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Documents in the dossier include:

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

elaborating new policies within the framework of the Treaties of Paris and Rome;

- 1.4.2 to strengthen and develop European political cooperation through the elaboration and adoption of joint positions and joint action, on the basis of intensified consultations, in the area of foreign policy, including the coordination of the positions of Member States on the political and economic aspects of security, so as to promote and facilitate the progressive development of such positions and actions in a growing number of foreign policy fields;
- 1.4.3 to promote, to the extent that these activities cannot be carried out within the framework of the Treaties:
- closer cooperation on cultural matters, in order to affirm the awareness of a common cultural heritage as an element in the European identity;
 - approximation of certain areas of the legislation of the Member States in order to facilitate relationships between their nationals;
 - a common analysis and concerted action to deal with international problems of law and order, serious acts of violence, organized international crime and international lawlessness generally.

2. Institutions

The Heads of State or Government emphasize the importance of greater coherence and close coordination between the existing structures of the European Communities and European political cooperation at all levels so that comprehensive and consistent action can be taken to achieve European Union.

Matters within the scope of the European Communities are governed by provisions and procedures laid down in or pursuant to the Treaties of Paris and Rome and in agreements supplementing them. In matters of political cooperation, procedures which were agreed on in the Luxembourg (1970), Copenhagen (1973) and London (1981) reports will apply, together with other procedures to be agreed on if necessary.

2.1 The European Council

- 2.1.1 The European Council brings together the Heads of State or Government and the President of the Commission assisted by the Foreign Ministers of the Member States and a member of the Commission.
- 2.1.2 In the perspective of European Union, the European Council:
- provides a general political impetus to the construction of Europe;

- defines approaches to further the construction of Europe and issues general political guidelines for the European Communities and European political cooperation;
- deliberates upon matters concerning European Union in its different aspects with due regard to consistency among them;
- initiates cooperation in new areas of activity;
- solemnly expresses the common position in questions of external relations.

2.1.3 When the European Council acts in matters within the scope of the European Communities, it does so in its capacity as the Council within the meaning of the Treaties.

2.1.4 The European Council will address a report to the European Parliament after each of its meetings. This report will be presented at least once during each presidency by the President of the European Council.

The European Council will also address a written annual report to the European Parliament on progress towards European Union.

In the debates to which these reports give rise, the European Council will normally be represented by its President or one of its members.

2.2 The Council and its members

2.2.1 The consistency and continuity of the work needed for the further construction of European Union as well as the preparation of meetings of the European Council are the responsibility of the Council (General Affairs) and its members.

With a view to bringing the institutional apparatus of the Community and that of political cooperation closer together, the Council deals with matters for which it is competent under the Treaties in accordance with the procedures laid down by the latter, and its members will deal also, in accordance with the appropriate procedures, with all other areas of European Union, particularly matters coming within the scope of political cooperation.

The Member States will arrange their representation as provided for in their respective constitutions.

2.2.2 The application of the decision-making procedures laid down in the Treaties of Paris and Rome is of vital importance in order to improve the European Communities' capacity to act.

Within the Council every possible means of facilitating the decision-making process will be used, including, in cases where unanimity is required, the possibility of abstaining from voting.

- 2.2.3 To promote the objective of a Europe speaking with a single voice and acting in common in the field of foreign policy, the Governments of the Member States will make a constant effort to increase the effectiveness of political cooperation and will seek, in particular, to facilitate the decision-making process, in order to reach common positions more rapidly.

They recently adopted new arrangements in the London report of 13 October 1981.

In the light of experience they will continue in this direction, in particular by:

- strengthening the Presidency's powers of initiative, of coordination and of representation in relations with third countries;
- appropriately strengthening operational support for successive Presidencies, corresponding to the increasing tasks which they have to perform.

2.3 The Parliament

- 2.3.1 The Assembly of the European Communities has an essential role to play in the development of European Union.

- 2.3.2 The European Parliament debates all matters relating to European Union, including European political cooperation. In matters relating to the European Communities, it deliberates in accordance with the provisions and procedures laid down in the Treaties establishing the European Communities and in agreements supplementing them.

- 2.3.3 In addition to the consultation procedures provided for in the Treaties, the Council, its members and the Commission will, in keeping with their respective powers, respond to:

- oral or written questions from Parliament,
- resolutions concerning matters of major importance and general concern, on which Parliament seeks their comments.

- 2.3.4 The Presidency will address the European Parliament at the beginning of its term of office and present its programme. It will report to the European Parliament at the end of its term on the progress achieved.

The Presidency keeps the European Parliament regularly informed through the Political Affairs Committee of the subjects of foreign policy examined in the context of European political cooperation.

Once a year the Presidency reports to the European Parliament in plenary session on progress in the field of political cooperation.

- 2.3.5 Before the appointment of the President of the Commission, the president of the representatives of the Governments of the Member States seeks the opinion of the enlarged Bureau of the European Parliament.

After the appointment of the members of the Commission by the Governments of the Member States, the Commission presents its programme to the European Parliament to debate and to vote on that programme.

- 2.3.6 The Council will enter into talks with the European Parliament and the Commission with the aim, within the framework of a new agreement, of improving and extending the scope of the conciliation procedure provided for in the Joint Declaration of 4 March 1975.

- 2.3.7 In addition to the consultations provided for in the Treaties with respect to certain international agreements, the opinion of the European Parliament will be sought before:

- the conclusion of other significant international agreements by the Community,
- the accession of a State to the European Community.

The existing procedures for providing the European Parliament with confidential and unofficial information on progress in negotiations will be extended, taking into account the requirements of urgency, to all significant international agreements concluded by the Communities.

2.4 The Commission

The Heads of State or Government underline the particular importance of the Commission as guardian of the Treaties of Paris and Rome and as a driving force in the process of European integration. They confirm the value of making more frequent use of the possibility of delegating powers to the Commission within the framework of the Treaties. In addition to the tasks and powers laid down in those Treaties, the Commission is fully associated with the work of European political cooperation and, where appropriate, with other activities within the framework of European Union.

2.5 The Court of Justice

The Court of Justice of the European Communities has an essential role to play in progress towards European Union, by securing compliance with, and development of, Community law. Taking account of the respective constitutional provisions in their States, the Heads of State or Government agree to consider, on a case-by-case basis, the inclusion, as appropriate, in international conven-

tions between Member States, of a clause conferring on the Court of Justice appropriate jurisdiction with regard to the interpretation of the texts.

3. Scope

3.1 European Communities

The Heads of State or Government emphasize, in order to give renewed impetus to the development of Community policies on a broad front, the importance of the following policies:

- 3.1.1 An overall economic strategy in the Community to combat unemployment and inflation and to promote convergence of the state of economic development of the Member States. Priority should be given to encouraging productive investment and raising competitiveness as a basis for creating durable jobs, bringing about sustained economic growth and reducing unemployment. In this context, effective action in the social field to alleviate unemployment should be taken at both Community and national levels in particular by means of specific action on behalf of young people and by improved (*) harmonization of social security systems.
- 3.1.2 More effective coordination of the national economic policies, which is required for the achievement of the Community's overall objectives, in order to ensure that the main economic and sectoral objectives of the Member States are consistent with the maintenance and strengthening of the Community and with the object of consolidating the European Monetary System.
- 3.1.3 Strengthening of the European Monetary System, which is helping to consolidate an area of monetary stability in Europe and to create a more stable international economic environment, as a key element in progress towards Economic and Monetary Union and the creation of a European Monetary Fund.
- 3.1.4 Definition of Community instruments and mechanisms which will permit action geared to the situation and specific needs of the least prosperous Member States in an effort to tackle their structural problems and thereby to ensure the harmonious development of the Community.
- 3.1.5 Given the importance of the Community's external relations, strengthening of the common commercial policy and development of its external economic policy on the basis of common positions; the Community will, in this way, give effect to its special responsibility as the principal world trader and to its commitment to a free and open trading system.

In this context, improvement and coordination of national and Community development cooperation policies are needed in order to reflect more fully the

needs of the developing countries and the interdependence between them and Europe, and so that Europe plays a stronger and more stimulating role in relations between the industrialized and developing countries.

3.1.6 Completion of the internal market in accordance with the Treaties, in particular the removal of the remaining obstacles to the free movement of goods, capital and services, as well as the further development of a common transport policy.

3.1.7 Continued development of the common agricultural policy in harmony with other policies, respecting its objectives as defined in the Treaty and the principles of unity of the market, Community preference and financial solidarity, and taking into account the need to ensure a fair standard of living for the agricultural community and the need to achieve a better market equilibrium in some sectors. The problems of less favoured agricultural regions, including certain Mediterranean areas the development of which is heavily dependent on agriculture, merit special attention.

3.1.8 The development of an industrial strategy at Community level in order to strengthen industry, make it competitive and create productive jobs in Europe, in particular by encouraging investment and innovation. In order to provide the Community with the means for vigorous development in the long term, cooperation between enterprises in advanced technologies will be strengthened by the establishment of projects of common interest.

Efforts made by industry and Governments in the areas of energy and research will be complemented by coordination and appropriate actions at Community level.

3.1.9 Development of the regional and social policies of the Communities, which implies in particular the transfer of resources to less prosperous regions, so that all Community policies and instruments can play their full role and promote convergence and balanced development.

3.2 Foreign policy

In order to cope with the increasing problems of international politics, the necessary reinforcement of European political cooperation must be ensured, in particular by the following measures:

- intensified consultations with a view to permitting timely joint action on all major foreign policy questions of interest to the Ten as a whole;
- prior consultation with the other Member States in advance of the adoption of final positions on these questions. The Heads of State or Government underline their undertaking that each Member State will take full account of the positions of its partners and give due weight to the adoption and implementation of

common European positions when working out national positions and taking national action;

- development and extension of the practice by which the views of the Ten are defined and consolidated in the form of common positions which then constitute a central point of reference for Member States' policies;
- progressive development and definition of common principles and objectives as well as the identification of common interests in order to strengthen the possibilities of joint action in the field of foreign policy;
- coordination of positions of Member States on the political and economic aspects of security;
- increased contacts with third countries in order to give the Ten greater weight as an interlocutor in the foreign policy field;
- closer cooperation in diplomatic and administrative matters between the missions of the Ten in third countries;
- the search for common positions at major international conferences attended by one or more of the Ten and covering questions dealt with in political cooperation;
- increasing recognition of the contribution which the European Parliament makes to the development of a coordinated foreign policy of the Ten.

3.3 Cultural cooperation

With a view to complementing Community action and stressing that, in consideration of the membership of their States of the Council of Europe, they maintain their firm support for an involvement in its cultural activities, the Heads of State or Government agree to promote, encourage or facilitate the following, taking account of respective constitutional provisions:

- development of the activities of the European Foundation and the European University Institute in Florence;
- closer cooperation between establishments of higher education, including exchanges of teachers and students;
- intensified exchanges of experience, particularly among young people, and development of the teaching of the languages of the Member States of the Community;
- improving the level of knowledge about other Member States of the Community and of information on Europe's history and culture so as to promote a European awareness;

- examination of the advisability of undertaking joint action to protect, promote and safeguard the cultural heritage;
- examination of the possibility of promoting joint activities in the dissemination of culture, in particular as regards audio-visual methods;
- more extensive contacts between writers and artists of the Member States and wider dissemination of their works both inside and outside the Community;
- closer coordination of cultural activities in third countries, within the framework of political cooperation.

3.4 Approximation of laws

3.4.1 Approximation of laws in areas within the competence of the European Communities will be pursued and intensified through effective use of the measures provided for in the Treaties. In this context special attention should be given to further approximation in the field of the protection of industrial and commercial property, consumer protection and, whenever necessary, in the field of the law relating to companies.

3.4.2 With a view to complementing the approximation of laws within the European Communities, and having full regard, in particular, to the work of the Council of Europe, the Member States will endeavour to approximate their laws in other areas by having recourse to the appropriate instruments, including international conventions. A special effort will be made to implement or supplement without delay international conventions already negotiated between Member States in the Community framework, and notably those provided for by the Treaties.

3.4.3 Among new activities which can be conducive to the attainment of European Union, the following deserve special attention:

- the introduction of legal instruments which can strengthen cooperation among the judicial authorities of the Member States, notably in civil and commercial matters, and which can thereby make the administration of justice more efficient and less cumbersome;
- cooperation in the area of the suppression of infringements of Community law;
- identification of areas of criminal and procedural law in which cooperation between Member States might be desirable.

4. Final provisions

- 4.1 The Heads of State or Government stress the link between membership of the European Communities and participation in the activities described above.
- 4.2 European Union is being achieved by deepening and broadening the scope of European activities so that they coherently cover, albeit on a variety of legal bases, a growing proportion of Member States' mutual relations and of their external relations.
- 4.3 The Heads of State or Government will subject this Declaration to a general review as soon as the progress achieved towards European unification justifies such action, but not later than five years from signature of the Declaration.

In the light of the results of this review they will decide whether the progress achieved should be incorporated in a Treaty on European Union.

The opinion of the European Parliament will be sought on this subject.

(*) Danish reservations on paragraphs 1.4.2, 2.3.5, 2.3.6, 3.1.1, 3.4.3 and 4.3.

See Greek declarations in the minutes with reference to paragraphs 2.2.2 and 2.2.3.

5. The Stuttgart European Council

1.5.1. The European Council met in Stuttgart from 17 to 19 June to consider problems that have been blocking the Community for several years—enlargement, financing, adapting the common agricultural policy, new policies.

The Stuttgart meeting was chaired by Mr Helmut Kohl, Chancellor of the Federal Republic of Germany. The Commission was represented by Mr Thorn and Mr Ortoli.

The 10 Heads of State or Government devoted their efforts to producing a coherent working programme designed to secure general agreement at the next meeting of the European Council in Athens. All the main issues are still on the agenda. The Ten adopted a Declaration to the effect that they are ready to initiate comprehensive negotiations on the future of the Community, the focal point of which will be the question of how its financial resources are to be augmented. At the same time, the Member States will have to determine whether the present common policies—the common agricultural policy first and foremost—can be modernized to make them both more effective and less costly. In undertaking this 'broad action to ensure the relaunch of the European Community', the Ten chose to bring in a 'special emergency procedure': special Council meetings of Foreign Ministers and Finance Ministers will be held, with Ministers of Agriculture and others attending when appropriate.

The Heads of State or Government also agreed—in adopting the declaration on the future financing of the Community—to give the United Kingdom compensation of 750 million ECU for 1983.

Besides the 'conclusions of the Presidency' concerning problems such as economic recovery, employment of young people, internal market, steel policy, transport policy, environment, UNCTAD VI and the Greek memorandum, there were separate conclusions on international issues dealt with in political cooperation (Poland, the CSCE, the Middle East and Central America).

Finally, the Heads of State or Government and the Foreign Ministers of the Ten signed the Solemn Declaration on European Union.²

The Commission had devoted much time and thought to preparations for the European Council. Besides the regular communication on the economic and social situation, it had put up papers on the prospects for developing new policies, new guidelines for the development of the common agricultural policy,³ acid rain,⁴ biotechnology and telecommunications.⁵

¹ Bull. EC 3-1983, points 1.5.1 to 1.5.10.

² Point 1.6.1 *et seq.*

³ Point 2.1.135.

⁴ Point 2.1.122.

⁵ Points 2.1.41 and 2.1.42.

Declaration of the European Council

1.5.2. 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

1.5.3. 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;
- coresponsibility 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

1.5.4. 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

1.5.5. 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

1.5.6. 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

1.5.7. 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

1.5.8. 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.

Conclusions of the European Council

Compensation to the United Kingdom for 1983

1.5.9. 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.

Conclusions of the Presidency on the work of the European Council

Economic recovery

1.5.10. 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

1.5.11. 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

1.5.12. 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

1.5.13. 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

1.5.14. 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

1.5.15. 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

1.5.16. 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

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

Greek memorandum

1.5.18. 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.

Conclusions of the European Council

Questions relating to European political cooperation

Poland

1.5.19. 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

1.5.20. 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

1.5.21. 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

1.5.22. 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 the further development in the area, in order to promote progress towards stability.

Solemn Declaration on European Union

1.5.23. 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.¹ They expressed their deep satisfaction at this important step towards European Union.

Statements and comment

1.5.24. At his closing press conference, Chancellor Kohl, President of the European Council, said that the Stuttgart European Council had succeeded in setting out the guidelines that were needed for dynamic development of the Community up to the end of the decade. He recognized 'realistically' that the new policies were going to cost 'more money', and without going so far as to call for a 'new Messina' he sought to put the deliberations on the future financing of the Community into a more general Community perspective. The text concerning the solution of the British problem had been 'most carefully' worded, and this solution remained 'indissolubly linked' with that of financing the Community as a whole. On the subject of enlargement he said again that 'we want it, and we promised it to those two countries at a difficult time in their national lives'. Referring to the Solemn Declaration on European Union, Mr Kohl said that it was only a first step; it was not, of course, to everyone's satisfaction, but it was at least a step 'in the right direction at the right time'.

1.5.25. 'We have avoided a grave crisis and we must now make a new beginning', declared President Thorn immediately after the European Council. 'The issues are not finally settled and hard work remains to be done. But it is encouraging that in the face of enormous difficulties, which could have led to disintegration, the Heads of State and Government have called for more integration and a relaunch of the European Community. Nobody expected miracles from the Stuttgart Summit, and I for one would have wished for something more than a working programme. But we do have a number of commitments'

¹ The full text of this Declaration is reproduced at point 1.6.1 *et seq.*

he added, 'which point in the right direction. The 10 Governments have recognized the need to secure long-term Community financing on a fair basis, to develop new forward-looking policies, and to improve existing policies, including the common agricultural policy, and to provide for enlargement'.

As has now become a tradition, Mr Kohl reported on the European Council to Parliament at a special part-session held for the purpose.¹

¹ Points 2.4.18 to 2.4.23.

¹ Point 1.5.23.

² Bull. EC 11-1981, points 1.2.1 to 1.2.6 and point 3.4.1.

³ Bull. EC 11-1981, point 1.1.6.

⁴ Sixteenth General Report, point 17; Bull. EC 1-1983, point 2.4.3; Bull. EC 4-1983, points 2.4.6 and 2.4.7.

Statements & Speeches



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The European Council Meeting
Policy Statement by Helmut Kohl
Chancellor of the Federal Republic of Germany
June 22, 1983

EUROPEAN SOLIDARITY IN TIMES OF CRISIS

The European Council, which met in Stuttgart from June 17 to 19, 1983, was an important milestone in the development of the European Community and in co-operation among the member countries.

The Council did not merely prevent stagnation and setbacks in the Community. It also provided important impulses for the Community's further development and drew up concrete guidelines to this end.

The problems have not, however, been eliminated, but they have not been simply cast aside either.

In Western Europe, we have entered more difficult times both economically and politically. The economic crisis has inflicted deep wounds in all our countries, in entire sectors of our economies, in wide regions. It has also profoundly affected the individual's way of life: 12 million people in our countries are jobless.

At such a juncture, national interests tend to become harsher and stronger again and to clash directly where the cushion of prosperity is wearing thin. This situation requires greater and more conscious efforts for European solidarity on our part.

Furthermore, we are engaged in difficult negotiations between East and West in which Europe's voice must be clear and firm, in which Europe must place its entire weight on the Western side of the scales as a factor of stability and peace.

Finally, in Europe a third enlargement of the Community is in the offing. Spain and Portugal, two great European nations, want to take up their place in the Community predetermined by history and political will. It is our task to help ensure that they can genuinely do so to their own benefit and to the benefit of us all.

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In Stuttgart it was therefore essential that the heads of government of the member countries of the European Community, and by this I mean all member countries, should not resign in the face of the difficult problems but demonstrate their strength and ability at least to initiate solutions to the problems.

We took the decisions in Stuttgart that could be expected of us at this juncture. It would hardly have been realistic to assume that, with ten participants, the European Council could at a single stroke settle once and for all such complex and closely interrelated questions as

the future financing of the Community,
ensuring stringent budgetary discipline,
reviewing and harmonizing existing policies, especially agricultural policy,
developing new policies and
achieving a more balanced budget.

In such a situation, the Community must be firmly united. To this end it must set right its policies, especially its finances, and hence its internal structure.

Those who try to accuse us of having dealt with Community finances in Stuttgart in the fashion of book-keepers need to be told that we had to devote ourselves to this tedious task for the benefit of Europe.

If the financial basis of the European Community is not set right, we can no doubt still spend many hours discussing how to overcome unemployment and the economic crisis. But an abundance of words cannot replace action. And to be able to act in the European Community we need, as elsewhere, the money to so do.

NEW TASKS FOR THE COMMUNITY

Moreover, the European Community is confronted with new tasks posed by

- the enlargement of the Community to include Portugal and Spain,
- new developments in research and technology and their impact on industry and society,
- structural problems of our economies as well as environmental questions.

All these tasks require money. If the Community did not exist, the requisite expenditure would have to be defrayed at the national level. This would ultimately be even more expensive.

We must therefore take precautions to ensure that we can finance these tasks in future:

By limiting the growth of spending on individual policies, especially the agricultural policy,

by effecting savings,

by means of restructuring, and, where necessary,

by increasing the funds at the disposal of the Community.

We cannot allow a situation in which, at frequent intervals, resources in the Community and the member countries have to be devoted time and again to dealing with the Community's budget.

Nor can we allow this to result in a climate of permanent conflict in the Community, especially at a time when we need all our resources for coping with the economic and political challenges as well as those in the field of security policy that are facing Europe.

We did not shun this task. Instead, we established the procedure and the concrete framework for dealing with the future financing of the Community and the associated substantive problems.

The European Council set deadlines. We want to attain the desired results as quickly as possible.

PERSPECTIVES FOR THE FUTURE

We opened up perspectives for Europe: Short- and medium-term ones, and - with the declaration on European union - long-term ones as well.

The day-to-day work and the perspectives for the future are interconnected. This is also reflected by the two important declarations adopted in Stuttgart: The declaration on financial resources and associated questions and the declaration on European union.

We do not want to work in Europe on a day-to-day basis, nor can we do so, without knowing why we are doing so and what goal we are aiming at. European co-operation must not be confined to daily crisis management if we want to engage in genuinely successful crisis management.

Anyone who wants to build a house is well advised not to start building without any plans. The forthcoming difficult negotiations of the foreign and finance ministers and of the ministers responsible for the subjects under consideration are therefore also designed to review the building plans for Europe. They are intended to make the Community's foundations firmer again.

For this reason we dealt with both policies and financing in Stuttgart. We want to give the Community new self-confidence, new dynamism and a long-term political perspective.

The results of Stuttgart should not be taken for granted. There were occasions during the meeting when it looked as though the different positions would be irreconcilable, as though despondency would prevail. A great deal of patience was required of all the participants.

It was very beneficial that the members of the European Council get on very well with one another. One of the requirements for reaching compromises is personal trust among government leaders in Europe. It reflects the trust that the peoples of Europe today have for one another. Another requirement is, of course, good, businesslike preparations in order to arrive at a settlement that admits of compromise. We invested a great deal of effort in this long before the meeting in Stuttgart.

ACHIEVEMENTS OF THE GERMAN PRESIDENCY

Our partners in the Community acknowledge the achievements of the German presidency. They acknowledge that we attained good results for the Community despite an election campaign and the elections to the German Bundestag on March 6.

We had to cope with a crisis in the European monetary system that was fairly hazardous. In both economic and political terms. We helped to bring about a balanced realignment of exchange rates under the prevailing circumstances.

During our presidency several decisions were taken that are extremely important for the Community's long-term policies:

On my suggestion the ministers for social affairs took an important decision on restructuring the social fund, as a result of which priority is to be given to using the fund's resources for combating unemployment among young people.

It is with determination and success that we have endeavoured to attain further alleviations for trade within the Community.

Work on a basic program for research in the period 1984/87 has been successfully concluded so that it may be adopted by the research ministers at their next Council Meeting on July 28.

In environmental policy, we have taken strong and trend-setting initiatives, most recently in a memorandum on our dying forests which I communicated to the heads of state and government before the European Council.

The damage to our forests caused by acid rain, not only here but in most European countries, makes effective international measures an absolute necessity. National measures are not sufficient.

The Federal Government has initiated a consistent environmental policy to fight the alarming destruction of the forests. We want

to agree just as quickly with our European neighbors, and especially with the GDR and Czechoslovakia upon European measures to save our forests. The forests are of irretrievable value for the protection of our water resources as well as for climate, health and recreation. We must not lose time.

The European Council has recognized that rapid and tangible progress must be made towards a European environmental policy. Prime Minister Papandreou gave assurances at the European Council that he would give this matter special attention during his presidency.

Beyond the results achieved in individual areas, our work, in which many Federal ministers participated, has helped to strengthen the confidence of our partners in our political commitment to Europe. We have thus reinforced the self-confidence of the Community too.

This facilitated our preparatory work for Stuttgart when it came to agreeing upon an extensive package of measures.

In my government policy statement of June 9, 1983, I said that "the European Council can only fulfil the hopes placed in it if all member states are prepared to contribute their share and to compromise. This will require sacrifices, on our part too."

Throughout the Meeting of the European Council I never lost confidence that we would all be willing to compromise, because we all must compromise.

If the European Council Meeting in Stuttgart had been a failure, despondency would have taken over in Europe at a time in which more faith and self-confidence are needed.

The cohesion of the Community would have been weakened at a time when we need more unity.

We would have surrendered to ephemeral difficulties, whereas nothing is more necessary than new impetus.

DECLARATION OF THE EUROPEAN COUNCIL

You are all aware of the declaration of the European Council on the main questions of financial resources and associated problems.

I do not wish to repeat their contents here, but simply call your attention to the most important questions.

The European Council asked the ministers of Foreign Affairs and Finance, and where necessary other ministers, to conduct negotiations over the next six months on the Community's most pressing problems.

The subjects of these negotiations are:

The future financing of the Community,
the development of Community policies,
the enlargement of the Community,
questions of balancing the budget and the need for greater
budgetary discipline.

These tasks have been linked together and given equal importance
in the package agreed upon by the European Council, i.e. there
is no order of precedence. They are to be negotiated in parallel.

The aim of these negotiations is, and I quote from the declara-
tion: "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".

In the end, all these questions will be decided upon together,
the extent of and the schedule for the Community's financial
requirements being determined on the basis of the results attained.

This outcome specifically takes into consideration our wish for
limiting the budget spiral, for reductions in spending and for
restructuring. It also accounts for our demand for a balanced
structure of the EC budget. Finally, it will allow us to fulfil
our duties and swiftly to continue and conclude the negotiations
leading to the accession of Spain and Portugal.

The amount agreed by the European Council in Stuttgart as compen-
sation for the United Kingdom in 1983, will be included in the
Community budget for 1984. It remains closely related to the
above mentioned questions. The compensation accorded to the U.K.
is perceptibly lower than that of last year. Accordingly, our
contribution to it is also less than last year's.

It is now important to set in motion as quickly as possible the
negotiations agreed upon.

ADJUSTMENT OF AGRICULTURAL POLICY

Proposals by the Commission to adjust the agricultural policy
and to update and improve its cost effectiveness as well as to
use the Community's structural funds more effectively will be
presented by August 1, 1983.

I am fully aware that these negotiations will be difficult,
indeed very difficult.

They will have to be conducted in a realistic atmosphere by us
and by our partners.

They can be conducted with any prospect of success only if they are imbued with the spirit of solidarity which could be sensed in Stuttgart despite all the difficulties.

The negotiations can be successful only if based on mutual trust. Strengthening this trust remains the prime objective of our policy on Europe, the policy on Europe of this Federal Government. Such a policy serves our interests just as it serves the interests of our partners.

We must continue along the path to European unity. There is no alternative to this, except perhaps regression to the nation-state of the 19th century. We must therefore remind ourselves once again of a few truisms so that we realize what is at stake precisely for us as Germans in European negotiations and decisions if the idea of European unity falls apart.

Our well-being, our economic development and thus our social and political stability is bound up inextricably with the existence of the European Community. That applies to us as it does to our partners.

The Community is an internal market with 271 million consumers. When Spain and Portugal accede to the Community, the number will be raised to 318 million consumers. By way of comparison, the number of consumers in the United States is 221 million, in the Soviet Union 264 million.

The European Community represents for all of us a relatively risk-free export market. Almost half of the entire foreign trade of the member states is conducted within the Community itself. The proportion is even higher for some of the smaller members. Between 1958 and 1981 commercial transactions between member states increased 22-fold.

In our own case over 48 % of our exports go to other member states of the European Community. Our trade with the Community in 1981 was 26 times greater than in 1958, our 1982 balance of trade with the states of the European Community showed a surplus of almost 25 billion Deutsche Mark. All member states benefit from the European Community and depend for their existence upon the smooth functioning of the common internal market.

The common market promotes not only competition and thus a wide choice at reasonable prices. It is also an incentive for renewal and technological progress.

The European monetary system contributes to stabilizing monetary policy and so to consolidating intra-Community trade. It is also an important means of promoting convergence of economic policies, the co-ordination of the economic policies of the various member states.

German agricultural exports to the Community rose in the period 1959-1982 from 500 million to around 16 billion Deutsche Mark.

We have the much maligned agricultural market to thank for ensuring our supply of food products. The older people amongst us, who grew up in the war and post-war years, will be the first to realize what this means.

FUTURE ROLE OF THE COMMUNITY

Only the Community as a whole can fully make European weight felt in international organizations such as GATT, UNCTAD and OECD. Only with the help of the Community and its large internal market - a great attraction for our trading partners - can we obtain access to markets of other countries and counteract their attempts to step up protectionist measures.

Membership of the Community and co-operation among its member states guarantee in the long term that we shall continue to play a leading role in international relations. That we can take charge of our own fate and need not be subject to the policies of others.

Our American friends need and want a strong European partner. The more clearly our common position is defined, the more active can be the role played by Western Europe in matters of security and disarmament.

In the dialogue between West and East the European voice, the European weight on the Western side, must not be absent.

We as Germans must always remain aware that an answer to the German question can be found only in a pan-European order for peace. The way to this goal is via a strong European Community and the transatlantic partnership of Western Europe with the United States and Canada.

We are duty bound to keep Europe strong and able to act. We know that this requires all our best efforts. Europe must never again be sucked into the vortex of nationalistic interests and petty rivalries.

Let me close with a quotation from Friedrich Schiller which was on my mind during the European Council. In a lecture on world history given in 1789, he said:

"Finally our states - behold with what warmth, with what art they are entwined. How much more lastingly are they united under the salutary yoke of necessity than by the most solemn treaties of the past. Now constant readiness for war preserves the peace, and the self-interest of one state causes it to guard over the well-being of the other. The European society of states appears transformed into a great family. The members of this family may bear grudges one against the other but no longer, so it is hoped, tear each other asunder."

How topical these words appear today and how they cause us to ponder when we think of what happened thereafter.

In the course of its history, Europe has never lost awareness of its common roots. Yet only in the last thirty years has Europe begun to translate this awareness consciously and freely into political and economic reality.

Thirty years of policy on Europe demonstrate that we have learned from our history. We can draw trust as well as self-confidence from this. We still need patience today to cope with setbacks. But above all we need determination not to let ourselves be distracted from our aim of creating a European union. Resignation and stagnation constitute regression. The smallest steps forward will bring progress if we keep to the same course, that of ever-increasing unity in Europe.

It is and will remain our task to participate with all our strength in this work, so that for our children and grandchildren Europe will remain a place where it is worthwhile to live and work.

I believe that the European Council in Stuttgart helped in this respect. I wish and hope that the forthcoming negotiations will be conducted in full awareness of their historical significance for Europe.