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Conclusions

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The European Council Meeting

Policy Statement by Helmut Kohl
Chancellor of the Federal Republic of Germany
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Session of the European Council

Stuttgart, 17 and 19 June 1983

Conclusions

At a time when the European Community is faced with enormous social and economic challenges and is in the process of negotiating a third enlargement ten years after the first accession, the European Council has decided to take broad action to ensure the relaunch of the European Community.

In the course of the coming six months a major negotiation will take place to tackle the most pressing problems facing the Community so as to provide a solid basis for the further dynamic development of the Community over the remainder of the present decade.

With regard to the importance, complexity and linkage of the problems, negotiations will be started under a special emergency procedure. For this purpose special Council sessions will take place at the level of Foreign Ministers and Finance Ministers; where necessary other Ministers will also participate, especially Ministers of Agriculture. State Secretaries may assist the Ministers.

The result of the negotiation will be submitted to the European Council meeting in Athens on 6 December 1983.

The negotiation will cover the subjects mentioned in the conclusions of the European Council of 21 and 22 March 1983: the future financing of the Community, the development of Community policies, the issues relating to enlargement, particular problems of certain Member States in the budget field and in other fields and the need for greater budgetary discipline.

Decisions will be taken in common on all these questions at the end.

The negotiation will aim at examining all the existing policies with particular attention to the common agricultural policy.

The examination of policies will take place with the purpose on the one hand of modernizing and making more effective the existing policies and to determine the priority areas for new Community action, and on the other hand to ensure that policies are cost effective and that economies are made wherever possible.

The negotiation will in addition aim at a more balanced and equitable situation, also in financial terms from the point of view of the interests of the different Member States and of the Community as a whole.

The negotiation will be based on the following guidelines:

The common agricultural policy

The basic principles of the common agricultural policy will be observed in keeping with the objectives set forth in Article 39 of the Treaty establishing the EEC. The common agricultural policy must be adapted to the situation facing the Community in the foreseeable future, in order that it can fulfil its aim in a more coherent manner.

The following questions will in particular be examined:

- price policy,
- thresholds for guarantees, in relation to objectives for production,
- co-responsibility of producers,
- intervention arrangements,
- arrangements on export refunds,
- substitutes and Community preferences,
- compensatory amounts,
- aids and premium arrangements,
- internal barriers to trade,
- type and size of farms, and particular situations of the various categories of farmers,
- the need for strict financial guidelines,
- external agricultural policy,
- special problems arising in certain regions, such as in the Mediterranean regions, in mountain areas or other regions at a disadvantage because of natural or economic features.

The examination will result *inter alia* in concrete steps compatible with market conditions being taken to ensure effective control of agricultural expenditure by making full use of available possibilities and examining all market organizations.

All Member States must contribute to achieving the savings.

Proposals will be submitted by the Commission by 1 August 1983.

The European Council has taken note of the communications of the Commission on integrated Mediterranean programmes, which aim in particular at modernizing Mediterranean agriculture and its better integration into the general economy. It asks the Council to examine them as soon as the Commission's proposals are submitted.

Other policies

Development of policies and new Community action

The European Council is determined to develop and make more effective Community action in research, innovation and the new technologies with a view to facilitating cooperation between enterprises. On the basis of proposals by the Commission, decisions will be taken on new Community actions making use of the Community dimension to improve the international competitiveness of enterprises.

Negotiations on certain projects of an exemplary nature, e.g. the Esprit programme, should be concluded as soon as possible. Likewise, concrete progress should be made towards uniform standards and norms.

The protection of the environment, employment policy, in particular concerning young people, and social policy will be given equally high priority.

Budgetary discipline

Expenditure must also be controlled, in cooperation with the European Parliament, outside the agricultural sector. Policies are to be developed within the bounds of financial feasibility and supplemented through new actions, which must be incorporated in an economically suitable way into Community policies.

By 1 August 1983 the Commission will present a report with proposals for increasing the effectiveness of the Community's structural funds (the Regional Fund, the Social Fund and the Guidance Section of the EAGGF). It will concentrate on a more consistent coordination of policies to avoid duplication of effort and expenditure and to achieve greater budgetary discipline.

On the basis of this report, the policies in question will be reviewed and priorities determined on the basis of urgency and importance.

Own resources and particular problems of certain Member States

The objective is:

- (i) to secure the financing of Community policies and actions and their further development over a longer period of time taking into account the additional financial requirements which would flow from the accession of Spain and Portugal, while exhausting all possibilities for savings;
- (ii) to agree measures which, taken as a whole, will avoid the constantly recurrent problems between the Member States over the financial consequences of the Community's budget and its financing; all appropriate ways and means will be examined to this end, in particular the proposal made by the Commission and the suggestions of certain Member States with a view to ensuring equitable financial situations for all Member States.

On the basis of the conclusions reached on development of policies improving budgetary discipline and the examination of the financial system, the extent and timing of the Community's requirements in terms of own resources will be determined.

Sound financial management

The Court of Auditors of the European Communities will be asked to review the sound financial management of Community activities and to submit a report by the end of 1983. This report will be followed up in the Court's annual reports.

Enlargement

The accession negotiations with Spain and Portugal will be pursued with the objective of concluding them, so that the accession Treaties can be submitted for ratification when the result of the negotiation concerning the future financing of the Community is submitted.

Compensation to the United Kingdom for 1983

The European Council, following the decision taken at its meeting on 21 and 22 March 1983 regarding compensation to the United Kingdom for 1983, agreed on the amount of 750 million ECU net for this purpose. Consequential figures will be incorporated in the draft Community budget for 1984.

This decision was taken in the context of the adoption of the declaration on the future financing of the Community.

Economic recovery

The European Council considers that the prospects for sustained and non-inflationary economic recovery should be reinforced by developing and defining more precisely the action initiated Community-wide, and thus providing the Community's contribution to the implementation of guidelines adopted by the OECD Council of Ministers.

In this context the need to sustain the effort to promote the level of employment and productive investment was emphasized.

The European Council therefore requests the Commission, within the coming months:

- (i) to prepare a detailed analysis of the nature and extent of the recovery and what the authorities are already doing to support, consolidate and accelerate it;
- (ii) to make full use of Community financial instruments in a coordinated manner to sustain and consolidate the economic recovery;
- (iii) on this basis, to indicate what new factors the Member States and the Community can bring forward to underpin the recovery, as and when necessary.

Youth employment

The European Council expresses its profound anxiety in the face of a situation where more than 4,5 million young people in the Community are without jobs, including more than one and a half million who have been unemployed for more than a year.

It takes note of the importance of the Member States embarking upon sustained action in this area forthwith.

It welcomes with satisfaction the decisions of the Council on the reform of the European Social Fund, which will allow a high degree of priority to be given to the fight against youth unemployment.

The resources of the Fund will be directed to those countries and regions where unemployment, and in particular youth unemployment, is at its highest.

It further welcomes the resolutions on vocational training in the 1980s and on vocational training measures in relation to the introduction of new information technologies.

The European Council expects of these Community measures as speedy and lasting an effect as possible and stresses how important it is that the Member States should, as a concomitant measure, persevere in the efforts that they themselves have undertaken.

It calls upon the competent Community bodies actively to pursue consideration of the Commission's communication on the promotion of youth employment together with the memorandum on the reduction and readjustment of working time.

Internal market

The European Council notes that progress has been made in the strengthening of the internal market since the mandate given at Copenhagen, particularly on information procedures for standards, which has been identified as a key question, and on company law (with the adoption of the seventh Directive on consolidated accounts).

It regrets, however, that further progress on the other key questions (certification for third country products and frontier formalities) has not yet been forthcoming.

It in particular calls on the Council at its session of 21 June to make every effort to settle as many of the outstanding internal market matters as possible, as well as the equally relevant question of the reinforcement of the trade policy instruments. Appropriately constructive national positions will be worked out so that this aim is achieved.

Completion of the internal market must remain a priority aim; the measures decided at Copenhagen constitute only a first step in this direction; work must therefore continue *inter alia* on the removal of the various forms of distortion of competition that still exist, including trade barriers in the form of differences between national standards, as well as in the services sector.

Steel policy

Given the urgency of reaching agreement on the Community's steel policy for the time after 30 June 1983, the European Council expressed the hope that the Council will arrive at an agreement on this question.

Transport policy

The European Council emphasizes the importance of transport policy in completing the internal market. It notes with interest the ideas expounded in the memorandum submitted by the Netherlands Government. It asks the Council of Transport Ministers to continue the effort recently manifested in the concrete results achieved by the Council, thus testifying to the importance which this policy assumes for the Community.

Environment

The European Council underlines the urgent necessity of accelerating and reinforcing action at national, Community and international level aimed at combating the pollution of the environment. It underlines in particular the acute danger threatening the European forest areas which calls for immediate action.

The European Council welcomes in this connection the memorandum from the Federal German Government and the Commission communication which illustrates the urgency of the question and the necessity to take coordinated and effective initiatives both within the Community and internationally, particularly within the ECE, if an irreversible situation is to be avoided. It calls on the Environment Council to pursue its work on the different specific dossiers relevant to this problem and examine relevant initiatives proposed by the Commission, with a view to rapid significant progress.

The European Council also welcomed the conclusions of the Environment Council on the special case of lead in petrol. It emphasized the importance of reducing the amount of lead in the environment and called for progress which may lead to the use of leadless petrol.

UNCTAD VI

The European Council regards the Sixth United Nations Trade and Development Conference (UNCTAD VI) in Belgrade as a very important event in the North-South dialogue in 1983. The Conference is being held against the background of a difficult economic situation, particularly in many developing countries. The Community is participating in the Belgrade negotiations in a spirit of cooperation and readiness to discuss. The European Council agrees that it has special responsibility for maintaining and improving the marketing opportunities of the developing countries. This will be given concrete shape by means of a policy directed at growth and at maintaining and reinforcing the open nature of the Community. The European Council expects the Conference to contribute to strengthening confidence in the world economic recovery and to the promotion of development in the Third World. The Community will make a constructive contribution to that end.

Compensation for the United Kingdom

The European Council agreed on compensation for the United Kingdom for 1983.

Greek memorandum

The European Council is conscious of the special economic and social problems faced by Greece and the difficulties which these create in the process of integrating Greece into the European Communities.

The European Council agrees that the Community should play its part in helping to overcome these difficulties.

It welcomes in this connection the detailed and constructive examination of these problems undertaken by the Commission and the two communications which have resulted from this work. The communications clearly indicate that solutions can be found in the Community framework in order to permit the integration of Greece into the Community system in a harmonious and mutually beneficial manner.

It welcomes the fact that the Commission intends shortly to submit specific proposals (including their financial aspects) in various sectors complementing its earlier proposals. It invites the

Council to examine these proposals with a view to concrete decisions before the next European Council.

Questions relating to European political cooperation

Poland

At the moment when the important visit of Pope John Paul II is taking place in Poland, the Heads of State and Government reviewed the situation in that country, to which their peoples are linked by strong ties of solidarity.

At a time when the depth of the aspirations of the Polish people is more than ever apparent, they expressed their conviction that only a national reconciliation which takes full account of these aspirations can lead Poland out of its grave crisis.

CSCE

The Heads of State and Government reviewed the progress of the CSCE follow-up meeting in Madrid, noting with interest the timely and important initiative taken on 17 June by Señor Felipe Gonzalez as the Prime Minister of the host country. Their governments will examine this proposal with due care and in a positive spirit. They appeal to the governments of other participating States to do likewise. They reiterated their view that the adoption of a substantial and balanced concluding document at Madrid would register progress in the human dimension, open the way to a Conference on disarmament in Europe, give fresh impetus to the CSCE process and make a useful contribution to the improvement of East-West relations as a whole.

Middle East

The Heads of State and Government consider that the return of full sovereignty and final peace in Lebanon requires the complete and prompt withdrawal of foreign forces from its territory, except for those whose presence may be requested by the Lebanese Government.

They confirmed their full support for President Gemayel and his Government in their determined action to re-establish their authority over the entire territory of Lebanon. In this respect, they consider that the signing of the Israel-Lebanon agreement constitutes a step which must be followed by others. They consider, however, that peace will not be able to become a reality unless the security and legitimate interests of the other States and peoples of the region are taken into account.

They stated their readiness to use all the means at their disposal to support the efforts undertaken by the parties in question so as to find a broader area of agreement.

They remain convinced that a just, lasting and comprehensive peace in the Middle East can only be secured on the basis of the principles which they have stated many times in the past.

They again voiced their very serious concern at the distress of the Palestinian civilian population. They hope that the relevant international organizations will be allowed to assist this population without hindrance.

Central America

The Heads of State and Government confirmed their close interest in developments in Central America. They are deeply concerned at the economic and social conditions in many parts of the region, at the tensions which these create and at the widespread misery and bloodshed.

They are convinced that the problems of Central America cannot be solved by military means, but only by a political solution springing from the region itself and respecting the principles of non-interference and inviolability of frontiers. They, therefore, fully support the current initiative of the Contadora Group. They underlined the need for the establishment of democratic conditions and for the strict observance of human rights throughout the region.

They are ready to continue contributing to further development in the area, in order to promote progress towards stability.

Solemn Declaration on European Union

The Heads of State and Government received the report of the Foreign Ministers concerning the conclusions of their work on the German-Italian initiative on European Union following the mandate given by the European Council in November 1981. The Heads of State and Government and the Foreign Ministers of the Ten signed the Solemn Declaration on European Union. They expressed their deep satisfaction at this important step towards European Union.

Preamble

The Heads of State and Government of the Member States of the European Communities meeting within the European Council,

- resolved to continue the work begun on the basis of the Treaties of Paris and Rome and to create a united Europe, which is more than ever necessary in order to meet the dangers of the world situation, capable of assuming the responsibilities incumbent on it by virtue of its political role, its economic potential and its manifold links with other peoples;
- considering that the European idea, the results achieved in the fields of economic integration and political cooperation, and the need for new developments correspond to the wishes of the democratic peoples of Europe, for whom the European Parliament, elected by universal suffrage, is an indispensable means of expression;
- determined to work together to promote democracy on the basis of the fundamental rights recognized in the constitutions and laws of the Member States, in the European Convention for the Protection of Human Rights and the European Social Charter, notably freedom, equality and social justice;

- convinced that, in order to resolve the serious economic problems facing the Member States, the Community must strengthen its cohesion, regain its dynamism and intensify its action in areas hitherto insufficiently explored;
- resolved to accord a high priority to the Community's social progress and in particular to the problem of employment by the development of a European social policy;
- convinced that, by speaking with a single voice in foreign policy, including political aspects of security, Europe can contribute to the preservation of peace;
- recalling their decisions taken in Paris on 21 October 1972 and 10 December 1974, the Document on the European Identity of 14 December 1973 and the statement made by the European Council in The Hague on 30 November 1976 concerning the progressive construction of European Union;
- determined to achieve a comprehensive and coherent common political approach and reaffirming their will to transform the whole complex of relations between their States into a European Union,

have adopted the following:

1. Objectives

- 1.1 The Heads of State or Government, on the basis of an awareness of a common destiny and the wish to affirm the European identity, confirm their commitment to progress towards an ever closer union among the peoples and Member States of the European Community.
- 1.2 The Heads of State or Government reaffirm the declaration on democracy adopted by the European Council on 8 April 1978 which stated that respect for and maintenance of representative democracy and human rights in each Member State are essential elements of membership of the European Communities.
- 1.3 In order to achieve ever increasing solidarity and joint action, the construction of Europe must be more clearly oriented towards its general political objectives, more efficient decision-making procedures, greater coherence and close coordination between the different branches of activity, and the search for common policies in all areas of common interest, both within the Community and in relation to third countries.
- 1.4 Desiring to consolidate the progress already made towards European Union in both the economic and political fields, the Heads of State or Government reaffirm the following objectives:
 - 1.4.1 to strengthen and continue the development of the Communities, which are the nucleus of European Union, by reinforcing existing policies and

