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TELEGRAM NUMBER 632 OF 23 JUNE

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Mr Williamson } CAPS
Mr Devine }
Mr Lither }
Mr Edwards }

STUTTGART EUROPEAN COUNCIL: STATEMENT BY CHANCELLOR KOHL

1. CHANCELLOR KOHL REPORTED TO THE BUNDESTAG YESTERDAY ON THE
STUTTGART EUROPEAN COUNCIL AND THE GERMAN PRESIDENCY.

2. HE SAID THAT STUTTGART HAD BEEN AN IMPORTANT STEP IN THE
DEVELOPMENT OF THE COMMUNITY. EUROPE WAS IN SERIOUS ECONOMIC
DIFFICULTIES. CRITICISM THAT STUTTGART HAD DEALT ONLY WITH MONEY
WAS ILL-FOUNDED. EUROPE COULD ONLY MEET THE CHALLENGES OF ENLARGEMENT
DEVELOPMENT OF NEW POLICIES, AND STRUCTURAL ECONOMIC AND ENVIRONMEN-
TAL PROBLEMS IF ITS FINANCIAL BASE WAS SOUND. THIS MUST BE
SECURED THROUGH CONTROL OF THE GROWTH OF EXPENDITURE, PARTICULARLY
ON AGRICULTURE, ECONOMIES, RESTRUCTURING, AND, IN SO FAR AS
NECESSARY, AN INCREASE IN OWN RESOURCES. THE COMMUNITY MUST BE FREED
OF REPEATED ARGUMENTS ABOUT THE BUDGET SO THAT IT COULD DEVOTE ITS
ENERGIES TO THE ECONOMIC, POLITICAL AND SECURITY ISSUES CONFRONTING
IT. STUTTGART HAD AGREED PROCEDURES AND A TIMETABLE FOR SHORT AND
MEDIUM TERM WORK AND, THROUGH THE SOLEMN DECLARATION ON EUROPEAN
UNION, OPENED A PERSPECTIVE FOR THE FUTURE.

FUTURE FINANCING

3. TURNING TO THE STUTTGART DECLARATION ON FINANCIAL RESOURCES, KOHL
SAID THAT THE COUNCIL HAD INSTRUCTED FOREIGN AND OTHER MINISTERS
TO NEGOTIATE URGENTLY IN THE NEXT SIX MONTHS ON FUTURE
FINANCING, THE DEVELOPMENT OF COMMUNITY POLICIES, ENLARGEMENT,
BUDGETARY BALANCE, AND THE NEED FOR STRICT FINANCIAL DISCIPLINE.
THESE ELEMENTS WERE LINKED AND OF EQUAL PRIORITY, AND WOULD BE

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~~NEGOTIATED IN PARALLEL. REFERRING TO THE PURPOSE OF THE NEGOTIAT-~~
~~ION HE QUOTED THE TEXT OF THE DECLARATION AS FOLLOWS: QUOTE (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 UNQUOTE. HE WENT ON TO SAY THAT DECISIONS WOULD BE
TAKEN IN COMMON ON ALL THESE QUESTIONS AT THE END, AND THE EXTENT
AND TIMING OF THE COMMUNITY'S REQUIREMENTS IN TERMS OF OWN RESOURCES
WOULD BE DETERMINED ON THE BASIS OF THE CONCLUSIONS REACHED.

4. THE OUTCOME OF STUTTGART TOOK FULL ACCOUNT OF THE GERMAN WISH
FOR CONTROL OF BUDGETARY GROWTH, ECONOMIES, RESTRUCTURING AND
BETTER BUDGETARY BALANCE. IT ALSO OPENED THE WAY FOR EARLY PROGRESS
ON ENLARGEMENT.

UK REFUNDS

5. THE FIGURE AGREED BY THE COUNCIL FOR GREAT BRITAIN'S 1983 REFUND
WOULD BE ENTERED IN THE 1984 BUDGET (COMMENT: SIC, NOT PRELIMINARY
DRAFT BUDGET), AND QUOTE WAS CLOSELY CONNECTED WITH THE OTHER
QUESTIONS UNQUOTE (OF LONG TERM FINANCING). THE BRITISH REFUND WAS
CONSIDERABLY SMALLER THAN THE PREVIOUS YEAR. THE GERMAN CONTRIBUTION
TO THE REFUND, IN CORRESPONDING TO LAST YEAR, REMAINED ABATED.

GERMAN PRESIDENCY

6. AGREEMENT HAD ONLY BEEN POSSIBLE AT STUTTGART BECAUSE OF HARD
WORK BEFOREHAND. DESPITE THE FEDERAL ELECTIONS THE GERMAN PRESIDENCY
HAD ACHIEVED GOOD RESULTS, VIZ:

- (A) REFORM OF THE SOCIAL FUND, WITH AN EMPHASIS ON YOUTH UNEMPLOY-
MENT.
- (B) EFFORTS TO LIBERALISE THE INTERNAL MARKET.
- (C) A FRAMEWORK PROGRAMME FOR RESEARCH FOR APPROVAL AT THE JULY
RESEARCH COUNCIL.
- (D) A NEW IMPULSE TO ENVIRONMENTAL POLICY, INCLUDING A MEMORANDUM
ON ACID RAIN TABLED AT STUTTGART, WHICH PAPANDREOU HAD
PROMISED TO TAKE FURTHER.

7. THE AGREED NEGOTIATIONS ON FUTURE FINANCING MUST GET UNDER WAY
AS FAST AS POSSIBLE. THEY WOULD BE DIFFICULT, AND REQUIRED MUTUAL
TRUST. BUT EUROPE HAD NO ALTERNATIVE BUT TO PROGRESS IF IT WAS NOT
TO FALL BACK INTO 19TH CENTURY NATIONALISM. UNITY WAS VITAL TO
EUROPE'S ECONOMIC AND POLITICAL SECURITY, AND TO ITS STRENGTH
IN THE EAST/WEST AND NORTH/SOUTH DEBATES. THE AMERICANS NEEDED AND
WANTED A STRONG EUROPEAN PARTNER. THE STUTTGART COUNCIL HAD MADE

WANTED A STRONG EUROPEAN PARTNER. THE STUTTGART COUNCIL HAD MADE
A CONTRIBUTION TO THIS UNITY.

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