A Community of Twelve: welcome to Spain and Portugal

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The year 1986 marks an important milestone in the history of the European Community. Following the signing of the accession treaties on 12 June 1985, and the green light given by the European Parliament and national parliaments, Spain and Portugal join the Community. By admitting two new Member States and their 50 million citizens, the Community unites 320 million Europeans and gives proof of its continuing vitality. This is a decisive new stage in the movement towards European integration initiated in the 1950s by the original signatories to the European treaties. In the preamble to these treaties, they invited 'the other peoples of Europe who share their ideal to join in their efforts'. Article 237 of the Treaty of Rome therefore sets out procedures for the accession of new Member States. [1]

Much ground has been covered since this original appeal. In 1973, the Community of Six expanded to the north and became a Community of Nine with the accession of Denmark, Ireland and the United Kingdom. In 1981 the accession of Greece began the process of enlargement towards the south, continued now with the entry of Spain and Portugal.

Why enlargement?

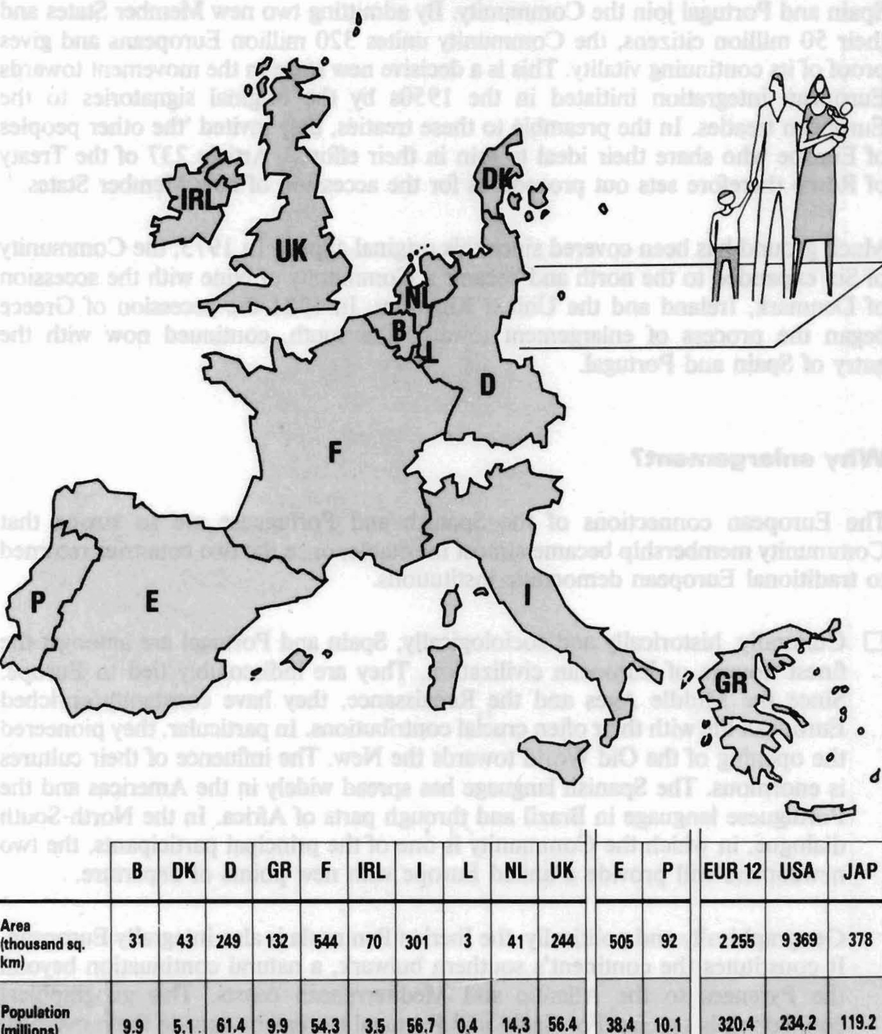
The European connections of the Spanish and Portuguese are so strong that Community membership became almost inevitable, once the two countries returned to traditional European democratic institutions.

☐ Culturally, historically and sociologically, Spain and Portugal are amongst the finest flowers of European civilization. They are indissolubly tied to Europe. Since the Middle Ages and the Renaissance, they have constantly enriched European life with their often crucial contributions. In particular, they pioneered the opening of the Old World towards the New. The influence of their cultures is enormous. The Spanish language has spread widely in the Americas and the Portuguese language in Brazil and through parts of Africa. In the North-South dialogue, in which the Community is one of the principal participants, the two newcomers will provide a united Europe with new points of departure.

Geographically and politically, the Iberian Peninsula is also integrally European. It constitutes the continent's southern bulwark, a natural continuation beyond the Pyrenees to the Atlantic and Mediterranean coasts. This geographical connection is crucial. For Spain and Portugal to remain outside the movement towards European unification has been, for too long, a symptom of their isolation in inward-looking political and economic structures. In the 1970s an immense effort began to achieve political democratization and economic modernization. This could only be conceived in terms of a *rapprochement* with the powerful and neighbouring pole of attraction represented by the European Community.

[1] This file updates and replaces our No 17/83.

1. The Community of the Twelve: area and population, 1983



	B	DK	D	GR	F	IRL	I	L	NL	UK	E	P	EUR 12	USA	JAP
Area (thousand sq. km)	31	43	249	132	544	70	301	3	41	244	505	92	2 255	9 369	378
Population (millions)	9.9	5,1	61.4	9.9	54,3	3.5	56,7	0,4	14,3	56.4	38.4	10.1	320.4	234,2	119.2
Density of population (inhabitants per sq. km)	323	119	247	75	100	50	188	141	349	231	76	110	142	25	313

Source: Eurostat.

The Community, equally, could not turn its back on the achievements and applications for membership of the Spanish and Portuguese. Quite apart from anything else, to do so would, despite problems in some areas, have ignored the potential for commercial and economic growth represented by the Spanish and Portuguese markets. Above all the Community, as a union of democratic States, has an obligation to support the consolidation of young European democracies. It can only be to its own advantage to bolster prospects for freedom and stability on its southern flank and along the shores of a trouble-torn Mediterranean where it is one of the major regional powers.

The challenge: partners with differences

This overview of the historic, cultural, geopolitical and economic imperatives of enlargement should not disguise the extent of the challenge involved. Admittedly, the degree of economic interdependence between the new partners is already substantial. In 1983 the Community took 48% of all exports from Spain and 59% of those from Portugal. The two Iberian countries looked to the Community for 32% and 39% of their imports respectively.

Trade with Spain and Portugal (in millions of ECU)[1]

	Community imports		*Community exports*	
	1970	*1984*	*1970*	*1984*
Spain	1 162	14 648	1 802	12 850
Portugal	442	4 023	813	3 624

Source: Eurostat.

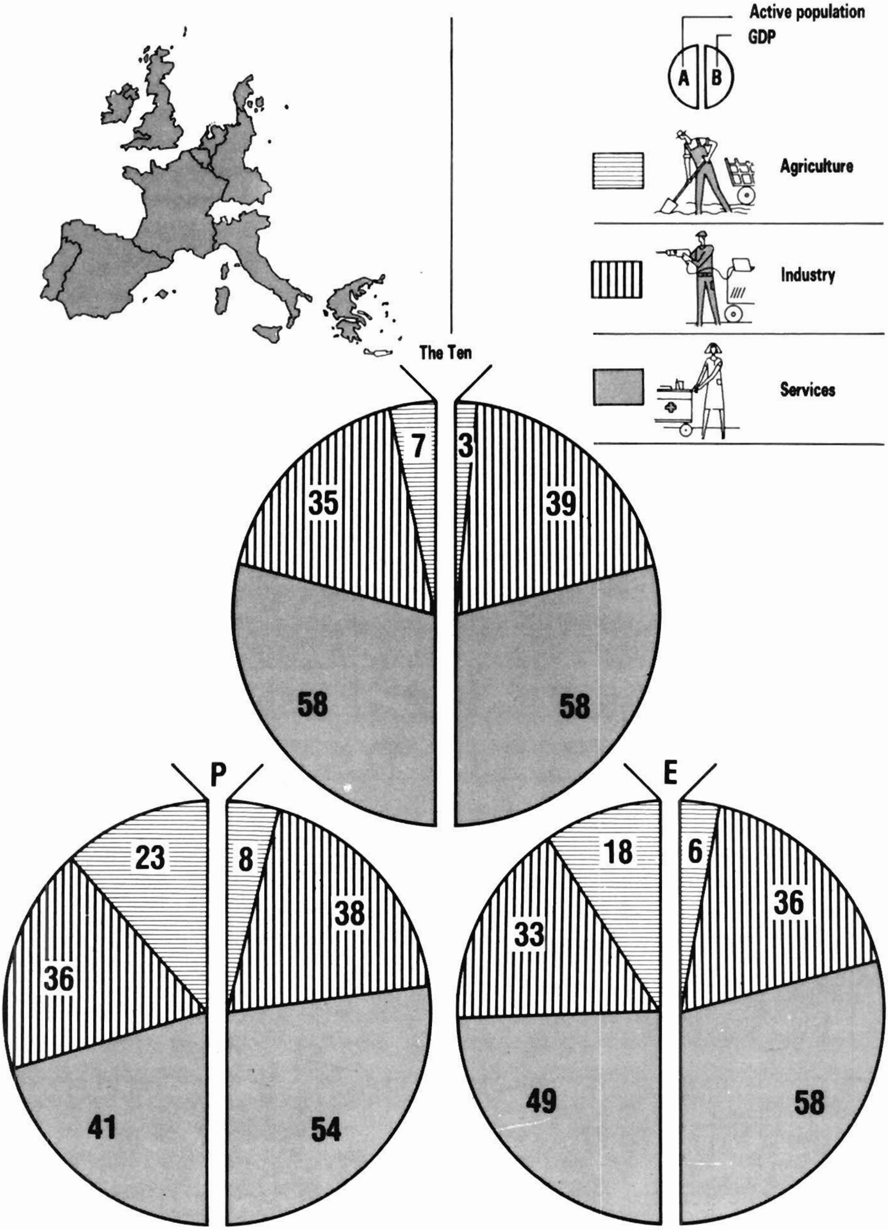
This state of affairs results partly from trade agreements with the Community signed by Spain from 1970 onwards and with Portugal from 1972. These agreements gave a number of preferential concessions for Spanish and Portuguese agricultural exports and substantially reduced, and in Portugal's case abolished, duties on the majority of industrial exports. The Community nevertheless allowed Spain and Portugal to maintain a degree of protection of their fledgling industries by keeping relatively high customs tariffs. These agreements prepared the ground for enlargement but only partially so.

From now on the integration of the Spanish and Portuguese economies will require profound changes. There are large divergences between the economies of the new and existing Member States (see graph 2).

☐ Agriculture remains more important in Spain (6% of the gross domestic product) and Portugal (8%) than in the rest of the Community (3.5%). The

[1] One ECU (European currency unit) = about £ 0.59, Ir.£ 0.72 or US $ 0.84 (at exchange rates current on 7 October 1985).

2. Comparison of working population and gross domestic product in the Community (in %, 1983)



Sources: A: Eurostat; B: Eurostat and national estimates.

agricultural problems posed by enlargement can also be gauged by the fact that Spanish entry alone increases the amount of land under cultivation in the Community and the number of farms by about 30% and the number of jobs depending on agriculture by 25%. Is Spain, then, an agricultural giant? Yes and no. For some products – notably wine, fruit and vegetables and olive oil – its production and export capacity is huge and must be handled cautiously. But productivity in other sectors – such as milk, meat and cereals – remains low. Farmers in these sectors will have difficulty in matching Community competition. As for Portugal, its agricultural economy has been depressed by a multitude of structural handicaps. Agriculture accounts for one quarter of the workforce but is unable to feed the country. Enormous efforts of catching up and Community solidarity are clearly called for.

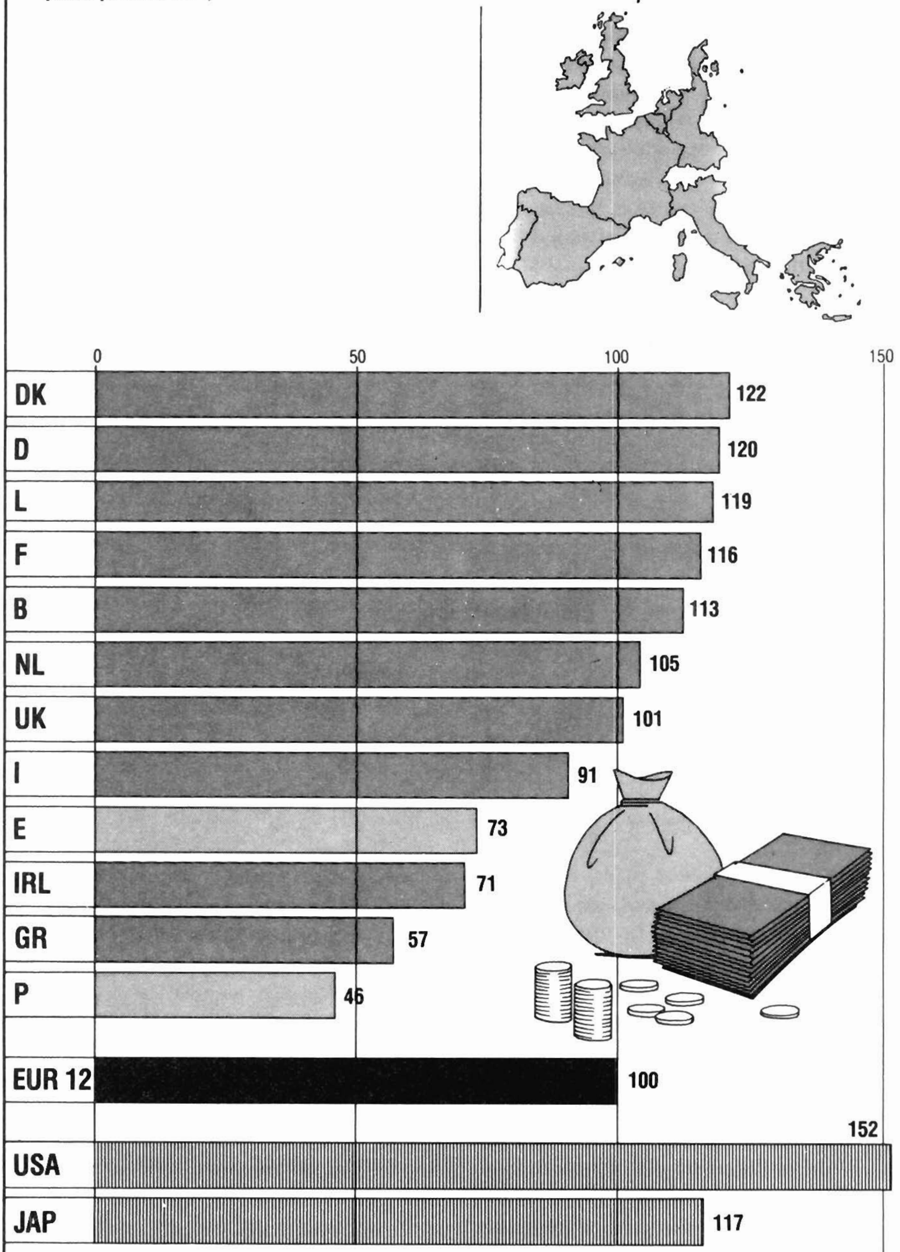
- Fisheries are also very important to Spain, especially in Galicia and the Basque country, and to Portugal. Enlargement doubles the number of fishermen in the Community. The combined tonnage of the Spanish fleet, one of the most powerful in the world, is equal to about half that of all the other Member States. The integration of this enormous catching potential into Community fisheries policy was one of the trickiest aspects of the accession negotiations.

- However belatedly, the rise of Spanish and Portuguese industry in the last few decades has brought the industrial economy of the new members close to the Community average. Spain is now one of the 10 or 12 most powerful industrial nations in the world. In the enlarged Community, it ranks as number five as an industrial producer. In some sectors, shipbuilding for instance, it ranks even higher. In industrial trade with the rest of the world, Spain is in credit. Nevertheless the development of its industry has been carried out behind a screen of tariff and other protective barriers. The rapidity of its industrial growth has created two separate industrial economies: a modern one, often in the forefront of new technology and heavily dependent on foreign investment; and a mass of traditional, small-scale businesses. By intensifying competition, enlargement is forcing Spanish industry to modernize and to restructure. Portugal must face up to a similar challenge. Its problems are made the more acute by the weakness of its whole economy and the low productivity of its industry, only now beginning to diversify from a long-standing domination by textiles.

- Although they provide comparatively fewer jobs, service industries account for a roughly similar proportion of the gross domestic product in Spain and Portugal as in the rest of the Community (about 55%). A spectacular rise in the tourist trade, which has done much to reduce trade deficits, accounts for much of this service activity. The popularity of Spain and Portugal as holiday destinations also means that many Community citizens already have some knowledge of the new Member States.

This brief account gives some indication, sector by sector, of the changes already undergone or faced by the Spanish and Portuguese economies. Their problems must

3. Gross domestic product per head (EUR 12 = 100 in purchasing power parities, 1984)



Source: Eurostat.

be viewed against a background of serious structural deficiencies and vulnerability to the worldwide economic crisis. Unemployment has reached a disturbing level in Spain (one-fifth of the working population). Inflation was still galloping through the Portuguese economy in 1984 at 21%. it remains higher in Spain at 9% than the average for the Community of Ten (5.5%). Heavily dependent on imports, especially for their energy needs, the new members have a permanent balance-of-payments deficit. They are being obliged to apply harsh correcting measures which have the effect of restricting their economic growth. This state of affairs is all-the-more regrettable given the lowly position of Spain and Portugal in the European standard-of-living league table. In terms of purchasing power parities, which take account of the different price structure from country to country, the gross domestic product per head is lower in Spain, and even more so in Portugal, than in the rest of the Community (see graph 3). Spain is only marginally better off than Ireland. Portugal lags far behind all the rest, at a prosperity level only half that of most Community countries. Spain and Portugal can look forward to closing this gap as full Community members but they begin their new partnership with a considerable handicap.

Seven years of negotiation

It was in 1977, March for Portugal and July for Spain, that the two Iberian countries, newly reverted to democracy, formally tabled their applications for Community membership. Following a favourable opinion from the European Commission, negotiations between Member States and applicants opened in October 1978 with Portugal and in February 1979 with Spain.

- ☐ Why negotiate? The basic principles, it is true, were clear from the outset: full participation, from accession, by the new members in all Community policies and activities; full acceptance of the *acquis communautaire*, that is the existing treaties and the body of rules forged during years of practical application. All the same, it was necessary to identify the problems of integration raised by the application of these principles and to negotiate transitional measures acceptable to all sides to overcome their difficulties.

- ☐ Why seven long years of negotiations? Because of the complexity of the problems involved and the neesd to ensure that enlargement was well prepared and therefore successful. There were risks, made more acute by the pressures of the world recession, that accession would give too abrupt a shock to the economy of the new members and to some sectors of the Community of Ten (southern agriculture, fishing, textiles, steel, etc.). Measures of transition had to be drawn up with precision and clarity. Predictably, it was the agriculture, fisheries and social affairs dossiers which were the last to be agreed, at the end of March 1985. In the intervening period, the Community tackled the problem of its own agricultural surpluses and undertook a radical reform of its common agricultural policy. This involved, above all, modifications to the *acquis communautaire* for certain products crucially involved in the accession negotiations, such as wine, fruit and vegetables.

This lengthy lead-in period therefore allowed the new partners to make careful preparations for their coming together. During these years, the Community also contributed to the modernization of the infrastructure and productive structures of the candidate countries. Loans were granted from the European Investment Bank (EIB), with, in Portugal's case, grants and interest-rate subsidies from the Community budget. Between 1981 and 1985, Spain and Portugal each received a total of 550 million ECU. EIB financing was directed in particular towards small and medium industries, energy supplies, transport links, forestry and tourism. In parallel, the Community commenced a series of specific, regional development schemes for parts of France, Italy and Greece to help them to cope more easily with the problems posed by enlargement.

Below there follows a sector-by-sector analysis of the main points of the accession treaties.

Institutions

From the day of accession, Spain and Portugal participate fully in all Community activities, institutions and organizations. Institutions in the enlarged Community break down as follows:

☐ The European Commission has 17 members — two German, two French, two Italian, two British, two Spanish, one Portuguese and one from each other country — designated by common agreement by the governments of the Twelve for four years. The Commission is a collegial body whose members act purely in the Community interest and accept instructions from no single member government. Its duty is to ensure that Community rules are obeyed and that the principle of a common market is respected. It must propose new measures which will contribute to the development of Community policies and to implement them once approved by Member States.

☐ The Council of Ministers of the enlarged Community, consisting of ministers from member governments, has one representative each from Spain and Portugal. The Council frames, on the basis of Commission proposals, the major policies and decisions of the Community. In cases where these decisions can be taken by a qualified majority vote (now a minimum of 54 votes out of a total of 76), Spain has eight votes and Portugal five, like Belgium, Greece and the Netherlands. Germany, France, Italy and the United Kingdom have ten votes each, Denmark and Ireland three each and Luxembourg two.

☐ The enlarged European Parliament has 518 members: 60 from Spain and 24 from Portugal take their seats alongside the 434 members from other countries elected by universal suffrage in June 1984. In the near future the members from the two new countries will also be directly elected. Since the first direct elections in 1979 Parliament's authority has grown substantially. Although it has no legislative powers like those of national parliaments, it can amend, adopt or reject the Community budget and is required to give its opinion on Commission proposals. It also watches over the Commission and Council and can even vote to sack the Commission.

- ☐ The Economic and Social Committee, composed of representatives of employers, workers and other interest groups such as farmers and consumers, also drafts opinions on Community policies. It has 189 members, including 21 from Spain and 12 from Portugal.

- ☐ The Court of Justice of the Community has 13 judges, with at least one from each Member State, including one each from Spain and Portugal. It also has six advocates-general. The Court's main function is to make judgments on points of Community law and ensure this is upheld both by the institutions and the Member States.

By the same token, room has been made for Spanish and Portuguese members of all other Community institutions (the Court of Auditors, European Investment Bank, Coal and Steel Consultative Committee, etc.). The administrative staff of all these institutions, now totalling about 19 000, is open to Spanish and Portuguese nationals. Special efforts are being made to ensure they are represented at the highest levels of the administrative hierarchy.

The common market in industrial goods and related sectors

Free trade in manufactured goods is an important factor in economic and social advancement. It is one of the corner-stones of the common market created by Community countries. Spain and Portugal have, however, until now been comparatively protectionist. To allow the gradual adaption of all economies, trade must be freed little by little.

- ☐ Customs duties are to be dismantled over seven years and in eight stages, following a timetable laid down for each of the new member countries. In both cases duties will be reduced by at least 50% by 1989 and completely abolished by 1993. Spain is allowing an immediate quota of car imports from other member countries at reduced tariffs.

- ☐ Quantitative restrictions on trade are, for the most part, abolished from accession. Spain does however have three or four years to soften and finally abolish import quotas on a dozen sensitive products including tractors, colour televisions, sewing machines and guns. Portugal has three years to phase out its system of import and export licences and two years to abolish quotas on car imports. Trade restrictions enforced by State monopolies in petrol and, in Spain's case tobacco, will disappear over six years in Spain and over seven years in Portugal.

- ☐ Two sectors are especially sensitive for the other Community countries: steel and textiles. For a limited number of textile products, Spanish and Portuguese exports are subject for three to four years to a system of administrative control, based on double checking and statistical surveys of imports by other Member States. Over the same period, Spain will retain import quotas on four cotton products. Spanish and Portuguese steel exports are limited to a set volume over three years. During this time the steel industry in the new countries will be authorized to continue to receive national subsidies designed to restructure the industry in line with Community steel policy.

☐ Other arrangements: the introduction of VAT in Spain in 1986 and in Portugal in 1989 will help to eliminate certain trade discriminations. The same goes for the immediate application by Spain and Portugal of aspects of the *acquis communautaire* such as competition policy, the harmonization of laws, transport, environment and consumer protection policies. A number of temporary derogations have, nevertheless, been allowed. They concern, amongst other things, the European trade mark, the fitting of tachographs to certain vehicles operating within the new Member States, the lead content of super grade petrol, standards for pharmaceuticals and dangerous goods, and the quality of waters in Portugal.

The participation of Spain and Portugal in the exchange rate and intervention mechanisms of the European Monetary System remains an open question, as it continues to be for the United Kingdom and Greece. A decision on the inclusion of the peseta and escudo in the 'basket' of currencies which form the basis of the European ECU could, under certain conditions, be met in 1989. In the same year titled operations between the Community and Spain will be freed. Longer delays are foreseen for the freeing of direct investment between the rest of the Community and Portugal. Discriminations effecting banking activities will be phased out over seven years.

The common market in agricultural produce

The common agricultural policy is the oldest and most elaborate Community policy. Its basic principles are: the unity of the market, in other words the abolition within the Community of all obstacles to trade in agricultural produce, which is for the most part regulated by guaranteed prices and, increasingly, production controls; Community preference, in other words the protection of the Community market against low-price imports; finally, joint financing, in other words paying the costs of the policy from a common budget.

The integration of Spanish and Portuguese farmers in European farm policy will be gradual. Customs duties are to be abolished in stages, while price and subsidy levels rise gradually to those in the rest of the Community. As with previous enlargements of the Community, price gaps during the transitional period will be offset by 'accession compensatory amounts', operating as a kind of sluice-gate to adjust the price of goods crossing the frontier in either direction between the new and old Member States.

These traditional transitional measures, spread over seven years, were not considered sufficient for a range of sensitive products, whose too rapid integration in the common policy would risk the disruption or disturbance of the markets of one or other of the partner countries. Special transitional measures have been agreed in these cases, often extending over 10 years. Thus it will be 1996 before Spanish and Portuguese farmers are fully integrated in the common agricultural market.

☐ In the case of Spain, whose enormous agricultural potential will bring substantial changes to the Community farm policy, these special measures cover:

- Wine: Community market management rules apply to Spain from the outset. To reduce the risk of market disturbance a specific regulating amount will offset, during the seven-year transitional period, the difference between Spanish and Community prices. A reference ceiling has also been established for the volume of Spanish production. Once it is exceeded, distillation of the surplus is obligatory. Finally, there is a complementary trade mechanism, which sets import guide levels, allowing an agreed and gradual expansion from traditional trade patterns. This is intended to ensure an orderly opening up of markets and, if necessary, rapid control measures.

- Olive oil and other fats: the scale of Spanish production and its high degree of protection necessitated a 10-year transitional period. In order to avoid the creation of surpluses, which threatened to be substantial, Spanish import controls are maintained for five years on oil-seeds and olive oil. Community rules are to be rapidly revised.

- Fruit and vegetables: a 10-year transitional period has also been agreed in this sector. In the first four years Spain is to create structures which conform to Community rules and other producers in the Community will adapt to the new market conditions. Trading restrictions will remain, during this period, very close to those applied before enlargement. Tariffs will begin to be dismantled during this period, but Community prices will not apply in Spain until the second progressive six-year phase. The complementary trade mechanism will also apply in this sector.

- Certain northern products, which cause problems for Spain: milk and dairy products, beef and soft wheat. Once again the complementary trade mechanism will apply for 10 years.

☐ In the case of Portugal, the transitional arrangements take especially into account the marketing and structural weaknesses which prevent the successful application of Community rules in this country:

- The traditional transitional rules lasting seven years affect only 15% of Portuguese production. For the biggest sectors (cereals, dairy produce, meat, fresh fruit and vegetables and wine), transition will be spread over a maximum of 10 years. The first stage, lasting five years at most, is devoted above all to the preparation and improvement of marketing structures in Portugal, The narrowing of price differences and the full opening of markets will take place only in the second phase. A complementary trade mechanism has been agreed for sensitive products as well as special arrangements for sectors of particular importance to Portugal (tomato and wine exports, sugar imports) and Community (cereal exports).

- The Community is to finance a development programme to help Portuguese agriculture to cope with the changes required by its integration in Community farm policy. Over the next 10 years 700 million ECU will be spent in this way.

Fisheries

The common fisheries policy depends on an elaborate balance between the conservation of resources and their fair allocation to the fleets of Member States. These fleets have, in principle, free access to a Community fishing zone extending from the coasts of Community countries, where the traditional rights of local boats are safeguarded, to the 200-mile limit. The Community has established a common market organization system and rules to ensure the protection and fair allocation of stocks (notably the fixing of total allowable catches and national quotas). The size of the Spanish and Portuguese fleets made negotiations in this sector especially difficult. The main points of the compromise reached are as follows:

☐ Mutual rights of access to the fishing grounds and stocks of partner countries are subordinated to strict controls on fishing effort. The number of vessels allowed to fish at any one time in the areas concerned is laid down. These vessels must from the outset obey Community rules on minimum fish sizes, fishing gear and catch limits and quotas (fixed during the negotiations). Control measures have been agreed, as well as guidelines for the restructuring of the Spanish Atlantic fleet whose size will be gradually adapted to fishing opportunities. There will also be rules on access to coastal waters and a zone off the United Kingdom and Ireland, which will be closed to Spanish and Portuguese boats until 1996.

☐ From the day of accession the common marketing, structures and international fisheries relations policies apply to Spain and Portugal, with the exception of certain measures of transition and adaptation. The narrowing of price differences and dismantlement of customs duties will be spread over seven years (10 years for sardines). For certain sensitive products, the abolition of customs duties is qualified by accompanying measures, effecting both intra-Community and external trade. These measures aim to allow the protected Spanish and Portuguese markets to make a smooth transition to the Community's open market policy.

Social affairs and right of establishment

The right of Community citizens to live and work in any member country and receive equal treatment is a fundamental principle of the European treaties. From the day of accession, Spanish and Portuguese workers and their families are guaranteed equal treatment if they are living legally in another Community country. In view of the difficulties on the labour market, Member States are, however, allowed to:

- ☐ Demand prior authorization until the end of 1992 (1995 for Luxembourg) for new immigrants seeking wage-earning employment. This restriction is to be re-examined in 1991.

- ☐ Impose residence time limits on the members of families of established Spanish and Portuguese workers seeking work in Community countries. These limits will be phased out by 1992. No restrictions are placed, however, on the families of workers residing in other Community countries when the accession treaties were signed in June 1985.

- ☐ Restrict family allowances to the rates applicable in the country of origin if the claimant's family is still resident there. This restriction applies only until Community rules have been framed in this area, or, at the latest, the end of 1988.

In all cases national rules already in force cannot be made less favourable to Spanish and Portuguese workers as a result of the above agreements.

Self-employed workers benefit immediately from Community rules on freedom of establishment, with the exception of a few temporary derogations (five years for dentists wishing to go to or from Spain, five years for tourist-related activities and three years for cinema industry workers wishing to go to or from Portugal).

External relations

The Community has not only dismantled customs duties within its own borders. It has also established a common customs tariff for the rest of the world and agreed joint policies for international trade, cooperation and development. By joining the Community, Spain and Portugal share in the resulting advantages and burdens. The two countries will gradually align their external customs tariffs with those of the Community over seven years. With the exception of a number of temporary derogations for certain products, they embrace from the day of accession the preferential tariffs granted by the Community to the whole of the Third World and those negotiated with African, Caribbean and Pacific countries and the Mediterranean countries associated with the Community by cooperation agreements. At the same time, Spain and Portugal establish a trading relationship with the countries of the European Free Trade Area (EFTA) based on the agreement reached between these countries (Switzerland, Austria, Norway, Sweden, Iceland and Finland) and the Community. In all cases it has been agreed, quite naturally, that third countries cannot be given during the transitional period more favourable treatment than other members of the Community.

Seen from the viewpoint of the Community's external partners, the accession of Spain and Portugal will bring a gradual extension of the preferences they already enjoy. There are, however, specific problems for two parts of the world:

- Enlargement has been viewed with anxiety by the countries to the south of the Mediterranean. By the end of the transitional period the Community will be self-sufficient, or practically so, in a range of agricultural products traditionally imported by the Community from these Mediterranean countries. The Community is anxious to retain its favourable relations with these countries and to preserve the stability of the Mediterranean basin. It has therefore agreed to open negotiations to modify agreements already reached with these countries and to safeguard existing trade flows.

- In Latin America, on the other hand, enlargement has awakened hopes of increased cooperation with the Community. The cultural and economic links between the new Member States and the Latin American continent open new horizons, which have still to be charted but which are specifically mentioned in the accession treaties.

Financing and Community solidarity

The Community is financed by customs duties and agricultural levies charged at its external frontiers as well as a percentage of VAT (increased from 1% rate to 1.4% in 1986 on a common basket of those goods and services subject to turnover tax). The Community has taken into account the specific problems raised by this system of financing for the two new member countries.

- Because of the terms of the transitional period, especially for agriculture, Spain will only gradually receive the financial benefits of Community membership, while undergoing structural changes affecting agriculture, industry and fisheries.

- Portugal, meanwhile, must be helped to reduce its balance of payments deficit and to modernize its economy, which is the weakest in the Community.

Over six years the Community will refund to Spain and Portugal part of the payments due to the Community from VAT. This compensation is fixed at 87% for 1986 and will reduce year by year until it disappears in 1992. Beyond this, Portugal is authorized to retain its external agricultural levies for five years.

At the same time full member status allows Spain and Portugal to apply for loans without individual limits within the resources of the European Investment Bank, the

New Community Instrument for borrowing and lending, from Euratom and the European Coal and Steel Community. The Community has also agreed to give special attention to the socio-economic problems of Spain and Portugal in its regional policy and other spending instruments. In particular it envisages a special effort to modernize Portuguese industry, alongside the programme already mentioned for Portuguese agriculture. Finally, the Community has agreed to support Portugal's balance of payments with loans totalling one billion ECU over six years.

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The new enlargement of the Community, like those in the past, symptomizes the continuing vitality of the movement towards European integration, despite the difficulties and crises which arise from time to time. It also represents an historical turning point. Many important tasks now face the Community.

□ The Community's centre of gravity has moved towards the south. More than ever, therefore, the question will arise of improving the economic balance between the north and south of the continent. Many provisions of the accession treaties demonstrate the willingness of the Community to help to modernize Spain and Portugal. The Community also intends to demonstrate its solidarity towards Greece and the Mediterranean regions of Italy and France, whose agriculture will come into conflict, doubtless in a positive way, with the increased competition from Spanish produce. In the next seven years the Community will devote 6.6 billion ECU to the integrated Mediterranean programmes intended to help to modernize these regions.

□ Enlargement, completed at last, can and must act as a catalyst for a new leap forward in the construction of the Community. If the Spanish and Portuguese have jumped on the train at this stage it is because, like many Europeans, they are looking to the Community to find an answer to the problems of our time. Enlargement must not lead to a dilution of the Community. It should, on the contrary, encourage progress along the road towards European Union, greater solidarity, especially in social and regional issues, renewed joint efforts to solve agricultural problems, the completion of the internal market, the development of new technologies, greater economic competitiveness and more jobs. A 12-country Community, which will be even more complex to administer than the Six, Nine or Ten. Enlargement therefore demands also a more flexible decision-making process and a strengthening of Community institutions ■

Commission of the European Communities

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