

EUROPEAN BACKGROUND INFORMATION COMMUNITY

EUROPEAN COMMUNITY INFORMATION SERVICE

2100 M Street NW, Washington DC 20037 Telephone (202) 872-8350

New York Office: 245 East 47th Street, New York NY 10017 Telephone (212) 371-3890

BACKGROUND NOTE

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PORTUGAL PLANS EARLY APPLICATION FOR EC MEMBERSHIP

In a joint communiqué issued by the European Commission and Portuguese Prime Minister Mario Soares in Brussels on 12 March 1977, Mr. Soares reiterated his country's firm commitment to the European Community. A formal application for membership will be made, in the next few weeks.

This was the gist of his message as well to leaders of the Nine, all of whom he visited in the past month before winding up his tour with meetings at the Commission. Mr. Soares also called on the European Parliament in Strasbourg, where he had a private interview with new President Emilio Colombo, the Court of Justice and the European Investment Bank in Luxembourg and the Economic and Social Committee in Brussels.

According to Soares, 85 per cent of Portugal's 9.6 million population, welcome the prospect of membership in the EC. Noting his country's strides toward pluralist democracy, especially since April 1974, the Socialist Party leader used mainly political arguments to justify Portugal's access to the EC. The preamble of the Treaty of Rome, he recalled, exhorts all European democracies to join the Community; but, he said, if Portugal were left stranded without the help of EC fellowship, the alternative course would be toward Cuba, Prague or South American instability as in Chile.

Mr. Soares fully acknowledged, however, that Portugal's integrational process could not be other than slow, owing to the economic disparities between his economically weak nation of farmers and small businesses, and its more industrialized European neighbors.

At the Commission, Mr. Soares met with EC President Roy Jenkins, Vice-President in charge of enlargement questions Lorenzo Natali and Vice-President in charge of external relations Wilhelm Haferkamp.

COMMISSION REACTION

In the communique, the Commission expressed its "strongest satisfaction over Portugal's determination to contribute to the building of Europe," once its democracy is consolidated. Without wanting to prejudice any eventual decision, by the Council of Ministers on Portuguese entry, the Commission still conveyed to Mr. Soares its willingness to help explore "the most suitable solutions allowing the integration of Portugal in Europe, as rapidly as possible, to the mutual benefit of both parties."

OTHER REACTION

Mr. Soares mustered support for Portuguese membership from opposition parties of the Nine including British conservatives, French and Italian opposition parties and also from West German Christian Democrats. West German Chancellor Helmut Schmidt said after their 8 March 1976 meeting: "By its history, culture and its convictions, Portugal is a European country, and we want it as a member of the European Economic Community." But, he cautioned, Portugal's integration would likely be lengthy, perhaps decade-long process.

POSSIBLE DATES

Although Portuguese entry would be slow, and with no fixed timetable, Mr. Soares hoped that initial application might elicit the Commission's "opinion" according to Article 237 by the end of this year or early 1978.

After the Commission delivers its opinion, Mr. Soares has projected that negotiations might last two to three years beyond, with a transition period of about five years after formal adhesion.

Meanwhile, the subject of Portuguese membership is expected to come up in the general discussion of EEC enlargement at the meeting of Member States' foreign ministers in Great Britain 20-21 March, and at the meeting of the Heads of State in Rome on 25 March.

BILATERAL BIAS

Mr. Soares formally rejected in his talks any "globalizing" of his country's bid for membership with that of Greece or Spain. Entry negotiations should remain bilateral and individual, he said, not only because each applicant has its own economic problems, but because each is clearly at a different stage of democratic development.

PAST LINKS

The EC has long been interested in seeing Portugal achieve democratic stability. However, its first agreement, (22 July 1972) dealt only with the commercial aspects of gradually setting up a free trade area for industrial and, unusually, for some agricultural goods between 1st January 1973 and 1st July 1977. It arose from the need to protect trading advantages Portugal, like other EFTA countries, enjoyed with Denmark and the United Kingdom after the latter joined the EC.

Nonetheless, an "evolution clause" kept open the door to future expanded cooperation whenever Portugal's political system might become sufficiently "pluralist". After Portugal's 25 April 1975 election had given a 64 per cent victory to the democratic parties, the European Commission later declared that

the EC had a "natural interest in giving full support to Portugal's effort to strengthen its democratic system and enhance economic and social progress... in spectacular fashion."

The EIB then offered Portugal immediate emergency aid in credit amounting to \$150/European Units of Account (EUA). This was followed, on 9 January 1976 by the signature by the EC and Portugal of an Additional Protocol to the 1972 agreement and also a Financial Protocol that provides: safeguards for Portuguese workers in member states; restoration of certain custom duties on EC exports to Portugal to protect vulnerable industries; wider cooperation in industry, technical, technological and financial areas; and up to \$200 million EUA in EIB loans over the next five years to help, in particular, modernize and industrialize Portuguese agriculture.

On 20 January 1976, the Council of Ministers authorized the Commission to begin negotiating broader cooperation with Portugal, according to the evolution clause in the 1972 free trade agreement.

Both the late President of the Council of Ministers, Mr. Crossland, and the President of the Commission, Mr. Roy Jenkins, in statements before the European Parliament emphasized that the political benefits of enlargement outweighed the practical difficulties. Mr. Crossland said by sustaining the fledgling democracies at the most crucial stage in their evolution, we shall protect them against their enemies within and without. In one part of the world at least, we shall be able to say that democracy is a blooming flower and not a fading one.