

**THE EUROPEAN COUNCIL**

**BRUSSELS**  
**21-22 MARCH 1983**

Documents in the dossier include:

*Conclusions*

Session of the European Council  
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*European Council in Brussels*

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## Session of the European Council

Brussels, 21 and 22 March 1983

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### Conclusions

#### 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 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 proposal 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 (Economic and Financial Affairs) 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 bio-technology.

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

- (i) 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 for Education to speed up their work in order to create the necessary conditions for tangible results in this field.
- (ii) 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.
- (iii) 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.
- (iv) 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 complexion 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 fruit and vegetables sector compromises should be sought on the basis of the Commission proposals supplemented by provisions ensuring that traditional trade flows with 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 for 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 ac-

count 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 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.

## Middle East

The Ten are deeply disturbed by the continued lack of progress towards peace between Israel and its 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 peace-keeping role of United Nations 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 recognized 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 USA 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 en-

larging 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.

## Iran and Iraq

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.

## 5. European Council in Brussels

*1.5.1.* The first European Council of the year was held in Brussels on 21 and 22 March with Mr Helmut Kohl, Chancellor of the Federal Republic of Germany, in the chair. The Commission was represented by Mr Gaston Thorn and Mr François-Xavier Ortoli. This was largely a transition meeting, examination of matters of substance being deferred to the next European Council, which is to meet in Stuttgart in June. This time, the European Council merely confirmed the priority objectives it had defined in Copenhagen in December 1982 as regards the strengthening of the internal market and enlargement.<sup>1</sup> On the Community's financial resources, it noted the Commission's intention to bring forward specific proposals as quickly as possible. Lastly, it set out guidelines for the preparation of the next Western Economic Summit, to be held in Williamsburg in May.

Under the political cooperation head, a statement was made on the situation in the Middle East, including Lebanon and the war between Iran and Iraq.

In preparation for the European Council, the Commission presented as usual, two communications on the economic and social

situation plus two others on the Community's industrial strategy and the internal market.

### **Community issues: Conclusions of the Presidency**

*1.5.2.* At the end of the meeting the Presidency issued the text set out below, covering the economic and social situation, the Williamsburg Economic Summit, enlargement, and the Community's financial resources.

#### **The economic and social situation**

*1.5.3.* 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

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<sup>1</sup> Bull. EC 12-1982, points 1.2.1 to 1.2.4.

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.

It asks the Council to take a position, with the same degree of priority, on the Commission proposal 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 (economic and financial affairs) 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:

- (i) 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 for Education to speed up their work in order to create the necessary conditions for tangible results in this field.
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- (iii) 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.

(iv) 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

1.5.4. 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.

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### **The Community's financial resources and related problems**

1.5.6. 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.

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subsequent solution in accordance with the undertaking made by the Foreign 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.

### **Political cooperation questions**

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

#### **Middle East**

1.5.8. The Ten are deeply disturbed by the continued lack of progress towards peace between Israel and its 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.

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1.5.9. 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.

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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.

### Statements and comments

1.5.10. Mr Thorn and Chancellor Kohl gave a joint press conference after the meeting, continued by Mr Thorn alone at the Chancellor's request after his departure.

As regards the outcome of the proceedings, Mr Thorn, while stressing the fact that the meeting had confirmed his priorities and given reason for hope that the Stuttgart meeting would be thoroughly prepared, made no attempt to conceal his regret that it had been unable to reach a number of 'operational' decisions and above all had not tackled the fundamental question of the convergence of economic policies in the Community.

As to the currency realignment and its consequences, Mr Thorn voiced his satisfaction at seeing the European Monetary System safeguarded and confirmed, since it was an irreplaceable instrument of monetary and economic discipline and organization. He said that the EMS could not be a means of simply recording currency adjustments: the disparities that had developed between the economic situations of the Community countries had to be removed. The EMS needed to fulfil another function—that of gradually ensuring a closer convergence of economic policies—better than it had in the past.