

COMMISSION OF THE EUROPEAN COMMUNITIES

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FOLLOW-UP TO ATHENS

(Communication of the Commission to the Council)

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At Stuttgart the European Council took as its aim "to face up to the most pressing problems confronting the Community in order to lay a sound basis for the dynamic pursuit of its development in the rest of the present decade."

The twin aim thus adopted by the European Council at Stuttgart must be pursued despite the failure at Athens; the way to do so must be reviewed by learning the lessons of that failure so as to make sure it does not happen again.

The Commission, for its part, has drawn the following conclusions, which it hopes all Member States will share.

1. The Treaty provisions and Community procedures must be fully observed by all, as otherwise the lack of common rules would compromise any chance of agreement.
2. The European Council must resume its pre-eminently political and strategic role, that of giving momentum and guidance to the Council's proceedings, and taking decisions on major policy issues affecting the whole future of the Community.
3. The Council of Ministers, consisting of the Ministers responsible for the particular matter concerned, must decide, on the basis of the proposals put to it by the Commission: it must not allow itself to become no more than a body preparing the ground for the European Council.

This is more necessary than ever, not only to relieve the European Council agendas of matters that can and should be dealt with at Council level but also because in a number of fields where decisions are needed urgently the Council of Ministers must act without waiting for the European Council to reach overall agreement on the whole Stuttgart programme.

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The Commission accordingly requests the Council to adopt a work schedule containing a precise and binding timetable. It proposes that here three types of issues should be picked out from those the Athens European Council session was unable to settle.

#### 1. Recasting of the CAP

Adaptation of the common agricultural policy is not merely an item on the Stuttgart programme : it is necessary in itself, given the scale of the scale of the problems created by the imbalances on the agricultural markets. That necessity, of which the Council has fought shy for years, is now inescapable.

Without adaptation of the CAP, farm spending cannot be kept within the limits authorized by the 1984 Budget.

This being so, the Commission and Council must shoulder their responsibilities.

The Council has before it proposals from the Commission for adapting the CAP, through which under normal conditions the growth of farm spending can be kept smaller than the growth in own resources.

The Commission for its part will shortly be forwarding to the Council its proposals for the setting of the prices for the next farm year. It will also notify the Council of the economies it has decided on in its managerial capacity.

Given all this, the Council will be under obligation to reach a decision without delay, and in any event before the beginning of the next marketing year.

#### 2. Other policies

2.1. A first decision the Council can and must take forthwith is that on the funding of the Esprit programme. All is in readiness for it to do so, and the Commission is pledged to do any necessary picking and choosing to ensure that the relevant annual expenditure is within the limits imposed on the Budget by the own resources ceiling.

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To defer deciding pending a comprehensive package is to risk dooming the programme by reason of the blow to the Community's credibility as a partner of European industry, and so to forgo in advance setting the seal of agreement, in the context of reactivation, on the Stuttgart programme.

2.2. In the run-up to Athens a wide measure of agreement was reached on the principles to be adopted in making the Community's structural policies more effective and harnessing them to Community objectives.

It was not possible in the time available to translate these principles into a practical decision on the reform of the Regional Fund and the new arrangements for structural action in agriculture. Nor was it possible to reach agreement on the function and nature of the Mediterranean integrated programmes.

The Commission asks the Council to do its utmost to make it possible for the European Council, in consideration of the agreement on these matters, to decide, in the context of general agreement, on the size of the monies the Community is to devote to funding its development and structural adjustment policies.

2.3. It was already apparent in the run-up to Athens that there was liable to be an imbalance between the clearly spelt-out measures of budget discipline called for to put the patrimony in order and the vagueness of the guidelines on the development of new policies and operations. That imbalance has to be corrected.

The Commission therefore asks that the Councils respectively responsible for the various matters given priority rating in the run-up to Athens make every effort to advance further on the way to agreement before the next European Council session.

3. New Community financial set-up

The decisions called for are of two kinds, on:

- . the sharing of Budget burdens between Member States;
- . the size of the funds to be afforded the Community to enable it to enlarge its membership and provide it with ongoing means for its development.

These are the two vital issues relating to the whole nature of the Community and the Member States' plans for its development.

Practical arrangements for tackling them will not be arrived at until the political response is forthcoming that will lastingly determine the nature, membership and future evolution of the European Community. So these three issues must be dealt with at the very top, by the European Council itself.

They must be dealt with together, for lasting agreement on sharing Budget burdens is not possible without agreement on a future course of development calculated to justify in the view of the countries concerned the sacrifices they are expected to make for the benefit of the others.

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Doubtless, the European Council will not be able to take a final decision on this question as long as the proceedings of the Council of Ministers, notably in the area of agriculture, haven't given rise to a consensus on the possible and desirable development of the main budget figures and the ways of monitoring such development. But that does not mean the European Council has each time it sits to do the work of the regular decision-making bodies on everything, and so risk jeopardizing its authority.

The Commission accordingly asks that the European Council be put in a position to concentrate wholly on the focal issue of the new Community financial set-up. To this end it is desirable that the next European Council proceedings should be prepared thoroughly, discreetly and in the fullest possible consultation with those who will be taking the final decision.

It is for the Council Presidency to make the practical arrangements for this. The Commission for its part will make its contribution.

In the light of this, the Commission reserves the right to propose, at the proper juncture, a document setting out the relevant proposals made by it before and after Stuttgart, taking account of the movement of the debate within the Community: it is imperative that the various points at issue be dovetailed into a single coherent political context and the preparatory proceedings centre, as Community rules require, on the reference datum constituted by the Commission's proposal.

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