

Private Secretary (2 copies)

EUROPEAN COUNCIL: POLITICAL COOPERATION SUBJECTS

1. The Middle East (including Lebanon) is the only subject on which there is so far a draft text agreed by Political Directors. This is being circulated separately. It is also being telegraphed to the FCO with a request for urgent comments.
2. The French produced (very late) a draft on the Iran/Iraq war. This needs some amendment to make it more neutral. No text is ready yet.
3. The Presidency Political Director is consulting Herr Genscher, who will in turn consult other Foreign Ministers, about whether drafts are required on any or all of the following subjects.

East/West Relations (general)
Soviet Policy
Poland, including Polish debt
CSCE Conference in Madrid
Non-Aligned Summit in New Delhi

You may think that it would be enough to agree that the Presidency should tell the press that these subjects were discussed (if they are discussed), with only a very brief indication of the conclusions reached in each case. This could be extemporised by the Presidency at the end of the meeting tomorrow.

4. I should be grateful for any guidance the Secretary of State wishes to give me, whether on the Middle East item or on any of the others.

J Bullard

(Julian Bullard)

21 March 1983
cc: Mr Butler
Mr Coles (2 copies)
Mr Ingham
Sir R Armstrong
Sir M Butler
Sir J Bullard
Mr Evans
Mr Hannay
Mr Goulden
Mr Shepherd
Mr Smith
Mr Brenton

Changes undertaken
~~Conclusion~~

EUROPEAN COUNCIL STATEMENT ON MIDDLE EAST

Doc 87 - 1100 hrs 22 March

The European Council discussed the situation in the Middle East, including Lebanon and the war between Iran and Iraq.

The Ten are deeply disturbed by the continued lack of progress towards peace between Israel and her Arab neighbours. They are convinced that all parties must seize the present opportunity to achieve the two most urgent objectives: the withdrawal of all foreign forces from Lebanon and a resumption of negotiations aimed at a comprehensive peace settlement.

The Ten reaffirm their support for the sovereign and independent state of Lebanon and for its Government, which should urgently be enabled to ^{re-}establish without restrictions its authority over the whole of its territory. This requires the prompt withdrawal of Israeli, Syrian and PLO forces. The Ten support the efforts of the United States to achieve this objective. They call on all concerned to conclude negotiations without further delay. They continue to support the peacekeeping role of UN and Multinational Forces in Lebanon.

The principles which underlie the Ten's approach to wider peace negotiations, as set out in more than one previous statement, remain valid. A lasting peace can only be built on the right to a secure existence for all states in the region including Israel, and justice for all the peoples, including the right of the Palestinian people to self-determination with all that this implies. These rights must be mutually recognised by the parties themselves. Negotiations will have to embrace all the parties concerned including the Palestinian people; and the PLO will have to be associated with them. The threat or use of force must be renounced by all.

Additions
prepared
by H.W.
Koull

①
②

President Reagan's initiative of 1 September 1982 indicated a way to peace, and the Arab Summit meeting at Fez demonstrated a readiness for it. The task now is to move beyond statements of principle and find a means to reconcile and implement the various peace proposals. The conclusions of the recent meeting of the Palestine National Council can and should contribute to the peace process. The Ten therefore welcome the discussions between Jordan and the PLO. The Palestinian people and the PLO should seize the present opportunity by declaring themselves in favour of peace negotiations. This would be a major step forward, to which the Ten would expect all concerned to respond constructively.

The Ten look to the Arab states to play their part by supporting those who seek a solution to the demands of the Palestinian people by political means.

The efforts of the US will continue to be indispensable to create the conditions in which negotiations can begin.

Above all the time has come for Israel to show that it stands ready for genuine negotiations on the basis of Security Council Resolutions 242 and 338, in the first place by refraining from enlarging existing settlements or creating new ones. ~~They reaffirm that~~ The settlements are contrary to international law and a major and growing obstacle to peace efforts.

The Middle East is a region with which the Ten have long been closely associated and in whose future they have a deep interest. They intend to maintain their contacts with all the parties and to use their influence to encourage movement towards compromise and negotiated solutions. They believe that this is in the best interest of the countries and the peoples of the region, of the Ten themselves and of their mutual relations.

The Ten expressed once again their growing concern at the continued conflict between Iraq and Iran, which constitutes an ever more serious threat to the security and stability of the entire region.

The Ten deeply regret that none of the peace initiatives organized hitherto has succeeded in bringing the fighting to an end. They call for a cease-fire, the cessation of all military operations and the withdrawal of forces to internationally recognized frontiers; and for a just and honourable settlement negotiated in accordance with the resolutions of the UN Security Council and acceptable to both parties.

ELARGISSEMENT

A
B
C

Le Conseil européen a pris acte des débats qui ont eu lieu sur l'aménagement du régime applicable à certains produits agricoles méditerranéens.

Après avoir réexaminé le dossier, il réaffirme que des décisions appropriées devraient être prises afin de permettre à la Communauté de faire de nouveaux progrès dans les négociations en vue de l'adhésion de l'Espagne et du Portugal.

C'est pourquoi le Conseil européen demande au Conseil des Ministres de l'Agriculture d'arrêter les décisions nécessaires d'ici la fin de mars, en tenant compte des éléments suivants.

at least in principle

Dans le secteur de l'huile d'olive, une longue période de transition doit être prévue. La Commission est invitée à soumettre ultérieurement des propositions visant à une réforme de l'organisation du marché à la lumière de l'expérience de son fonctionnement.

Dans le secteur des fruits et légumes, des compromis devraient être recherchés sur la base des propositions de la Commission, complétées par des dispositions assurant le maintien des courants d'échanges traditionnels avec les pays tiers et garantissant le respect de la libre circulation des marchandises.

Le Conseil européen exprime sa conviction que chaque Gouvernement doit être prêt à faire un pas dans la direction des autres pour dégager la voie à un compromis d'ensemble.

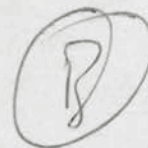
23 mars 1983

*A l'ann. technique. 1 Communauté de
produits à étudier avec regard à l'ensemble
national avec un*

u

" Le Conseil Européen a pris acte des décisions prises le 21 mars par le Conseil des Ministres de l'Economie et des Finances afin que les MCM créés à l'occasion de ce réajustement monétaire ne mettent pas en danger l'unicité du marché commun agricole. Il invite le Conseil des Ministres de l'Agriculture à adopter à l'occasion de la fixation des prix pour la prochaine campagne des dispositions allant dans le sens de l'élimination, lors de la prochaine campagne et la suivante, des MCM existants ainsi que des MCM nouvellement créés".

not vichsted - (France)

EEC-USA RELATIONS

Page 3 of the conclusions

- new paragraph to be inserted between the 1st and the 2nd

"The European Council requests the Council of Ministers to keep a particularly close eye on the problems of competition with the other countries attending the Summit on external markets, in both the agricultural and the industrial spheres. It considers in particular that a genuine dialogue between Europe and the United States on trade in agricultural products can be maintained only on the basis of mutual respect in accordance with the agreements concluded following the Tokyo Round."

(A) (Williamson).

in the context

~~the~~ the E.C. attacks (not) force

to the maintenance of the strength of the world trade - includes trade with the Third world -
is an integral part of a policy ~~interest to~~

highly about a few. diverse to side

possibilities without renewed inflation.

(B)

France - (no cop).

E.C. - US relation.

Brussels, 21 March 1983

COMMUNIQUE

On 21 March 1983, the Ministers and Central Bank Governors of EEC Member countries have by mutual agreement, in a common procedure involving the Commission and after consultation of the Monetary Committee, decided on an adjustment of central rates within the European Monetary System.

Changes in central rates are the following :

- German mark : + 5.5 %
- Dutch guilder : + 3.5 %
- Danish krone : + 2.5 %
- Belgian franc : + 1.5 %
- Luxembourg franc : + 1.5 %
- French franc : - 2.5 %
- Italian lira : - 2.5 %
- Irish pound : - 3.5 %

The Ministers have requested that the agro-monetary consequences of this adjustment be examined immediately by the appropriate bodies.

Notwithstanding other provisions, Member States participating in the exchange rate mechanism of the EMS for whom Monetary Compensatory Amounts are created or modified by these central rate adjustments will not request changes in the Compensatory Amounts now introduced before the end of the current agricultural price fixing round, and the Commission will not make any proposal to that effect.

In view of the particular situation within the European steel industry the member States affected are recommended to act in such a way as to ensure that suppliers of steel in their countries will immediately bring steel prices into line with the orientation price level.

DRAFT SPEAKING NOTE FOR USE IF NO SATISFACTORY AGREEMENT IS REACHED
ON THE COUNCIL CONCLUSIONS

On 30 May 1980 the Member States pledged themselves to solve the Budget's problem by structural changes in time for the 1982 Budget year. This pledge was not honoured and the 30 May agreement had to be extended to its third year at a meeting in May 1982.

At that meeting the Foreign Ministers undertook to take a decision before the end of November 1982 on the subsequent solution to the problem and the Commission accordingly made suggestions to this end on 17 November. The undertaking by the Member States to take a decision was, once again, not honoured.

The European Parliament has rightly stressed the need for a lasting solution and we agree with the Parliament. But there is no chance of getting one in place this year as both the Commission and the Parliament have acknowledged. 1983 and any subsequent years of the interim period before the lasting solution is in place must now be dealt with.

I have not raised this issue in the period leading up to the German Election. I now face an Election in which ^{debate on the} Community Membership ^{offer} ~~will be an issue.~~ ^{will be an issue.} I am accordingly now asking my colleagues what the Community intends to do about the Budget problem for 1983 and ^{the later years with a lasting solution in place.} ~~in subsequent years of the interim period.~~ What answer am I to report to the House of Commons on my return?

THE PRESIDENCY'S CONCLUSIONS
ON THE PROCEEDINGS OF THE EUROPEAN COUNCIL
BRUSSELS, 21/22 MARCH 1983

THE ECONOMIC AND SOCIAL SITUATION

The European Council discussed the continued implementation of the Community's comprehensive strategy for re-establishing economic stability, encouraging productive activity and contributing to a climate of expansion of markets without renewed inflation and thus to the creation of durable jobs and the possible examination of the question of working time.

In particular it agrees that all Member States and the Community must now take effective action to improve the employment situation of young people. It notes the intention of the Commission to submit concrete ^{on youth employment} proposals and invites the Council to submit a report to the European Council in June on progress made both nationally and at Community level.

The European Council welcomes the report from the General Affairs Council on the implementation of the priority goals laid down by it at its meeting in December 1982 in Copenhagen.

Concerning the internal market the European Council notes the progress made. It stresses the need for decisions before June in all the priority areas as defined in Copenhagen. The European Council notes with satisfaction that the Council's work programme includes also the areas of insurance and other services.

It asks the Council to take a position, with the same degree of priority, on the Commission proposals on the strengthening of the instruments of the common external trade policy.

The European Council notes that further concrete decisions must also be taken between now and the European Council meeting in June on energy policy, research and development policy.

It invites the Council (ECO/FIN) to pursue its work concerning the development of investments.

The Council considers that the development of the productive capacity of European industry in the conditions required by international competitiveness must constitute a major necessity for the Community.

It notes that the Commission will in the near future make proposals enabling better conditions to be brought about for the development of new information technologies, telecommunications and biotechnology.

The European Council discussed a number of specific areas where more effective common action is urgently needed :

- It agrees that mutual recognition of diplomas is an important step in creating satisfactory conditions for the exercise of a number of professions.

The European Council invites the Ministers of Education to speed up their work in order to create the necessary conditions for tangible results in this field.

- The European Council further invites the Council to speed up the examination of a number of proposals for directives concerning the right of establishment and freedom to provide services in order to bring this work to a successful conclusion as soon as possible.
- The European Council agrees that the damage done to the forest environment by acid rain makes effective joint action urgently necessary. It therefore invites the Council to give rapid and positive attention to proposals announced by the Commission both for action in the Community and in the framework of the ECE. It requests the Council to make an interim report on the situation concerning this problem for its meeting in June.

- *Embargoes* - olive oil *fruit & veg.* .../...

- The European Council requests the Council to expedite the development of a Community transport policy; special attention should be paid to the improvement of frontier formalities in the formulation of decisions on the internal market.

The European Council stresses the importance of decisive progress towards the successful implementation of its employment strategy. The Council should contribute to a constructive dialogue on this subject between it and the European Parliament.

THE ECONOMIC SUMMIT IN WILLIAMSBURG IN MAY 1983

The European Council asks the Council to prepare Community positions for the Williamsburg Economic Summit which will permit the Community to make a substantial contribution to efforts to ensure that the recovery of the international economy, which is now appearing and which is particularly important for developing countries, will be supported through the concerted policies of the Summit participants. In this context the European Council attaches great importance to the maintenance and further strengthening of world trade including trade with the third world as an integral part of a policy intended to bring about a favourable climate of sales possibilities without renewed inflation.

It considers in particular that a genuine dialogue between Europe and the United States on trade in agricultural products can be maintained only on the basis of mutual respect of the agreements concluded following the Tokyo Round.

The European Council considers that the falling oil prices constitute a positive contribution to world economic recovery, provided that this development and its consequences are kept under control. It is also important that steps are taken to ensure that this development does not jeopardize the successful continuation of efforts to ensure energy savings and development of energy sources.

ENLARGEMENT

The European Council noted the report from the Council (General Affairs) on progress of work on the inventory presented by the Commission, and in negotiations with Spain and Portugal. It requests the Council to continue its work so that balanced decisions can be made.

The European Council is determined that negotiations with Spain and Portugal should now make substantial progress, and asks the Council to make every effort to this end.

The European Council expects the Council (General Affairs) to be able to report before June substantial progress both on subjects dealt with in the inventory and in the negotiations with Spain and Portugal.

The European Council intends to take stock of the situation regarding the enlargement negotiations at its next meeting and to give political orientation for the completion of the negotiations.

The European Council took note of the discussions that have taken place on the adaptation of rules applicable to certain Mediterranean agricultural products.

After re-examining the dossier, it reaffirmed its view that appropriate decisions should be taken in order that the Community can make further progress in the negotiations for the accession of Spain and Portugal.

The European Council therefore asks the Council of Agriculture Ministers to adopt the necessary decisions as soon as possible, taking account of the following factors:

In the olive oil sector a long transitional period must be foreseen.

In the fruits and vegetables sector compromises should be sought on the basis of the Commission proposals completed by provisions ensuring that traditional trade flows with the third countries are maintained and guaranteeing that the free circulation of goods is respected.

The European Council expresses its conviction that each Government must be ready to make a step in the direction of the others in order to clear the way before an overall compromise.

THE COMMUNITY'S FINANCIAL RESOURCES AND RELATED PROBLEMS

The European Council notes the report on work done on the Commission's Communication on the future financing of the Community. The European Council further notes the Commission's intention to submit specific proposals as soon as possible. It expects these proposals to take account of the development of the Community's policies, the problems connected with enlargement, budgetary imbalances and the need to strengthen budgetary discipline. It invites the Council (General Affairs) to discuss those proposals and to report its conclusions to the June European Council.

The European Council agrees that this report will contain conclusions also concerning the so-called subsequent solution in accordance with the undertaking made by the Foreign Affairs Ministers on 25 May and 26 October 1982 regarding compensation to the United Kingdom. Consequential figures for 1983 will be incorporated in the draft Community Budget for 1984.

DRAFT

THE PRESIDENCY'S CONCLUSIONS
ON THE PROCEEDINGS OF THE EUROPEAN COUNCIL
BRUSSELS, 21/22 MARCH 1983

THE ECONOMIC AND SOCIAL SITUATION

The European Council discussed the continued implementation of the Community's comprehensive strategy for achieving a marked improvement in the employment situation through the creation of durable jobs.

In particular it agrees that all Member States and the Community must now take effective action to improve the employment situation of young people. It notes the intention of the Commission to submit concrete proposals and invites the Council to submit a report to the European Council in June on progress made both nationally and at Community level.

The European Council welcomes the report from the General Affairs Council on the implementation of the priority goals laid down by it at its meeting in December 1982 in Copenhagen.

Concerning the internal market the European Council notes the progress made. It stresses the need for decisions before June in all the priority areas as defined in Copenhagen. The European Council notes with satisfaction that the Council's work programme includes also the areas of insurance and other services.

The European Council notes that further progress must also be achieved between now and the European Council meeting in June on energy policy, research and development policy.

It considers that development of the productive capacity of European industry in conditions of international competitiveness is a major priority of the Community.

The European Council discussed a number of specific areas where more effective Community action is urgently needed:

- It agrees that mutual recognition of diplomas is an important step in creating satisfactory conditions for the exercise of a number of professions.

The European Council invites the Ministers of Education to speed up their work in order to create the necessary conditions for tangible results in this field.

- The European Council further invites the Council to speed up the examination of a number of proposals for directives concerning the right of establishment and freedom to provide services in order to bring this work to a successful conclusion as soon as possible.
- The European Council agrees that the damage done to the forest environment by acid rain makes effective trans-national action urgently necessary. It therefore invites the Council to give rapid and positive attention to proposals announced by the Commission both for action in the Community and in the framework of the ECE. It requests the Council to make an interim report on the situation concerning this problem for its meeting in June.

In addition to these specific questions, the European Council notes the views expressed in the discussion that work in certain other fields, such as that of transport policy, should be accelerated.

The European Council stresses the importance of decisive progress towards the successful implementation of its employment strategy also in view of the election of the European Parliament next year. The Council should contribute to a constructive dialogue on this subject between it and the European Parliament.

THE ECONOMIC SUMMIT IN WILLIAMSBURG IN MAY 1983

The European Council asks the Council to prepare Community positions for the Williamsburg Economic Summit which will permit the Community to make a substantial contribution to efforts to ensure that the recovery of the international economy, which is now appearing, will be supported through the concerted policies of the Summit participants.

The European Council considers that the falling oil prices constitute a positive contribution to world economic recovery, provided that this development does not get out of control. It is also important that steps are taken to ensure that this development does not jeopardize the successful continuation of efforts to ensure rational use of energy resources.

ENLARGEMENT

The European Council noted the report from the Council (General Affairs) on progress of work on the inventory presented by the Commission, and in negotiations with Spain and Portugal.

The European Council is determined that negotiations with Spain and Portugal should now make substantial progress, and asks the Council to make every effort to this end.

The European Council expects the Council (General Affairs) to be able to report before June substantial progress both on subjects dealt with in the inventory and in the negotiations with Spain and Portugal.

The European Council intends to take stock of the situation regarding the enlargement negotiations at its next meeting and to give political orientation for the completion of the negotiations.

The European Council took note of the discussions that have taken place on the adaptation of rules applicable to certain Mediterranean agricultural products.

After re-examining the dossier, it reaffirmed its view that appropriate decisions should be taken in order that the Community can make further progress in the negotiations for the accession of Spain and Portugal.

The European Council therefore asks the Council of Agriculture Ministers to adopt the necessary decisions before the end of March, taking account of the following factors.

In the olive oil sector, as with other agricultural sectors, the Community must assure the maintenance of producers' incomes whilst assuring at the same time, a proper financial control of expenditure.

This objective should be obtained, in the first place by increased efficiency of present market mechanisms and, in the context of Community enlargement, by the choice of an appropriate transitional period for the application by the new Member States of the Community régime for vegetable oils other than olive oil.

In addition, the Community will review closely the possibilities of a reform of internal and external aspects of the market organisation whilst taking account of the principles set out above and of the Community's international obligations. The European Council asks the Commission to submit a report on this review, together with any necessary proposals, as soon as possible. It agrees that decisions must be taken before April, 1985.

In the fruits and vegetables sector, the European Council agrees in principle with the approach of the Commission which is to adapt the present regulations in order to ensure a greater efficiency of the market organisation. The European Council is of the opinion that the adaptations made to the present régime should be implemented in such way that the free circulation of goods is safeguarded.7(*)

(*) Text proposed by the Commission.

THE COMMUNITY'S FINANCIAL RESOURCES AND RELATED PROBLEMS

The European Council notes the report on work done on the Commission's Communication on the future financing of the Community. The European Council further notes the Commission's intention to submit specific proposals as soon as possible. It expects these proposals to take account of the development of the Community's policies, the problems connected with enlargement, budgetary imbalances and the need to strengthen budgetary discipline. It invites the Council (General Affairs) to discuss those proposals and to report its conclusions to the June European Council.

The European Council agrees that this report will contain conclusions also concerning the so-called subsequent solution in accordance with the undertaking made by the Foreign Affairs Ministers on 26 October 1982 regarding compensation to the United Kingdom. Consequential figures for 1983 will be incorporated in the draft Community Budget for 1984.

EUROPEAN COUNCIL CONCLUSIONS ON MIDDLE EAST

The European Council discussed the situation in the Middle East, including Lebanon and the war between Iran and Iraq.

The Ten are deeply disturbed by the continued lack of progress towards peace between Israel and her Arab neighbours. They are convinced that all parties must seize the present opportunity to achieve the two most urgent objectives: the withdrawal of all foreign forces from Lebanon and a resumption of negotiations aimed at a comprehensive peace settlement.

The Ten reaffirm their support for the sovereign and independent state of Lebanon and for its Government, which should urgently be enabled to re-establish without restrictions its authority over the whole of its territory. This requires the prompt withdrawal of Israeli, Syrian and PLO forces. The Ten support the efforts of the United States to achieve this objective. They call on all concerned to conclude negotiations without further delay. They continue to support the peacekeeping role of UN and Multinational forces in Lebanon.

The principles which underlie the Ten's approach to wider peace negotiations, as set out in more than one previous statement, remain valid. A lasting peace can only be built on the right to a secure existence for all states in the region including Israel, and justice for all the peoples, including the right of the Palestinian people to self-determination with all that this implies. These rights must be mutually recognised by the parties themselves. Negotiations will have to embrace all the parties concerned including the Palestinian people; and the PLO will have to be associated with them. The threat or use of force must be renounced by all.

President Reagan's initiative of 1 September 1982 indicated a way to peace, and the Arab Summit meeting at Fez demonstrated a readiness for it. The task now is to move beyond statements of principle and find a means to reconcile and implement the various peace proposals. The conclusions of the recent meeting of the Palestine National Council can and should contribute to the peace process. The Ten therefore welcome the discussions between Jordan and the PLO. The Palestinian people and the PLO should seize the present opportunity by declaring themselves in favour of peace negotiations. This would be a major step forward, to which the Ten would expect all concerned to respond constructively.

The Ten look to the Arab states to play their part by supporting those who seek a solution to the demands of the Palestinian people by political means.

The efforts of the US will continue to be indispensable to create the conditions in which negotiations can begin.

Above all the time has come for Israel to show that it stands ready for genuine negotiations on the basis of Security Council Resolutions 242 and 338, in the first place by refraining from enlarging existing settlements or creating new ones. These settlements are contrary to international law and a major and growing obstacle to peace efforts.

The Middle East is a region with which the Ten have long been closely associated and in whose future they have a deep interest. They intend to maintain their contacts with all the parties and to use their influence to encourage movement towards compromise and negotiated solutions. They believe that this is in the best interest of the countries and the peoples of the region, of the Ten themselves and of their mutual relations.

The Ten expressed once again their growing concern at the continued conflict between Iraq and Iran, which constitutes an ever more serious threat to the security and stability of the entire region.

The Ten deeply regret that none of the peace initiatives organised hitherto has succeeded in bringing the fighting to an end. They call for a cease-fire, the cessation of all military operations and the withdrawal of forces to internationally recognised frontiers; and for a just and honourable settlement negotiated in accordance with the resolutions of the UN Security Council and acceptable to both parties.

Prime Minister

The advice is that you should speak to this note but not table it. We can show it around in formally this evening.

A. S. C. $\frac{21}{3}$

DRAFT COUNCIL CONCLUSIONS

The European Council agreed on the necessity for decisions on the future financing of the Community. In the light of the reactions to the Commission's communication of 4 February, the Council called on the Commission to make proposals as soon as possible after Easter. It invited the Foreign Affairs Council to discuss those proposals and to report its conclusions to the June European Council.

The European Council noted that these negotiations were unlikely to be completed in time to solve the problem for the budget year 1983 and therefore agreed that a further interim solution to the problem of budget imbalances was urgently needed. The Council called on the Commission to make specific proposals for an interim solution immediately after Easter, in the light of their communication of 17 November 1982 and the comments by the European Parliament on the necessary relationship between the interim and lasting solutions. The European Council called on the Foreign Affairs Council to study the Commission's proposals and take decisions in time for them to be reported to the June meeting of the European Council. The consequential figures will be incorporated in the draft Community Budget for 1984.

Prime Minister

This is the evidence that the European Assembly is not against an interim solution for 1983.

A.S.C. $\frac{21}{3}$

EUROPEAN PARLIAMENT'S ATTITUDE TO INTERIM SOLUTION

The Rapporteur for the Supplementary Budget [Robert Jackson] which provided for 1982 refunds said in the concluding debate in the European Parliament:

"....the Committee ~~intends~~ intends that the Draft Resolution [which was adopted] should be constructed as applying pressure for decisions on a middle and long term solution to be taken by end 1983. It cannot - and I say this with emphasis - it cannot be construed as intending to deny the need for a solution for the current year which is now in course".

(10 February.)

No speaker contradicted this statement. Herr Lange (Chairman of the Budgets Committee) had approved it. He himself said that if the Council had difficulties in finding a long term solution quickly, it should discuss the resulting problem with the Parliament.

The Parliament recognises that a long term solution cannot be achieved overnight. In its preliminary guidelines for the 1984 Budget, it has stated:

"Considers that by implementing a policy consistent with the guidelines set out above, the budget for the 1984 financial year will pave the way for a reduction in imbalances and for the restructuring of the budget".

(10 March.)