



10 DOWNING STREET

THE PRIME MINISTER

5 August 1982

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Dear Monsieur Thon,

Following our discussion of enlargement at the European Council on 28-29 June, you wrote to me on 10 July asking me to specify the problems posed by the enlargement of the Community for the United Kingdom.

I should like to begin by restating the strong support of the British Government for the further enlargement of the European Community to include Portugal and Spain. It was important that the European Council in June reaffirmed its statement of 27 November 1981. I think the Community should endeavour now not only to maintain the momentum of the accession negotiations, but to bring them to a successful conclusion without undue delay.

All Member States have from the beginning been aware that there would be difficult problems to be faced in the accession negotiations. Many of these were identified in the "fresco" prepared by the Commission in April 1978 and in subsequent work. In general, we see no need to change the traditional approach to accession which was set out by the Community at the beginning of the negotiations: as in previous enlargements the thrust of the negotiations should be about the appropriate

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transitional arrangements for the applicant countries. Exceptions to the rule may be necessary in particular cases, but these should not denote an overall shift in approach. Where particular problems look like arising because of enlargement, the Community must consider carefully in advance what the appropriate arrangements for an enlarged Community should be, as is the case over certain Mediterranean agricultural products and over the costs of enlargement. We also consider that problems that come up in the negotiations should be dealt with, as a general rule, before accession.

For the UK, as for other Member States, some of the problems are more difficult than others, but I think the problems on the individual chapters of the negotiations are well enough known and need no further elucidation. However, I would wish to register the following particular points.

We continue to set store by the expectation that the accession of Spain will be followed, after only a short transition period, by the termination of the imbalance in trading conditions inherent in the Community's 1970 Trade Agreement with that country.

Regard for the legitimate concerns of industry, especially the problem of textiles (a problem mainly with Portugal but also with Spain), is particularly important for the United Kingdom. We hope that the proposal to Portugal agreed at the July Foreign Affairs Council will provide the basis for a solution to the textiles problem.

It will be important to negotiate arrangements which minimise the budgetary costs of enlargement. The own resources chapter in the accession negotiations will require the most careful consideration.

/Changes

Changes in the Community's present arrangements for Mediterranean agricultural products to take account of enlargement should not be such as to encourage the production of surpluses and should honour the Community's existing obligations to the Mediterranean countries with whom the Community already has Association or Co-operation Agreements.

It will be essential to conclude urgently the negotiations on a revised Common Fisheries Policy in order to provide a satisfactory basis for discussion of the fisheries chapter in the accession negotiations.

We had hoped that the problem of the continued closure of the frontier between Spain and Gibraltar would have been resolved by now in the framework of the Lisbon Agreement of 1980. Unfortunately this has not so far been the case. If the frontier remains closed, the United Kingdom reserves the right to raise the matter in discussion of relevant chapters of the accession negotiations. We have made it clear to Spain and in Parliament that it is inconceivable that there should be a closed frontier between two parts of the Community.

Yours sincerely

Raymond Barre

His Excellency Monsieur Gaston Thorn



Euro 901.

Foreign and Commonwealth Office

London SW1A 2AH

4 August 1982

Type please.

AR 4/8

Dear John,

Inventory of Enlargement Problems: Review by the Commission

I enclose a new version of the Prime Minister's reply to the letter from the President of the Commission, revised in the light of the Prime Minister's comments recorded in your letter of 2 August.

I am sending copies of this letter to John Rhodes (Department of Trade), John Kerr (HM Treasury), Robert Lawson (MAFF), Jonathan Spencer (Department of Industry) and Richard Hatfield (Cabinet Office).

Yours ever,

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
The Prime Minister

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:
M Gaston E Thorn

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Copies to:

PRIVACY MARKING

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All Member States have from the beginning been aware that there would be difficult problems to be faced in the accession negotiations. Many of these were identified in the "fresco" prepared by the Commission in April 1978 and in subsequent work. In general, we see no need to change the traditional approach to accession which was set out by the Community at the beginning of the negotiations: as in previous enlargements the thrust of the negotiations should be about the appropriate transitional arrangements for the applicant countries. Exceptions to the rule may be necessary in particular cases, but these should not denote an overall shift in approach. Where particular problems look like arising because of enlargement, the Community must consider carefully in advance what the appropriate arrangements for an enlarged Community should be, as is the case over certain Mediterranean agricultural products and over

Enclosures—flag(s).....

the costs of enlargement. We also consider that problems that come up in the negotiations should be dealt with, as a general rule, before accession.

For the UK, as for other Member States, some of the problems are more difficult than others, but I think the problems on the individual chapters of the negotiations are well enough known and need no further elucidation. However, I would wish to register the following particular points.

We continue to set store by the expectation that the accession of Spain will be followed, after only a short transition period, by the termination of the imbalance in trading conditions inherent in the Community's 1970 Trade Agreement with that country.

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14 AUG 1982





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10 DOWNING STREET

From the Private Secretary

2 August 1982

EC Enlargement

With your letter of 28 July you let me have a draft reply for the Prime Minister to send to the President of the Commission in response to his letter of 10 July. The Prime Minister is not entirely happy with the draft. She has commented that:

- a. It relegates to "a few points meriting the Commission's particular attention" matters which are of major significance.
- b. With regard to the fourth paragraph, the United Kingdom wishes to change the "full acquis" especially on the Budget, and that we should take the opportunity of enlargement to try to do so.

I should be grateful for your comments and for a revised draft.

I am sending copies of this letter to John Rhodes (Department of Trade), John Kerr (HM Treasury), Robert Lawson (MAFF), Jonathan Spencer (Department of Industry) and Richard Hatfield (Cabinet Office).

A. J. COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office.

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10 DOWNING STREET

THE PRIME MINISTER

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/As in

As in previous enlargements applicants should subscribe to the full acquis on accession, subject only to transitional arrangements where appropriate, and to any particular exceptions which may be necessary in particular cases. Such exceptions should not denote an overall shift in approach. We also consider that problems that come up in the negotiations should be dealt with, as a general rule, before accession.

For the UK, as for other Member States, some of the problems are more difficult than others, but I think the problems on the individual chapters of the negotiations are well enough known and need no further elucidation. There are only a few points to which I would draw the Commission's particular attention:-

- (a) We continue to set store by the expectation that the accession of Spain will be followed, after only a short transition period, by the termination of the imbalance in trading conditions inherent in the Community's 1970 Trade Agreement with that country.
- (b) Regard for the legitimate concerns of industry, especially the problem of textiles (a problem mainly with Portugal but also with Spain), is particularly important for the United Kingdom. We hope that the proposal to Portugal agreed at the July Foreign Affairs Council will provide the basis for a solution to the textiles problem.

/(c)

- (c) It will be important to negotiate arrangements which minimise the budgetary costs of enlargement. The own resources chapter in the accession negotiations will require the most careful consideration.

- (d) Changes in the Community's present arrangements for Mediterranean agricultural products to take account of enlargement should not be such as to encourage the production of surpluses and should honour the Community's existing obligations to the Mediterranean countries with whom the Community already has Association or Co-operation Agreements.

- (e) It will be essential to conclude urgently the negotiations on a revised Common Fisheries Policy in order to provide a satisfactory basis for discussion of the fisheries chapter in the accession negotiations.

- (f) We had hoped that the problem of the continued closure of the frontier between Spain and Gibraltar would have been resolved by now in the framework of the Lisbon Agreement of 1980. Unfortunately this has not so far been the case. If the frontier remains closed, the United Kingdom reserves the right to raise the matter in discussion of relevant chapters of the accession negotiations. We have made it clear to Spain and in Parliament that it is inconceivable that there should be a closed frontier between two parts of the Community.



CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

28 July 1982

Type letter pl.

A.S.C. 307/17.

Dear John.

Inventory of Enlargement Problems: Review by the Commission

Your letter of 20[✓] July enclosed a copy of a letter from the President of the Commission to the Prime Minister inviting her to specify the problems for the United Kingdom posed by enlargement of the Community. A similar letter went to Heads of all EC Governments.

As Mr Thorn says, the request follows the June European Council's mandate to the Commission to list the problems posed by enlargement for Community policies and for each member state. The Commission are asking each member state mainly to flush out the French who have imposed a 'technical brake' on the negotiations; and the Italians who have started advocating a new but vague and ill-digested 'concept' of enlargement (the essence of which would be to let Spain and Portugal in but leave until after their entry decisions on the degree and form of their participation in major EC policies). In the Foreign Secretary's view, our interest is to reply quickly so that we are seen not to be holding up the accession negotiations; to make it clear that we see no need for new concepts of enlargement by reaffirming our support for the traditional approach; to urge conclusion of the negotiations without undue delay; and to highlight only our major concerns so as to avoid giving the impression that we see a whole host of new and difficult problems.

/ I attach a draft reply designed to fulfil this purpose which has been cleared interdepartmentally at official level.

I am sending copies of the draft to the Private Secretaries to the Secretary of State for Trade, the Chancellor of the Exchequer, the Minister for Agriculture, Fisheries and Food, the Secretary of State for Industry, whose departments have been so consulted, and to Richard Hatfield in the Cabinet Office.

A J Coles Esq
10 Downing Street

Francis
(F N Richards)
Private Secretary.

CONFIDENTIAL

DSR 11 (Revised)

DRAFT: ~~minute~~/letter/~~telex~~/~~letter~~/~~despatch~~/~~note~~

TYPE: Draft/Final 1+

FROM:
The Prime Minister

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:

M Gaston E Thorn

Your Reference

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there should be a closed frontier between
two parts of the Community.

Mr 27/12.

SECRET

28 JUL 1982



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20 July 1982

EC ENLARGEMENT

I enclose a copy of a letter which the Prime Minister has received from the President of the Commission asking that we should specify the problems which enlargement poses for the United Kingdom.

I should be grateful if you could let me have a draft reply for signature by the Prime Minister in due course.

I am sending a copy of this letter and enclosure to David Wright (Cabinet Office).

A. J. COLES

Francis Richards, Esq.,
Foreign and Commonwealth Office

file KK

20 July 1982

I am writing on behalf of the Prime Minister to thank you for your letter of 10 July.

This is receiving attention and a reply will be sent to you as soon as possible.

JOHN COLES

M. Gaston E. Thorn

RB

COMMISSION
OF THE
EUROPEAN COMMUNITIES

The President

200 RUE DE LA LOI
1049 BRUSSELS
TEL: (02) 735 80 40

19 O. VII. 1982

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Mr 17
Dear Prime Minister,

The European Council session on 28/29 June asked the Commission to list the problems which the enlargement poses for Community policies and for each of the Member States, and to make the appropriate proposals.

May I remind you that as long ago as 1978 the Commission submitted to the Council its General Considerations on the Problems of Enlargement; since then it has submitted its Opinion on Portuguese Application for Membership (May 1978), its Opinion on Spain's Application for Membership (November 1978) and a long string of more specific proposals, including proposals concerning changes in the *acquis communautaire*.

The Commission is aware of the urgent need to update and synthesise these papers in order to master the problems which have arisen more recently in the course of the accession negotiations.

The task that the European Council has asked of the Commission could be more easily and accurately carried out if you would be good enough to specify the problems which enlargement poses for your country - letting me have these particulars as soon as possible.

Vice-President Natali, who is responsible for the accession negotiations, is at your Government's disposal should you feel it desirable to go into these matters further.

Your sincerely,
Gaston E. Thorn
Gaston E. THORN

The Right Hon. Mrs Margaret THATCHER
Prime Minister
10 Downing Street

LONDON SW1