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**EUROPEAN COMMUNITY INFORMATION SERVICE**

2100 M Street Northwest, Suite 707, Washington, D.C. 20037 Telephone: (202) 872-8350  
New York Office: 245 East 47th Street, New York, N.Y. 10017 Telephone: (212) 371-3890

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## SPAIN TO SEEK EC MEMBERSHIP

After a 15-year relationship with the European Community that was buffeted at times by political and economic upheaval, Spain is expected to make formal application for Community membership on Thursday, July 28.

Like Greece and Portugal, two other newly democratic Mediterranean nations, Spain will be seeking entry to the nine-nation Community that is the world's largest trading unit and the world's only "club" that excludes dictatorships.

King Juan Carlos I and his prime minister, Adolfo Suarez, have said on several occasions that European Community membership was a primary goal for Spain after its June parliamentary elections. "We Spaniards, we are Europeans," declared the king at ceremonies marking his accession to the throne after the death of dictator Generalissimo Francisco Franco.

Despite a consensus among the nine that the accession of the three Mediterranean nations is politically essential, negotiations to determine under what terms each will join are expected to be difficult.

Franco's Spain, for example, sought "associate" membership with the Community as early as 1962, but eight years and 40 formal negotiating sessions were required before agreement was reached in 1970 on a preferential commercial trade agreement. The question

of Spain's "association" -- a status that Greece has held since 1962, but which was frozen during the 1967-73 reign of the military junta -- was dropped because of strong opposition from the member states to the Franco regime. In 1975, when Madrid was seeking to negotiate a new trade agreement with Brussels, talks were suspended after Franco summarily executed five alleged Spanish terrorists and were not resumed until the following year after Franco's death and the king's declaration that he would pursue a democratic rule.

Under that trade agreement, the Spain/EC reciprocal agreements were not adjusted to the Community's three newer member states -- Britain, Denmark, and Ireland -- because there were fears that agricultural trade would have been jeopardized. An interim agreement was made in May that allows Spain to keep temporary concessions from Britain, Denmark, and Ireland in the industrial sector and under which Britain will delay under the end of the year the increase in agricultural duties on Spanish citrus fruit and other fruits and vegetables. A solution to the discrepancies in the current trade agreement, however, is one of the first problems to be worked out during the talks about Spain's accession.

Politically, the Spanish appear to have met the EC conditions for membership: universal suffrage, non-government sponsored trade unions, freedom of the press and association. There are, however, varying degrees of sympathy among the nine to the Spanish petition for membership. France has always favored Spanish overtures toward the Community but the Netherlands, opposed to any political connection during the Franco regime, has asked for continuing reassurance of Spain's democratic development.

Economic conditions within Spain -- and within the nine member states of the Community -- pose difficult problems for its accession. The Spanish economy ranks 12th in world steel production, seventh in cement production, and 11th in electrical power generation. The scale of Spanish agricultural exports poses a considerable threat to French and Italian farmers. Spain has a population of over 35 million and a GDP of \$102.8 billion, about 25 per cent of Germany's, the top EC producer.

According to a report compiled earlier this year by EC commercial counselors in Madrid, Spanish sectors that will be the hardest hit by EC competition will be cereals, milk products and sugar beet, where prices are 10 per cent, 20 per cent and 30 per cent higher respectively. The experts point out, however, that Spain is making considerable improvement in farming techniques and that the country could become one of the main agricultural producers in the Community.

On the EC side, the wine and fruit and vegetables sectors will be hard hit. Spain has a bigger area devoted to wine production (1.6 million hectares) than any EC country but its yield is only 35 hectoliters per hectare in comparison to a Community average of 70. Improvements in Spanish viticulture could lead to even more production in the Community and worsen the EC wine surplus. A similar problem must be faced in fruit and vegetable production; the report states that an extra 77,000 hectares will be used for production in this sector over the next three years, which would also threaten Community overproduction.

The report concludes that "Spain possesses an important production potential" but that "no alarmist conclusions" should be drawn from this to imply that Spain would overwhelm its future Community partners.

Factors that will hold up the development of Spanish agriculture, according to the EC report, are the large percentage of the total active population (22.5 per cent) engaged in agriculture; the increasing cost of the labor force, and the lack of capital available for the country's irrigation program.

