



10 DOWNING STREET

THE PRIME MINISTER

5 August 1982

Dear Monsieur Marin,

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.

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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
Margaret Thatcher

His Excellency Monsieur Gaston Thorn
