

**THE EUROPEAN COUNCIL**

**DUBLIN  
29-30 NOVEMBER 1979**

Documents in the dossier include:

*The European Council in Dublin*

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*Conclusions of the European Council on November 29 and 30 in Dublin*

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# 1. European Council in Dublin

Dublin European Council

*1.1.1.* The European Council met in Dublin (Ireland is in the chair for the second half of this year) on 29 and 30 November. It was presided over by Mr Lynch, the Irish Prime Minister, and attended by one Head of State (Mr Giscard d'Estaing) and the Heads of Government of the eight other Member States; they were accompanied by the Foreign Ministers of the Nine. The Commission was represented by Mr Jenkins and Mr Ortoli.

The main item on the agenda was 'convergence and budgetary questions', encompassing the British demand for a cut in its net contribution to the Community budget and the Italian demand for greater balance between the different Community policies. No substantive agreement was reached on the British demand, which dominated the discussions, although attempts at conciliation were made by certain Heads of Government and the Commission had made proposals<sup>1</sup> aimed at finding a middle way. But the meeting did finally close on a note of compromise, with all parties agreeing on a course of action.

The Commission was requested, to quote from the Conclusions of the Presidency, 'to pursue the examination of proposals for developing supplementary Community measures within the United Kingdom which will also lead to a greater participation by the United Kingdom in Community expenditure. The Commission is asked to make proposals which will enable the Council of Ministers to pursue the search for appropriate solutions to be reached at the next meeting of the European Council. The President of the Council will convene the European Council as soon as the conditions for such a meeting have been fulfilled.'<sup>2</sup>

The economic and social situation—with particular reference to the outlook for the Community economy, to unemployment, to the

application of new computer technologies, to telecommunications (communication) and their implications for the European economy—and the world energy crisis were once again high up on the agenda. Of particular note in the Conclusions of the Presidency are the passages on the establishment of the European Monetary Fund and the formulation of Commission proposals for more incisive action to combat unemployment. The passage on energy, however, is vague and is a poor reflection of the far-reaching discussion on this subject by the Heads of Government.

Other items on the agenda included the report of the Committee of Wise Men on adjustments to the machinery and procedures of the Community institutions<sup>3</sup> (to be looked at in greater detail at the next European Council) and the reports on European Union by the Foreign Ministers and the Commission.<sup>4</sup> The Commission's proposals<sup>5</sup> for tightening up the regulation of agricultural markets in general and the milk market in particular were also discussed.

Two official statements, one on Iran and the other on Kampuchea, were published at the end of the meeting along with the traditional Conclusions of the Presidency.

The Commission had prepared the ground for the European Council with the customary set of communications on the main items on the agenda—convergence and budgetary questions, energy, the economic situation, adjustments to the common agricultural policy designed to improve the balance between the different markets, data technology and European Union.

<sup>1</sup> Point 3.4.1.

<sup>2</sup> Point 1.1.7.

<sup>3</sup> Points 1.5.1 and 1.5.2.

<sup>4</sup> Supplement 9/79 — Bull. EC.

<sup>5</sup> Points 1.2.1 to 1.2.10.

## Outcome of the European Council

1.1.2. The main results of the discussions by the Heads of State or of Government are recorded in the now traditional Conclusions of the Presidency released at the end of the Dublin European Council.

### *Conclusions of the Presidency*

1.1.3. The Conclusions of the Presidency are reproduced below.<sup>1</sup>

### Economic and social situation

#### *Prospects for the Community economy*

1.1.4. The Heads of State or Government discussed developments in the Community economy and prospects for 1980, particularly in the light of the deflationary effects of the oil price increases. They recognized that despite the progress achieved by the coordinated economic approach agreed at the European Council in Bremen,<sup>2</sup> the objectives sought, particularly maintaining growth and combating inflation, had not been achieved in full.

In an effort to overcome the current economic difficulties a common approach continues to be essential. Priority must be given to combating inflation. This is, in the medium and long term, a condition for solving the problems of growth, structural change and hence employment. The existence of the European Monetary System also underlines the necessity for a coordinated approach in tackling the balance of payments effects of the new oil price rises. The fight against inflation and unemployment should not be made more difficult through attempting to compensate by increases in money incomes for the real transfer of purchasing power which has taken place to the oil-producing countries.

Moreover, monetary policy should continue for the time being to support efforts to counter inflation. Modernization of and investments in Com-

munity industry must continue to enable it to adapt more quickly to new patterns of demand.

The present difficulties require an improvement coordination of the economic and monetary policies of Member States. With this in mind, the European Council confirms its intention to set up the European Monetary Fund in accordance with the timetable envisaged. To this end, the European Council invites the Commission to submit, for its next meeting in March 1980, a report setting out the progress made in this field and the difficulties encountered. Furthermore, the present difficulties require that the Community continue to pursue a common approach in conjunction with other industrialized countries. The European Council reaffirmed its determination to conduct economic policies in line with the principles and strategy agreed at the European Council in Strasbourg.<sup>3</sup>

Even with the downturn in the international economy the Community is expected to achieve at least a moderate rate of growth next year, and may avert acceleration in the rate of inflation.

### *The employment problem*

1.1.5. The European Council discussed the serious unemployment situation in the Community. They agreed that the continuation and intensification of national and Community efforts to improve economic structures, primarily through increased investment, was of fundamental importance.

A more coordinated approach to employment problems should be defined. The European Council accordingly requests the Commission to submit proposals on specific measures which could be framed to promote more incisive Community action to deal with the unemployment problem.

The European Council noted the recent adoption by the Council of Ministers of a Resolution on the reorganization of working time<sup>4</sup> and asked the

<sup>1</sup> The numbering at the beginning of each main heading of the Conclusions of the Presidency has been added by the editorial staff of the Bulletin for ease of reference.

<sup>2</sup> Bull. EC 6—1978, point 1.5.2.

<sup>3</sup> Bull. EC 6—1979, point 1.1.13.

<sup>4</sup> Point 2.1.41.

Commission to pursue their consultations with the Social Partners.

### *Telematics*

1.1.6. The European Council discussed the questions raised in a Commission communication<sup>1</sup> drawing attention to the importance of data technologies both for European industry and society. The European Council took note of the recommendations of the Commission and invited the Council (Foreign Ministers) to study a common strategy for the development of these technologies in Europe.

### **Convergence and budgetary questions**

1.1.7. The European Council held an exchange of views on convergence and budgetary questions. They reaffirmed the conclusions reached at their meetings in Brussels<sup>2</sup> and Paris<sup>3</sup> that achievement of the convergence of economic performances requires measures for which the Member States concerned are primarily responsible, that Community policies can and must play a supporting role within the framework of increased solidarity and that steps must be taken to strengthen the economic potential of the less prosperous countries of the Community.

To these ends the European Council expressed its determination to promote the adoption of measures to improve the working of Community policies, to reinforce those policies most likely to favour the harmonious growth of the economies of the Member States and to reduce the disparities between these economies. They further declared the need, particularly with a view to the enlargement of the Community and necessary provisions for Mediterranean agriculture, to strengthen Community action in the structural field.

The European Council has carried out a thorough examination of the problem of the British contribution to the Community budget.

It was agreed that the Commission's proposals<sup>4</sup> concerning the adaptation of the financial mechanism could constitute a useful basis for a solution which would respect Community achievement and

solidarity. This solution should not result in raising the 1% VAT ceiling.

In addition, the Commission is requested to pursue the examination of proposals for developing supplementary Community measures within the United Kingdom which will contribute to greater economic convergence; and which will also lead to a greater participation by the United Kingdom in Community expenditure.

The Commission is asked to make proposals which will enable the Council of Ministers to pursue the search for appropriate solutions to be reached at the next meeting of the European Council. The President of the Council will convene the European Council as soon as the conditions for such a meeting have been fulfilled.

1.1.8. The European Council recognized the need to reach rapid Community solutions to the problems of fisheries, energy and organization of the market in sheepmeat within the framework of the principles laid down in the Treaty.

### **Energy**

1.1.9. The European Council discussed the world energy situation, which remains very serious. In view of renewed price increases, continuing uncertainties about supply and production, and the changing structure of the world oil market, the European Council considers that efforts must be made both by producing and consuming countries to create greater stability. In the light of these needs the Community for its part must now develop a more effective energy policy.

The European Council requests the Council of Energy Ministers at its meeting on 4 December to take a final decision on national import objectives for 1980.<sup>5</sup>

The European confirmed its resolve to develop indigenous energy resources, particularly coal,

<sup>1</sup> Point 2.1.21.

<sup>2</sup> Bull. EC 12-1978, point 1.1.11 (B).

<sup>3</sup> Bull. EC 3-1979, point 1.1.7.

<sup>4</sup> Point 3.4.1.

<sup>5</sup> This has now been done.

nuclear and hydrocarbons and to promote the research and development programmes in the energy field with particular regard to renewable energy sources.

The European Council concluded that, as energy problems affect all countries in the world, no lasting solution of these problems can be achieved without closer understanding and cooperation between the industrialized, the oil-producing and the non-oil developing countries. Efforts should be made to promote discussion with oil-producing countries with the object of adopting policies in both consumer and producer countries which would allow the transition to a better market equilibrium without serious damage to the economy of the world as a whole. The European Council considers it most desirable that significant and rapid progress be made in all international forums where energy is discussed, i.e. the United Nations, OECD (IEA) and the Economic Commission for Europe, with a view to establishing a consensus and cooperation the adjustments required by the changing situation in the world.

### Reports on European Union

1.1.10. The European Council received and noted the reports by the Foreign Ministers<sup>1</sup> and the Commission on the progress achieved towards European Union in the past year. The European Council noted the importance of developments in the past year towards the achievement of European Union and in particular:

- the signature of the Instruments of Accession of the Hellenic Republic of the European Communities;
- the establishment of the European Monetary System;
- the direct elections to the European Parliament.

The European Council affirmed the importance of these concrete steps in demonstrating the Communities' commitment to proceed towards and to create the conditions for further progress towards an ever closer Union among the peoples of Europe.

The European Council decided that, as has been done previously, these Reports should be published in an appropriate form.

### Report of the Committee of Wise Men

1.1.11. The European Council warmly thanked the Committee of Wise Men for the timely presentation of its valuable report<sup>2</sup> on adjustments to the machinery and procedures of the Community institutions, prepared in discharge of the mandate given by the European Council in Brussels in December 1978.<sup>3</sup>

The European Council asked the Foreign Ministers in the appropriate framework to examine the report with a view to preparing the discussion at the next meeting of the European Council.

The European Council decided to publish the report and agreed that the President of the Council would transmit a copy of the report to the Presidents of the other institutions for information.<sup>4</sup>

### Statements on Iran and Kampuchea

1.1.12. Two statements, one on Iran and one on Kampuchea (Cambodia), adopted by the Heads of State and Government after debating the problems arising from the situations in the two countries, were also published at the close of the Dublin meeting.

1.1.13. The European Council also adopted the following statements on Iran and Cambodia:

#### Iran

1.1.14. '1. The Heads of State or Government and the Foreign Ministers of the Nine, meeting in the European Council, considered the grave situation created by the occupation of the Embassy of the United States in Tehran and the holding of

<sup>1</sup> Point 2.3.1 and Supplement 9/79 — Bull. EC.

<sup>2</sup> For a summary of the report, produced by the Committee, see points 1.5.1 and 1.5.2.

<sup>3</sup> Bull. EC 12-1978, point 2.3.1.

