are kept within reasonable bounds.

Evolution of the Community (if appropriate)

5. The fact that in preparing for further enlargement the Community has to examine its financial capacity and the operation

of existing policies such as agriculture demonstrates how enlargement stimulates the evolution of the Community. Arrangements which were appropriate twenty five years ago may in any case need to evolve to meet changing needs.

Financing Enlargement

6. It would be unfortunate if Spain and Portugal joined the Community with expectations of large transfers of resources which the richer Member States proved to be unwilling to finance. It is therefore right that there should be a discussion of the most equitable basis on which resources should be shared in a Community of twelve. An appropriate first step might be a report from the Commission for consideration by the Foreign Affairs Council in the Autumn.

Agriculture

7. It is obvious that the negotiations must be carefully and thoroughly prepared, but this must not be used as an excuse for delay. It is right to move matters forward, and there is no reason why the difficult questions of agriculture should not now be taken up.

8. The United Kingdom has consistently worked for advance in this area. At the European Council in London during our Presidency we sought to make progress on the Mediterranean acquis as part of the guidelines implementing the 30 May mandate. More recently we proposed in the Agriculture Council that the necessary changes to the Mediterranean acquis should be agreed as part of the agricultural price fixing. Unfortunately the Council was able to go only part of the way. Progress still has to be made on fruit and vegetables, and on olive oil, on which the United Kingdom has made constructive suggestions to the Council.

Separate accession for Portugal or Spain

9. Breaking the link between the two sets of the negotiations is not a point we need consider now. Both negotiations are under way, and that is clearly the best way to proceed. There will be

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considerable economic and political problems in separating these negotiations, and I see no reason to address the issue now.

Decision-making

10. Fully agree that a Community of Twelve will present difficult problems on institutional front. Should not take it for granted that present arrangements could not work and any changes must be fully thought out before they are offered to Spain and Portugal.

BACKGROUND

11. Mr Chandernagor made a vehement intervention at the Foreign Affairs Council on 22 June in which he in effect argued that the Community was addressing the accession negotiations and implications of enlargement in a superficial even irresponsible way. He said that President Mitterrand wanted a discussion at the European Council on 28 June and this was agreed. The Embassy in Paris have reported that Mitterrand will wish to ensure that the Council has a profound discussion of the real problems involved in enlargement, especially with regard to Spain. In a speech in Madrid on 22 June, Mitterrand repeatedly emphasized French support for Spanish membership, but also said that in effect that Spanish entry now would coincide with and accentuate a state of anarchy within the Community on Mediterranean agricultural products. France had no wish for Spanish membership to begin in an atmosphere of disaster or to lead to "a sort of additional internal Community economic warfare". In the French view, the door would not be closed, but it might remain only half open for a long time. The Spaniards are - rightly - interpreting this as less than a veto, but nonetheless the imposition of a major technical brake on progress; they are determined to press on; and will seek support against allowing the Portuguese negotiations to get ahead, let alone Portuguese accession before Spanish.

12. The French have for some time clearly been having serious difficulties with some aspects of Spanish accession, in particular with agriculture. It is not clear whether the French will take as

harsh a line with the Portuguese negotiations as with the Spanish. They have been much more positive about the Portuguese and President Mitterrand last December in Lisbon has even hinted publicly that Portuguese accession need not wait on Spanish. However the French caused unexpected difficulties at the Council over Portugal, and Chandernagor's general comments appeared to be critical of both sets of negotiations. It is not therefore clear whether the French will raise the question of a different timetable for the two sets of negotiations. Our best line at this stage is to emphasize the importance we attach to progress in both negotiations and to underline the difficulties that any unlinking would entail.

13. Timetable: the present timetable envisages Portuguese and Spanish accession on 1 January 1984 (having already slipped from 1 January 1983), with negotiations completed by end 1982 and national ratifications in 1983. Most Member States privately have for some time regarded this timetable as unrealistic.

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