

THE EUROPEAN COUNCIL

**VENICE
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Documents in the dossier include:

Conclusions

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Dossier of the Group of the European People's Party

Luxembourg 1990

Venice—From the European Council to the Western Summit

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Venice, 12 and 13 June 1980

Summary by the Presidency

1. The conclusions reached on 29 and 30 May by the Council of Ministers of the Community were noted with satisfaction. These conclusions enabled a solution to be found to the problem of the United Kingdom's contribution to the Community budget, led to an agreement on 1980/81 farm prices and on the sheep-meat problem and defined the guidelines for a comprehensive common fisheries policy. The outcome of these discussions has led, *inter alia*, to finalization of the 1980 budget, thereby normalizing the working of the Community.

A key feature of the agreements thus reached is the Community commitment to implement structural changes which, by ensuring a more balanced development of common policies based on respect for their fundamental principles and by preventing the recurrence of unacceptable situations, will enable each Member State to become more closely identified with Community objectives and with the deepening process of European integration.

This commitment is a fundamental prerequisite especially bearing in mind the prospect of enlargement, if the Community is to be able to meet its internal and international responsibilities authoritatively and effectively; to respond to the expectations of the citizens of Europe with ever closer solidarity between Member States in the various sectors of political, economic and social activity; to promote greater convergence and the harmonious development of their economies, help to reduce the disparities between the various regions and the ground to be made up by the less well-off; in short, to realize in full the objectives enshrined in the Treaties, in total compliance with the ideals underlying the grand design of European unification.

2. A review of the economic and social situation confirmed the judgments expressed at the European Council meeting on 27 and 28 April 1980.

In particular, the keenest concern was expressed at the hardening inflationary pressures, which represent the gravest of threats to the stability and to the development of the Member States' economies; these pressures also pose a threat

because of the varying degrees to which they are evident in the various countries of the Community.

The major short-term objective must be to contain inflation. This should be done by means of appropriate monetary and fiscal policies, coupled with measures designed to sustain investment and to cope with the employment situation while keeping external imbalances within acceptable bounds.

Given the slowdown in demand which is appearing in other major economic areas, stress was laid on the importance of action to ensure that the risk of a general recession in demand is averted through appropriate international collaboration.

3. In the face of the increasingly disturbing employment situation, particularly as regards young people, there was reaffirmation of the priority need, in some of the Member States, for short-term structural measures in the context of an active employment policy.

It is essential that the Community should be in a position systematically to evaluate the impact of employment on the various Community policies from the time of their inception, to ensure a better coordination of employment policies at Community level and to harmonize Community action in the field of economic policy with that taken in the social and employment fields.

The outcome of the Social Affairs Council on 9 June was noted with satisfaction, especially as regards the consultations between employers and labour. The Council is asked to continue its proceedings with a view to achieving the above objectives, on the basis of periodic reports from the Commission on the employment situation.

4. In the belief that in 1980 the decline in growth rates in the various industrialized areas would be quite sharp, among other things because of the rise in crude oil prices, the commitment to take an active part in strengthening the open and multilateral international trade system was renewed, in accordance with the statement by the member countries of the OECD at the ministerial meeting on 3 and 4 June. In particular, the hope was expressed that all the industrialized countries would do their utmost to confront and resolve the outstanding trade problems, adopting solutions in line with the content and spirit of the outcome of the multilateral trade negotiations.
5. With reference to the conclusions of the European Council in Luxembourg on 27 and 28 April, a further examination of the international monetary situation took place. This was seen still to be dominated by the problems of the huge balance-of-payments disequilibria stemming from recent oil price increases. Righting of these imbalances can only be effected in the long term by means of stabilization of the terms of trade and the necessary real adjustments to our economies.

The recycling of oil surpluses can in the short term attenuate the negative effects of these imbalances. This process, to which the private capital market has

an essential contribution to make, must be backed up by development of the role of international financial institutions.

6. Stress was laid on the primary importance of the North-South dialogue for the stability of international relations. It is intended that a further boost should be given to cooperation with the developing countries. This should contribute, on the basis of interdependence and mutual advantage, to creating the degree of economic expansion required, in the context of a restructuring of international economic relations, to enable the developing countries to make rapid progress.

With this in view, the need remains for a political commitment to the global negotiations, to finalizing the third international development strategy, to the agreements on the statutes of the Common Fund for the stabilization of raw material prices and the continuation of the negotiations on commodities.

Much is expected of the eleventh special session of the United Nations General Assembly. The report of the Brandt Commission could, it is felt, make a particularly interesting contribution to its successful outcome.

Inevitably, concern was expressed about the effect on development policy of the continuing increases in crude oil prices and of the economic and political tensions to which these have given rise.

7. Particular attention was devoted to the worsening international energy crisis. The decisions of the Council of Ministers (Energy) on 13 May and 9 June to reduce the ratio between the growth of GNP and increased energy consumption and the share of oil in the Community's energy budget were noted with satisfaction. The keenest concern was expressed at the further pressures for a price increase brought to bear in Algiers; it was pointed out that no objective grounds existed for increasing the price of crude at the present time.

The repetition of such increases constitutes an obvious threat to international stability. Its effects upon the phenomenon of inflation and consequently upon economic expansion, investment, employment and the balance of payments give rise to intolerable burdens for the industrialized regions and even more so for the emergent countries, the latter being confronted with truly insoluble problems of readjustment which can clearly not be resolved by recycling alone.

These aspects of the crisis, which will be highlighted at the forthcoming economic summit, must be given their full weight.

The Community remains willing to enter into a dialogue with all the countries concerned. It regrets, however, that the recent OPEC decisions may have made such a dialogue more difficult to achieve.

Middle East

1. The Heads of State or Government and the Ministers of Foreign Affairs held a comprehensive exchange of views on all aspects of the present situation in the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. They agreed that growing tensions affecting this region constitute a serious danger and render a comprehensive solution to the Israeli-Arab conflict more necessary and pressing than ever.
2. The nine Member States of the European Community consider that the traditional ties and common interests which link Europe to the Middle East oblige them to play a special role and now require them to work in a more concrete way towards peace.
3. In this regard, the nine countries of the Community base themselves on Security Council Resolutions 242 and 338 and the positions which they have expressed on several occasions, notably in their declarations of 29 June 1977, 19 September 1978, 26 March and 18 June 1979, as well as in the speech made on their behalf on 25 September 1979 by the Irish Minister of Foreign Affairs at the thirty-fourth United Nations General Assembly.
4. On the bases thus set out, the time has come to promote the recognition and implementation of the two principles universally accepted by the international community: the right to existence and to security of all the States in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people.
5. All of the countries in the area are entitled to live in peace within secure, recognized and guaranteed borders. The necessary guarantees for a peace settlement should be provided by the UN by a decision of the Security Council and, if necessary, on the basis of other mutually agreed procedures. The Nine declare that they are prepared to participate within the framework of a comprehensive settlement in a system of concrete and binding international guarantees, including guarantees on the ground.
6. A just solution must finally be found to the Palestinian problem, which is not simply one of refugees. The Palestinian people, who are conscious of existing as such, must be placed in a position, by an appropriate process defined within the framework of the comprehensive peace settlement, to exercise fully their right to self-determination.
7. The achievement of these objectives requires the involvement and support of all the parties concerned in the peace settlement which the Nine are endeavouring to promote in keeping with the principles formulated in the declaration referred to above. These principles apply to all the parties concerned, and thus to the Palestinian people, and to the PLO, which will have to be associated with the negotiations.

8. The Nine recognize the special importance of the role played by the question of Jerusalem for all the parties concerned. The Nine stress that they will not accept any unilateral initiative designed to change the status of Jerusalem and that any agreement on the city's status should guarantee freedom of access for everyone to the Holy Places.
9. The Nine stress the need for Israel to put an end to the territorial occupation which it has maintained since the conflict of 1967, as it has done for part of Sinai. They are deeply convinced that the Israeli settlements constitute a serious obstacle to the peace process in the Middle East. The Nine consider that these settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under international law.
10. Concerned as they are to put an end to violence, the Nine consider that only the renunciation of force or the threatened use of force by all the parties can create a climate of confidence in the area, and constitute a basic element for a comprehensive settlement of the conflict in the Middle East.
11. The Nine have decided to make the necessary contacts with all the parties concerned. The objective of these contacts would be to ascertain the position of the various parties with respect to the principles set out in this declaration and in the light of the results of this consultation process to determine the form which such an initiative on their part could take.

Euro-Arab Dialogue

The Nine noted the importance which they attach to the Euro-Arab dialogue at all levels and the need to develop the advisability of holding a meeting of the two sides at political level. In this way, they intend to contribute towards the development of cooperation and mutual understanding between Europe and the Arab world.

Lebanon

The Nine reiterate once again their total solidarity with Lebanon, a friendly country whose equilibrium is seriously jeopardized by the clashes in the region, and renews its urgent appeal to all the countries and parties concerned to put an end to all acts liable to affect Lebanon's independence, sovereignty and territorial integrity as well as the authority of its government. The Nine will support any action or initiative likely to guarantee the return of peace and stability in Lebanon, a factor which constitutes an essential element in the equilibrium of the region.

The Nine stress the importance of the role which should be played by the United Nations Interim Force in Lebanon (Unifil) in southern Lebanon. The Nine recall the declaration which they made in Luxembourg on 22 April and stress that it is essential for all the parties concerned to allow the Unifil to implement to the full the mandate assigned to it, including that of taking control of the territory up to the internationally recognized boundaries.

Afghanistan

The European Council has noted with deep concern the intensification of the military operations conducted by the Soviet troops in Afghanistan.

These dramatic developments are increasing still further the sufferings of the Afghan people. They emphasize the genuinely national nature of the resistance offered by an entire people. They threaten to jeopardize the climate of international relations for a long time to come.

Under these circumstances, the European Council wishes to reassert its conviction that it is necessary to outline without delay the means of reaching a solution which, in keeping with the resolution of the United Nations General Assembly, would ensure the withdrawal of Soviet troops and the free exercise by the Afghan people of the right to determine their own future. It has reiterated its view that a solution could be found in an arrangement which allowed Afghanistan to remain outside the competition among the powers and to return to its traditional position as a neutral and non-aligned State.

It recalls that it proposed in Luxembourg, on 28 April, that the great powers and the neighbouring States should undertake the necessary commitments to this end: in particular, they should agree to respect the sovereignty and integrity of Afghanistan, to refrain from any interference in its internal affairs and renounce any stationing of troops on its soil or any form of military association with it.

The European Council shares the concern expressed and the conclusions drawn by the eleventh Conference of Foreign Ministers of Islamic States on the continued Soviet military presence in Afghanistan and has noted with great interest the creation by this conference of a committee to seek ways and means for a comprehensive solution of the grave crisis in respect to Afghanistan.

The Council repeated its readiness to support any meaningful initiative designed to promote a solution of the Afghan crisis.

1. Venice—From the European Council to the Western Summit

International policy and energy dominate discussions

1.1.1. Venice in June was the rendezvous for the Heads of State or Government of the Nine, to meet as the European Council, and for representatives of seven industrialized countries and of the Community as such, to attend the sixth Western Summit. Both meetings were chiefly concerned with the international situation and economic problems, in particular the energy crisis.

The climate of both meetings was influenced by the overall agreement reached by the Nine on 30 May. This had cleared the air and driven away the clouds which had gathered overhead at the end of April after the Luxembourg European Council had failed to find an agreement.

The European Council in Venice

1.1.2. The European Council meeting in Venice on 12 and 13 June was attended by the Heads of State or Government of the nine Member States of the Community together with their Foreign Ministers. The Commission was represented by its President, Mr Jenkins, and by Mr Ortoli, Vice-President. Discussions focused on international political questions, especially the situation in the Middle East, rather than on purely Community issues. As many observers have remarked, the failure in Luxembourg forced the European Council to revert to its original role of giving political stimulus and general guidelines, and leaving the specialized ministers to resolve the economic and technical problems within the Council. The compromise reached some ten days earlier on the issues that the Luxem-

bourg meeting failed to settle also contributed to the feeling of unity at Venice.

As usual the Commission assisted in preparations by presenting a series of papers designed to assist or guide discussions. They dealt with the economic and social situation in the Community, unemployment, energy, relations with the industrialized countries (particularly the United States and Japan)¹ and reactivation of the North-South Dialogue.² Before the official meeting Mr Cossiga, the Council President, met some of the other Heads of State or Government, and there were also separate meetings between Heads of State or Government.

The results of the European Council meeting

1.1.3. The European Council discussed the international situation, the problems dealt with in the papers presented by the Commission and budgetary matters, which certain Heads of Government brought up in connection with the future of the common agricultural policy.

The following were issued at the end of the meeting: a summary of proceedings made by the Presidency and four declarations—on the Middle East, the Euro-Arab Dialogue, Lebanon and Afghanistan. The problems of southern Africa (notably Namibia) were also mentioned briefly by Mr Cossiga, President of the European Council, at his press conference.

¹ Point 2.2.53.

² Points 1.3.2 and 1.3.3.

Summary by the Presidency

1.1.4. The 'summary by the Presidency' of the proceedings of the European Council was as follows:

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2. A review of the economic and social situation confirmed the judgments expressed at the European Council meeting on 27 and 28 April 1980.

In particular, the keenest concern was expressed at the hardening inflationary pressures, which repre-

sent the gravest of threats to the stability and to the development of the Member States' economies; these pressures also pose a threat because of the varying degrees to which they are evident in the various countries of the Community.

The major short-term objective must be to contain inflation. This should be done by means of appropriate monetary and fiscal policies, coupled with measures designed to sustain investment and to cope with the employment situation while keeping external imbalances within acceptable bounds.

Given the slowdown in demand which is appearing in other major economic areas, stress was laid on the importance of action to ensure that the risk of a general recession in demand is averted through appropriate international collaboration.

3. In the face of the increasingly disturbing employment situation, particularly as regards young people, there was reaffirmation of the priority need, in some of the Member States, for short-term structural measures in the context of an active employment policy.

It is essential that the Community should be in a position systematically to evaluate the impact of employment on the various Community policies from the time of their inception, to ensure a better coordination of employment policies at Community level and to harmonize Community action in the field of economic policy with that taken in the social and employment fields.

The outcome of the Social Affairs Council on 9 June¹ was noted with satisfaction, especially as regards the consultations between employers and labour. The Council is asked to continue its proceedings with a view to achieving the above objectives, on the basis of periodic reports from the Commission on the employment situation.

4. In the belief that in 1980 the decline in growth rates in the various industrialized areas would be quite sharp, among other things because of the rise in crude oil prices, the commitment to take an active part in strengthening the open and multilateral international trade system was renewed, in

¹ Point 2.1.41.

