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PRESIDENCY CONCLUSIONS: POLITICAL COOPERATION ITEMS

1. I attach the draft Presidency Conclusions on political cooperation items in the form in which the Political Directors are recommending them to Foreign Ministers.

2. As instructed by the Secretary of State, I argued strongly for confining this part of the conclusions to the first four subjects: Solemn Declaration, Poland, Madrid and the Middle East. But the Dutch, Irish and one or two others were insistent that there must be something on Central America also. Iran/Iraq and Afghanistan were added in consequence. I certainly think that Afghanistan must be mentioned if Central America is.

Solemn Declaration: the text of course depends on what Heads of State and Government decide.

Poland: most of the Political Directors wanted to highlight the Pope's visit and its political significance. The Dutch are a bit nervous about this. The draft is a compromise, the grandiloquent tone reflecting the fact that it was drafted in French.

Madrid: the draft refers to the only recent event of significance viz the initiative taken yesterday by the Spanish Prime Minister. We should not commit ourselves one way or another as to accepting it.

Middle East: this was the usual struggle between the Greeks, who more or less take the Syrian position, and the Dutch, who would have liked the Israel-Lebanon agreement to be more warmly welcomed. The rest is in accordance with previous texts.

As I say, this is the point in the list where the French and we and some others would be very content to stop.

Iraq/Iran: we should resist any attempt to shift the draft towards greater sympathy for Iraq: the French may try this on.

/Central America

Central America: the Americans told us some time ago that they would like the Ten to say something welcoming about the Contadora Group's initiative. We need to be careful not to say so much about human rights, dialogue, etc., that the Americans wish we had said nothing. The last paragraph commits the Ten only to continue economic aid, not to increase it, and there are no figures.

Afghanistan: The reason for referring explicitly to the bombing and shelling of inhabited areas in para 1 is that this is a relatively new tactic employed by the Russians to try to crush not just the guerrillas but their supporters in the towns and villages. It would be a pity to have this deleted, as the Greeks and one or two others would like to do.

JL Bullard

J L BULLARD
18 June 1983

C O N F I D E N T I A L

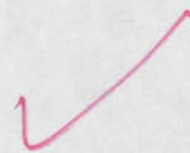
DRAFT CONCLUSIONS OF THE EUROPEAN COUNCIL
IN STUTTGART - JUNE 17-19, 1983

1. SOLEMN DECLARATION ON EUROPEAN UNION

✓ The Heads of State and Government received the report of the Foreign Ministers concerning the conclusion 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.

C O N F I D E N T I A L

C O N F I D E N T I A L



2. 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.

C O N F I D E N T I A L

C O N F I D E N T I A L

3. 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 Senor Felipe Gonzales 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.

C O N F I D E N T I A L

C O N F I D E N T I A L

4. MIDDLE EAST

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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~~ except for those whose presence may be requested by the Lebanese Government.

They confirm 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 the signing of the Israel-Lebanon agreement constitutes a significant 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 state 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 voice 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.

C O N F I D E N T I A L

5. IRAQ-IRAN

The Heads of State and Government deeply deplore the absence of progress towards a solution to the conflict between IRAQ and IRAN.

They support all efforts at mediation between the two States and voice once again their hope that these efforts will produce tangible results in the interests of all the countries of the region.

They are gravely concerned by the fate of the civilian population and of the prisoners of war, and appeal once again to both sides to respect the GENEVA Conventions and enable the ICRC to carry out its humanitarian duties.

C O N F I D E N T I A L

6 . CENTRAL AMERICA

The Heads of State and Government confirm 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 underline 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.

C O N F I D E N T I A L

C O N F I D E N T I A L7. AFGHANISTAN

The Heads of State and Government discussed the situation in Afghanistan. They expressed concern at the ruin and destruction being inflicted on the Afghan population as a result of the Soviet armed occupation, in particular by the bombing and shelling of inhabited areas, and at the plight of over three million refugees, especially the very large number in Pakistan.

They stressed the urgent need for a solution enabling Afghanistan to recover its independence and non-aligned status, allowing refugees to return home voluntarily in safety and honour, and permitting the Afghan people as a whole to exercise their right to self-determination.

They support any constructive initiative aimed at a political solution in conformity with the resolutions of the United Nations and leading to the complete withdrawal of Soviet troops.

They call upon the Soviet authorities to refrain from placing obstacles in the way of the activities of humanitarian organisations in Afghanistan.

C O N F I D E N T I A L

Mr Coles

DRAFT

CONCLUSIONS OF THE PRESIDENCY
ON THE PROCEEDINGS OF THE
EUROPEAN COUNCIL

STUTT GART - 17 to 19 JUNE 1983

Economic and social situation

The European Council considers that the prospects for 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 guidelines adopted by the OECD Council of Ministers.

In this context the need to sustain the effort to promote productive investment was emphasized.

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

- 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;
- to examine how the Community financial instruments can best be used to sustain and consolidate the economic recovery;
- 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. It further welcomes the resolutions on vocational training in the eighties 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 7th 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.

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 combatting 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.

UNCTAD VI

The European Council regards the Sixth United Nations Trade and Development Conference (UNCTAD VI) in Belgrade as the most 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 co-operation and readiness to discuss. 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.

DECLARATION

adopted by the European Council
in Stuttgart on 18 June 1983

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.

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 21-22 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 aim at a more balanced and equitable situation, also in financial terms from the point of view of the interests of individual 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 fulfill its aims in a more coherent manner.

The following questions will in particular be examined:

- price policy,
- thresholds for guarantees,
- co-responsibility of producers,
- intervention arrangements,
- arrangements on export refunds,
- substitutes and Community preferences,
- compensatory amounts,
- aids and premium arrangements,
- internal barriers to trade,
- size of enterprises, and particular situations of the various categories of farmers,
- the need for binding financial guidelines.

The examination will result i.a. 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. In order to bring about the desired result account should be taken of the 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.

Proposals will be submitted by the Commission by mid-September 1983 at the latest.

.../...

Other policies

The European Council is determined to develop and make more effective the Community action in research, innovation and the new technologies. The protection of the environment and social policy will be given high priority.

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.

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 mid-September 1983 the Commission will present a report with proposals for increasing the effectiveness of the use of funds. It will concentrate on a more consistent co-ordination 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:

- 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 ;
- 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 including the proposals 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 financial control 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 Community will be asked to review the sound financial management of Community activities and to submit a report by the end of 1983 and annually thereafter.

Enlargement

The accession negotiation with Spain and Portugal will be pursued with the objective of concluding them as rapidly as possible and in time for submission of the accession Treaties for ratification no later than the submission of the result of the negotiation concerning the future financing of the Community.

DECLARATION

adopted by the European Council

in Stuttgart on 18 June 1983

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 21-22 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 fulfill its aims 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 i.a. 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 1st 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 toward 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.