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*No matter
with own resources of
present size provided
CAP is shared
MM*

Core Pal

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DESKBY 150830Z

FM UKREP BRUSSELS 131010Z NOV 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 4273 OF 13 NOVEMBER

INFO BRUSSELS COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN
LUXEMBOURG ATHENS LISBON MADRID.

MY TEL NO 4180 (NOT TO ALL) : ENLARGEMENT OF THE COMMUNITY.

WE HAVE RECEIVED TODAY THE FINAL VERSION OF THE COMMISSION'S
QUOTE INVENTORY UNQUOTE PAPER FOR THE EUROPEAN COUNCIL, ON THE
PROBLEMS OF ENLARGEMENT. IT HAS BEEN SENT UNDER COVER OF A
LETTER FROM THORN TO THE PRIME MINISTER WHICH READS AS FOLLOWS:

THE PAPER I ENCLOSE IS THE COMMISSION'S RESPONSE TO THE WISH
EXPRESSED BY THE EUROPEAN COUNCIL IN JUNE CONCERNING COMMUNITY
ENLARGEMENT. THE PERSONAL CONTRIBUTIONS SENT ME BY THE SEVERAL
HEADS OF STATE AND HEADS OF GOVERNMENT HAVE BEEN A GREAT HELP TO
ME BOTH IN PINPOINTING PROBLEMS AND IN COUGHING OUT SOLUTIONS.

THE COMMISSION NOTES THAT THERE IS UNANIMOUS POLITICAL COMMITMENT
TO ENLARGING THE COMMUNITY TO INCLUDE SPAIN AND PORTUGAL. IT HAS
ACCORDINGLY CONCLUDED THAT AFTER CLOSE ON FIVE YEARS'S WORK THE
NEGOTIATIONS CAN BE CONCLUDED REASONABLY QUICKLY IN SUCH A WAY AS
TO ENSURE THE PROPER FUNCTIONING OF THE ENLARGED COMMUNITY. EN-
LARGEMENT WILL NOT POSE ANY PROBLEM THAT WE WOULD NOT HAVE HAD TO
DEAL WITH IN ANY CASE. IN SOME CASES IT AGGRAVATES PROBLEMS, IN
OTHERS IT CONFRONTS US WITH THEM SOONER, BUT IN NONE DOES IT ACTUALLY
RAISE NEW PROBLEMS. THE IMMEDIATE DIFFICULTIES TO BE RESOLVED ARE
NEGLIGIBLE WHEN SET AGAINST THE POLITICAL AND ECONOMIC BENEFIT EN-
LARGEMENT WILL AFFORD THE PRESENT COMMUNITY AND THE APPLICANT
COUNTRIES IN THE LONGER TERM.

IT IS WITH THIS APPROACH IN MIND THAT THE COMMISSION SETS OUT, OR
RESTATES, THE SOLUTIONS IT ADVOCATES TO THE MAIN PROBLEMS TO BE
TACKLED.

FOR THE OPERATION OF THE FUTURE COMMUNITY, TWO MAJOR DECISIONS
HAVE TO BE TAKEN.

THE FIRST CONCERNS OWN RESOURCES. RETENTION OF THE PRESENT CEILING
ON THESE IS JUST NOT ON, NOT MERELY AS REGARDS COPING WITH THE
FINANCIAL IMPLICATIONS OF ENLARGEMENT BUT, QUITE APART FROM THAT
ASPECT, AS REGARDS CONTINUING AND WORKING UP THE COMMON POLICIES.

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IT IS NOT POSSIBLE TO COME OUT IN FAVOUR OF ENLARGEMENT AND AT THE SAME TIME WITHHOLD THE BUDGET FUNDS THAT WOULD MAKE IT UNWORKABLE. IT IS THEREFORE VITAL THAT THE MEMBER STATES GIVE A CLEAR UNDERTAKING TO PROVIDE THE COMMUNITY WITH THE WHEREWITHAL TO CARRY OUT ITS POLICIES AS SOON AS THE NEED ARISES.

No. THE SECOND CONCERNS THE DECISION-MAKING PROCESS. THE PRESENT HOLD-UPS ARE MAKING IT IMPOSSIBLE FOR THE COMMUNITY TO GO FORWARD TO ANY EXTENT TO SPEAK OF. THE COMMISSION THEREFORE PROPOSES THAT GREATER USE SHOULD BE MADE OF MAJORITY VOTING WHERE IT IS ALREADY PROVIDED FOR, AND THAT CERTAIN TREATY PROVISIONS REQUIRING UNANIMITY SHOULD BE CHANGED.

AS REGARDS THE NEGOTIATIONS PROPER, THE COMMISSION WOULD POINT OUT HOW ABSOLUTELY ESSENTIAL IT IS TO OUR SUCCESS THAT THE QUOTE ACQUIS COMMUNAUTAIRE UNQUOTE BE CONSOLIDATED AND EXPANDED, ON THE BASIS OF THE PROPOSALS IT HAS ALREADY TABLED OR WILL SHORTLY BE TABLING WITH RESPECT TO SUCH MATTERS AS MARKET ARRANGEMENTS FOR MEDITERRANEAN AGRICULTURAL PRODUCTS, INCREASING THE EFFECTIVENESS OF THE REGIONAL FUND, THE ADOPTION OF MEDITERRANEAN INTEGRATED PROGRAMMES, THE COMMON FISHERIES POLICY AND THE IMPLICATIONS OF ENLARGEMENT FOR NON-MEMBER COUNTRIES IN THE MEDITERRANEAN AREA.

THE SERIOUSNESS OF THE ECONOMIC CRISIS AND THE NEED TO ENSURE COMPLIANCE WITH THE RULES ALREADY ADOPTED BY THE COMMUNITY FOR CERTAIN PARTICULARLY SENSITIVE SECTORS HAVE PROMPTED THE COMMISSION TO PROPOSE A QUITE NEW APPROACH.

THE PROPOSAL IS THAT THE APPLICANT COUNTRIES SHOULD BE ASKED, IN A FEW FIELDS, FOR AN UNDERTAKING THAT THEY WILL BEGIN APPLYING BEFORE THEIR ACTUAL ACCESSION RULES AND DISCIPLINES SIMILAR TO, OR INDEED THE SAME AS, THE ONES THE COMMUNITY IMPOSES ON ITSELF, TO HELP PREPARE THE WAY FOR INTEGRATION TO PROCEED AS SMOOTHLY AS POSSIBLE.

THE COMMUNITY FOR ITS PART WOULD SET ITSELF A TARGET DATE FOR THE CONCLUSION OF THE NEGOTIATIONS, AND WOULD STEP UP FINANCIAL CO-OPERATION.

THESE, AS I SEE IT, ARE THE MATTERS ON WHICH OUR REPRESENTATIVES SHOULD CONCENTRATE, IN THE DETERMINATION TO SUCCEED. WHILE FULLY ALIVE TO OUR COUNTRIES' TROUBLES, WHICH NOBODY WOULD DREAM OF IGNORING, I WOULD AGAIN STRESS THE POLITICAL IMPORTANCE OF THE DECISION AHEAD OF US.

IF WE FAIL, THE SPECIFIC ARGUMENTS THAT ANY OF US CAN REASONABLY USE WILL HARDLY EXCUSE US IN THE EYES OF FUTURE GENERATIONS.

I TRUST THAT FOLLOWING THE COMING EUROPEAN COUNCIL SESSION IT WILL BE POSSIBLE FOR THE COMMISSION'S COMMUNICATION TO BE SO TACKLED AS TO IMPART FRESH MOMENTUM TO THE NEGOTIATIONS NOW PROCEEDING.

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12. WE

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2. WE SHALL MUFAX TEXT OF THE PAPER TO THE DEPARTMENT FIRST THING ON 15 NOVEMBER. ORIGINAL FOLLOWS BY BAG.

FCO ADVANCE TO:-

FCO - EVANS BULLARD HANNAY GOODISON CROWE MS EVANS
CAB - HANCOCK MS LAMBERT
DOT - GRAY MISS LACKEY WELLS
MAFF - ANDREWES
TSY - LITTLER EDWARDS
- PS/NO. 10

BUTLER

LIMITED
ECD (R)
ECD (I)
NEWS D
PS
PS/MR HURD
PS/PUS
SIR J BULLARD
MR EVANS
MR HANNAY
MR GOODISON

ADDITIONAL DISTRIBUTION
ADVANCE ADDRESSEES

(ADVANCED AS REQUESTED)

COPIES SENT TO
No. 10 DOWNING STREET

XX

ECFO 003/13

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(x25)

OO F C O DESKBY 150830Z

1110

| | | | |
|---------------|---|------------------|---------------|
| RR BRUSSELS | PS (6) | MR EVANS | |
| RR COPENHAGEN | PS/M HURD | SIR J. BULLARD | |
| RR THE HAGUE | PS/RUS | MR HANNAY | |
| RR ROME | | MR GOODISON | |
| RR DUBLIN | | HD ECD(E) | |
| RR PARIS | | HD NEWS D. | |
| | | MS. EVANS ECD(E) | |
| RR BONN | ADVANCE COPY IMMEDIATE | MR HANCOCK | } CAB. OFFICE |
| RR LUXEMBOURG | | MS LAMBERT | |
| RR ATHENS | <u>DBY 150830Z</u> | MR GRAY | } DOT |
| RR LISBON | | MISS LACKEY | |
| | | MR WELLS | |
| RR MADRID | | MR ANDREWES | MAFF |
| GR 700 | | MR LITTLER | } HM TSY |
| | | MR EDWARDS | |
| | | PS NO 10 (2) | |
| | | RC | |

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