Political agreement on the accession of Spain and Portugal (29 March 1985)

Caption: On 29 March 1985, a political agreement is reached between the ten-strong Community and the two candidate countries, Spain and Portugal, concerning the main issues under discussion: agriculture, fishing, social affairs, own resources, and the government of the Canary Islands.

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The main points of the March agreement

Spain

1.1.3. *Agriculture*. Spain's import from the Community of milk, cream, butter, cheese, beef and veal, and common wheat will be subject to a special ten-year transitional arrangement which provides for a surveillance mechanism based on 'objective' import volumes for each product, increasing annually at predetermined rates.

The Community for its part will dismantle its customs duties on Spanish fresh fruit and vegetable exports over a ten-year period, the first four years serving to facilitate Spain's introduction of machinery that will enable the common market organization to operate. There will be a transitional period (also of ten years) for vegetable oils and fats; Spain's quantitative controls on imports of seeds and seed oil will remain in place for the first five of those years. Full alignment of intervention prices will be postponed until the relevant Community legislation has been amended. For sugar and isoglucose, 'guarantee' levels have been set at a million tonnes and 83 000 tonnes respectively.

There is provision for special support measures to be applied to pigmeat until such time as Spain has eradicated African swine fever, while on the key question of wine it was agreed that the alignment between Spanish and Community prices would take place over a period of seven years from accession. During that time a 'regulatory amount' will be used to offset price differences in Spain's trade with the Community in table wines and some other types of wine. The reference level for the compulsory distillation of Spanish table wine has been set at 27.5 million hectolitres.

Fisheries. The challenge facing the negotiators was to work out a formula for Spanish participation in the common fisheries policy that would still preserve the existing balance between Member States.

It was agreed that specific rules must be established to govern fishing in French and Spanish coastal waters between the six-mile and twelve-mile limits, and arrangements were worked out allowing Spanish fishermen access to certain Community waters up to the end of 1995, when new terms will come into effect. Spanish boats will also be allowed to operate in the Irish box from that date.

A maximum of 300 vessels will be licensed for hake fishing, though 150 standard trawlers will be allowed to fish at the same time, five of them for non-demersal species. There will also be a limit on the number of specialized boats allowed to operate.

Spain will be entitled to 30% of the total allowable catch of hake in the areas concerned, plus a further 4 500 tonnes, bringing its total up to 18 000 tonnes. Catch limits will also be set for other species on an area-by-area basis, and Spanish fishermen will have to comply with all Community rules on conservation of fish stocks.

The mutual fisheries arrangements of the two applicant countries will be worked out in agreement with the Community before the end of the accession negotiations.

Social affairs. Spanish workers who already have a job in the Community will be entitled to equal treatment, even if they are unemployed at the time of accession. Other Spanish workers will have free access to employment in the Community after seven years, though members of their family will have to fulfil a transitional five-year residence condition. Community family allowance provisions will not apply for three years to members of a worker's family remaining in the country of origin, and special rules also govern the right to seek employment or change jobs in Luxembourg.

Budget contributions. A formula similar to that used for Greek accession has been agreed. Spain will pay its share of own resources in full, but VAT will be refunded on a sliding scale for a number of years, at a rate which ensures 'budget neutrality' — in other words, Spain will not be a net contributor.

The Canary Islands. The Canaries will not be a part of the customs union, which means among other things that they will not have to apply Community rules governing imports from non-member countries; also, however, that their duty-free exports to the Community and Spain must not exceed traditional levels. The common agricultural policy, parts of the common fisheries policy and VAT will not apply to the Canaries either; tariff quotas will be set for various agricultural and fisheries products and manufactured tobaccos, and a number of measures, including the introduction of origin rules, will be taken to prevent any deflection of trade.

Portugal

1.1.4. *Agriculture*. The broad outlines of the transitional arrangements had already been worked out in advance of the March negotiations, the two sides settling for a ten-year transition period divided into equal five-year stages for the major products, and a basic seven-year period for other products (though some measures would apply for the full ten years).

It was also agreed that Portugal would receive 700 million ECU from the EAGGF Guidance Section over the first ten years of membership as a special programme, over and above its normal entitlement, to help it bring about structural changes to its agriculture.

At the negotiating session on 28 March further important decisions were taken concerning Portugal's agricultural trade with the rest of the Community, and detailed arrangements were established for sugar, vegetable oils and fats and tomato concentrate: a quota of 75 000 tonnes was set for sugar imports from the ACP States at the cut-rate levy; the arrangements for vegetable oils and fats will be the same (a ten-year transitional period plus a five-year standstill) as those applying to Spain; while for tomato concentrate, tariffs are to be phased out over four years and the guarantee threshold has been set at 120 000 tonnes. Lastly, tariff barriers on wine will be brought down rapidly — over two years in the case of liqueur wine.

Fisheries. There will be no access to Portugal's twelve-mile zone for boats from the present Member States, and vice versa. Outside that zone Community fishermen will be able to operate in waters under Portuguese sovereignty or control, but limits have been set on their activity up to 31 December 1995, and a ceiling has similarly been fixed on the number of Portuguese boats licensed to fish for blue whiting or horse mackerel in Community areas, again until the end of 1995, when Portuguese fishermen will also have access to the Irish box.

Social affairs. The same arrangements apply to Portugal as to Spain.

Budget contributions. Portugal's budget contributions, like those of Spain, will be reimbursed on a sliding scale, making the country a net beneficiary by some 1 200 million ECU for six years. The Community will also be providing financial backing for Portugal's industrial development programmes plus balance-of-payments support loans of 1 000 million ECU over six years.

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