THE EUROPEAN COUNCIL

MAASTRICHT
9-10 DECEMBER 1991

Documents in the dossier include:

Maastricht European Council
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Success at Maastricht: A Landmark Summit
European Community News No. 33/1991
EC Office of Press and Public Affairs
Washington DC
Maastricht, 9 and 10 December

1.1. The meeting of Heads of State or Government held in Maastricht on 9 and 10 December was chaired by Mr Lubbers, President of the Council and Prime Minister of the Netherlands, and attended by Mr Delors and Mr Andriessen, President and Vice-President of the Commission respectively. It was preceded by an address by Mr Baron Crespo, President of the European Parliament, who put forward his institution's views on the draft Treaties on Political Union and Economic and Monetary Union.

The chief result of the summit was the agreement between the Heads of State or Government on the draft Treaty on European Union. Economic and monetary union, in particular, is now well and truly launched in a gradual but irreversible process, spurred on by the prospect of a single currency by 1 January 1999 and the establishment of a procedure for transition to Stage III by 1 July 1999. A qualitative step forward was taken in the field of political union with the inclusion of provisions for a common foreign and security policy in the Treaty on European Union; this covers all aspects of foreign and security policy and establishes cooperation between the Member States as standard practice in the conduct of national policy.

The European Council also decided to annex to the Treaty a protocol authorizing 11 of the Member States to use the institutions, procedures and mechanisms of the European Community for the purpose of adopting and, where relevant, implementing the decisions needed for further progress in putting into effect the Charter of the Fundamental Social Rights of Workers.

The Council instructed the Commission to consider the implications of Community enlargement for the development of the Union in time for the European Council in Lisbon.

The European Council gave further serious thought to the Uruguay Round negotiations and reiterated its commitment to a substantial, balanced package of results consistent with the objectives of the Community.

On cooperation in the spheres of justice and home affairs, the European Council asked the Ministers responsible for immigration to implement their proposed programme of work on immigration and asylum and called on the Presidency of the Council to look for a solution to the last remaining problem preventing the signing of the Convention between the Member States on the crossing of their external frontiers. It instructed the Trevi Ministers, in collaboration with the Commission, to take the measures needed to allow Europol to be set up, and stressed the importance of establishing the European anti-drug monitoring body at an early date. Lastly, it called for an analysis of the implications of the draft Treaty on European Union for proceedings in the above areas.

On external relations, concerned at the critical food supply situation in Moscow and St Petersburg, the Council agreed that the Community should act rapidly to help the populations of both cities.

Speaking in the context of political cooperation, the Council adopted declarations on the peace process in the Middle East, developments in the Soviet Union, and racism and xenophobia. Referring back to the recent declaration on the inquiries into the bombing of flights Pan Am 103 and UTA 772, it reiterated its firm condemnation of all acts of terrorism.

Conclusions of the Presidency

1.2. Mr Barón Crespo, President of the European Parliament, put to the European Council his institution's views on the draft Treaties on Political Union and Economic and Monetary Union.

The European Council welcomed all the contacts which had been established with Parliament during the preparation of the drafts and, in particular, the interinstitutional conferences which had made for a better understanding of the respective opinions.
Treaty on European Union

- References:
  - Conclusions of the special meeting of the European Council, Dublin: Bull. EC 4-1990, point I.12
  - Conclusions of the Dublin European Council: Bull. EC 6-1990, point I.11
  - Commission communication on economic and monetary union: Bull. EC 7/8-1990, point 1.3.2
  - Commission opinion on the proposal for amendment of the Treaty establishing the European Economic Community with a view to political union: COM(90) 600; Bull. EC 10-1990, point 1.1.5
  - Conclusions of the Rome I European Council: Bull. EC 10-1990, point I.4
  - Conclusions of the Rome II European Council: Bull. EC 12-1990, points I.4 to I.9

1.3. The Intergovernmental Conferences on Political Union and Economic and Monetary Union, meeting at the level of Heads of State or Government, reached agreement on the draft Treaty on European Union based on the texts concerning political union (SN 252/1/91) and on the draft Treaty text concerning economic and monetary union. The necessary final legal editing and harmonization of the texts will be completed with a view to signature of the Treaty in the beginning of February 1992.

With particular reference to social policy the European Council confirms that the present provisions of the Treaty can be considered an acquis communautaire.

The European Council notes that 11 Member States desire to continue on the path laid down by the Social Charter in 1989. To this end it has been agreed to annex to the Treaty a protocol concerning social policy which will commit the institutions of the Community to take and implement the necessary decisions while adapting the decision-making procedures for application by 11 Member States.

Enlargement

1.4. The European Council recalls that the Treaty on European Union which the Heads of State or Government have now agreed provides that any European States whose systems of government are founded on the principle of democracy may apply to become members of the Union.

The European Council notes that negotiations on accession to the European Union on the basis of the Treaty now agreed can start as soon as the Community has terminated its negotiations on own resources and related issues in 1992.

The European Council notes that a number of European countries have submitted applications or announced their intention of seeking membership of the Union. The European Council invites the Commission to examine those questions including the implications for the Union’s future development and with regard to the European Council in Lisbon.

Uruguay Round


1.5. The European Council notes that the trade liberalization negotiations have entered a conclusive stage. It has been informed about the progress of the negotiations, both in Geneva as well as in the Transatlantic Summit at The Hague on 9 November 1991.

The European Council reiterates its firm commitment to a substantial, balanced and global package of results of the Uruguay Round by the end of the year. This package should cover GATT rules and disciplines, market access, agriculture, textiles, services, TRIPs and the institutional reinforcement of the GATT system, excluding any recourse to unilateral action by any partner. It urges other partners in the Uruguay Round to join in its efforts to finalize the negotiations on this basis.

The European Council invites the Commission to elaborate a good negotiated outcome of the Round encompassing substantial and credible results in all major areas, consistent with the objectives of the European Communities.

It asks the Commission to keep the Council closely informed of the results obtained.

Cooperation in the spheres of justice and home affairs

Free movement of persons, immigration and asylum

- References:
  - Conclusions of the Luxembourg European Council: Bull. EC 6-1991, point I.17
  - Commission communication on immigration and the right of asylum: Bull. EC 10-1991, points 1.2.2.1 and 1.2.2.2
  - Eleventh ministerial meeting of Ministers responsible for immigration: point 1.4.15 of this Bulletin

1.6. The European Council noted the reports on immigration and asylum drawn up at its request
by the Ministers responsible for immigration. It considered that they constituted an adequate basis for measures to be taken in those areas.

It agreed on the programme of work and the timetables laid down and invited the Ministers responsible for immigration to implement them.

7. The European Council took note of the report by the Coordinators' Group on Free Movement of Persons and approved the recommendations made in it.

The European Council regretted that it had not yet been possible to resolve the last problem preventing the signing of the Convention between the Member States of the European Communities on the crossing of their external frontiers. The European Council invited the Presidency to collaborate with the two Member States concerned in actively seeking a solution for this problem.

The European Council requests the Coordinators to examine what the structure of the European information system should be and to take care that the technical and legal provisions — including the protection of personal privacy — are being taken to build the system.

In view of the need for a speedy conclusion of these activities, it is desirable in the first place to establish whether the arrangements already existing between certain Member States may also apply to all the Member States.

Europol

- References:
  Conclusions of the Luxembourg European Council: Bull. EC 6-1991, points 1.18 and 1.38
  Meeting of Ministers of the Trevi Group: point 1.4.16 of this Bulletin

8. The European Council agreed on the creation of a European police office (Europol), the initial function of which would be to organize the exchange of information on narcotic drugs at the level of the Community's 12 Member States. The European Council instructed the Trevi Ministers, in collaboration with the Commission, to take such measures as were needed to allow Europol to be set up at an early date.

Drugs

- References:
  Conclusions of the Rome II European Council: Bull. EC 12-1990, point 1.17
  Conclusions of the Luxembourg European Council: Bull. EC 6-1991, point 1.18

Proposal for a Council Regulation on the establishment of a European anti-drug monitoring body and a European information network on drugs and drug addiction: Bull. EC 11-1991, point 1.2.196

9. The European Council took note of the report by the European Committee on the Fight Against Drugs.

It invited the institutions of the European Community to employ all means to ensure that the act setting up the European anti-drug monitoring body could be adopted before 30 June 1992.

In the context of the widest possible information on drug problems the European Council supported the organization, during the second half of 1992, of a European Week to promote the prevention of drug use.

The European Council invited Celad to continue its function of coordination and to ensure that the various responsible bodies lost no time in implementing the European programme for the fight against drugs adopted by the European Council in Rome on 14 December 1990.

Consequences of the draft Treaty on European Union

10. The European Council instructed the competent Council bodies and the Coordinators' Group on Free Movement of Persons to collaborate with the Commission on the examination of the consequences of the draft Treaty on European Union on proceedings in these areas, so that the relevant provisions of the future Treaty might be effectively applied as soon as that Treaty entered into force.

Food supply situation in Moscow and St Petersburg

- References:
  Council Regulation (EEC) No 3767/91 on emergency action to supply agricultural products (ECU 95 million) to Moscow and St Petersburg: OJ L 356, 29.12.1991; point 1.3.8 of this Bulletin
  Proposal for a Regulation on emergency action to supply foodstuffs (ECU 100 million) to Moscow and St Petersburg: point 1.3.9 of this Bulletin
  Commission Decision on emergency aid (5 million) for Moscow and St Petersburg: point 1.3.52 of this Bulletin

11. The European Council expressed its preoccupation with the critical food supply situation in Moscow and St Petersburg, and agreed that the Community should take concrete rapid steps to help the populations of these cities.
The Member States will respond positively to requests from the Commission for making logistics experts available.

It asked the Commission to come forward with specific proposals and the Council (economic and financial affairs) to examine at its session on 17 December 1991 the specific financial aspects of a Community action, including the question of credit guarantee.

European political cooperation

The Middle East

1.12. The European Council adopted the declaration on the peace process in the Middle East in Annex 1.

The European Council welcomes the release of further hostages in Lebanon. It expresses its gratitude to the Secretary-General of the United Nations for his efforts in this respect.

The European Council deplores that the German nationals Heinrich Strübing and Thomas Kemptner are still being detained in Lebanon.

The European Council urges all governments and personalities who are able to contribute to the solution of the hostage problem to continue their efforts towards an unconditional release of all persons who are detained without legal procedure.

The hostage question in Lebanon will not be resolved until all hostages have been released.

The European Council welcomes the fact that the Secretary-General of the United Nations has declared his readiness to continue his efforts.

Developments in the Soviet Union


Policy regarding new European States

1.14. The European Council asked the Ministers for Foreign Affairs to assess developments in Eastern Europe and the Soviet Union with a view to elaborating an approach regarding relations with new States.

Racism and xenophobia

1.15. The European Council adopted the declaration in Annex 3.

Inquiries into the bombing of flights Pan Am 103 and UTA 772

1.16. Recalling the declaration issued by the Community and its Member States on 2 December, the European Council takes a most serious view of accusations against Libyan nationals in connection with the bombings of flight Pan Am 103 in December 1988 and of flight UTA 772 in September 1989. The European Council reaffirms its condemnation of all acts of terrorism, wherever and by whomever committed.

The European Council has noted the demands made of the Libyan authorities by the Governments of France, the United Kingdom and the United States on 27 November. It fully endorses these demands and calls upon the Libyan authorities to comply promptly and in full.

Annex 1

Declaration on the peace process in the Middle East

1.17. The European Council attaches great significance to the Middle East Peace Conference in Madrid, which has launched a process of negotiations on the basis of UN Security Council Resolutions 242 and 338 which should lead to a just and comprehensive solution to the Arab-Israeli conflict and the Palestinian question. On the basis of the principles which have long governed their position, the Community and its Member States are determined to continue to undertake all possible efforts alongside the United States and the Soviet Union to support this process. In Madrid they pledged their constructive partnership in all phases of the negotiations.

The European Council considers it of vital importance that the momentum gained at Madrid is not dissipated on procedural matters. It noted that the second round of bilateral negotiations has been convened in Washington. These negotiations should be pursued in good faith by all parties. Only then may the way be opened to movement on substance and meaningful confidence-building measures. The European Council considers a halt to Israel's settlement activity in the Occupied Territories an essential contribution to creating the stable environment which progress in the nego-
tions requires. Renunciation of the Arab trade boycott is another.

With regard to the situation in the Occupied Territories, it is important that both sides show restraint and that Israel abide by the provisions of the Fourth Geneva Convention. The European Council looks forward to a tangible improvement in the situation in these territories, even before the putting in place of interim or other arrangements. In this respect it noted reports indicating that since the Conference in Madrid, the level of violence there has diminished. Indeed, this Conference has led to an atmosphere of hope, both in the Occupied Territories and elsewhere, which should not be disappointed.

The European Council reaffirms the commitment of the Community and its Member States to make an active practical contribution to progress in the multilateral phase of the negotiations on regional cooperation. It expresses the hope that all parties in the region will participate in these negotiations. The European Council considers that the bilateral and multilateral agendas should go hand in hand, each one reinforcing the other. However, regional cooperation cannot progress faster than movement towards a political settlement. Given its close ties with all the parties involved, the Community and its Member States are determined to remain in close contact with all participants and to do all they can to promote significant steps in the direction of a comprehensive, just and lasting settlement.

Annex 2

Declaration on developments in the Soviet Union

1.18. The European Council took note of the decision of the Republics of Belorusia (now Belarus), Ukraine and Russia to form a Commonwealth of Independent States, which other republics have been invited to join. It also took note of President Gorbachev’s statement on 9 December 1991.

The European Council underlines the necessity for a constructive dialogue among all parties concerned to ensure that the process of transformation of the Soviet Union, which has entered a crucial phase, continues in a peaceful, democratic and orderly manner.

The European Council welcomes the fact that the three republics engaged in this comprehensive process of change have declared that they mutually recognize and respect each other’s territorial integ-

rity and the inviolability of the borders existing in the context of their Commonwealth.

The European Council is pleased to note that these republics have at the same time reaffirmed their readiness to respect the international commitments of the Soviet Union and to ensure single control of nuclear weapons on their territory.

The European Council recalls the importance which the Community and its Member States attach to respect for and implementation by all republics of all provisions of the Helsinki Final Act, the Charter of Paris and other relevant provisions of the CSCE regarding human rights and the rights of persons belonging to national minorities. It also recalls that, according to these provisions, the frontiers of all States in Europe are inviolable and can only be changed by peaceful means and agreement. Furthermore, the Community and its Member States attach particular importance to necessary measures being taken without delay at the level of the republics concerned to put into effect the agreements in the field of arms control, nuclear non-proliferation and the effective control and security of nuclear weapons. The Community and its Member States also subscribe to the principle that republics acceding to sovereignty should, for their part, respect the obligations deriving from the external debt of the Soviet Union.

At a moment when these republics express democratically and peacefully their will to accede to full sovereignty, the Community and its Member States wish to open with them, in a spirit of cooperation, a dialogue regarding the development of their mutual relationship.

The European Council also expresses the wish that these republics develop among themselves the structures of cooperation required to facilitate their insertion in the international community under conditions appropriate to ensure the security, stability and legitimate fulfilment of all.

Annex 3

Declaration on racism and xenophobia

1.19. The European Council notes with concern that manifestations of racism and xenophobia are steadily growing in Europe, both in the Member States of the Community and elsewhere.

The European Council stresses the undiminished validity of international obligations with regard to combating discrimination and racism to which the Member States have committed themselves within
the framework of the United Nations, the Council of Europe and the CSCE.

The European Council recalls the Declaration against racism and xenophobia issued by the European Parliament, Council and Commission on 11 June 1986 and, reaffirming its Declaration issued in Dublin on 26 June 1990, expresses its revulsion against racist sentiments and manifestations. These manifestations, including expressions of prejudice and violence against foreign immigrants and exploitation of them, are unacceptable.

The European Council expresses its conviction that respect for human dignity is essential to the Europe of the Community and that combating discrimination in all its forms is therefore vital to the European Community, as a community of States governed by the rule of law. The European Council therefore considers it necessary that the governments and parliaments of the Member States should act clearly and unambiguously to counter the growth of sentiments and manifestations of racism and xenophobia.

The European Council asks Ministers and the Commission to increase their efforts to combat discrimination and xenophobia, and to strengthen the legal protection for third-country nationals in the territories of the Member States.

Lastly, the European Council notes that, in connection with the upheavals in Eastern Europe, similar sentiments of intolerance and xenophobia are manifesting themselves in extreme forms of nationalism and ethnocentrism. The policies of the Community and its Member States towards the countries concerned will aim to discourage strongly such manifestations.
SUCCESS AT MAASTRICHT: A LANDMARK SUMMIT

In the early morning hours of December 11, the European Community heads of state and government emerged from a marathon two-day summit in Maastricht, Netherlands having agreed to major revisions of the EC founding treaties that will forge closer economic, monetary and political ties within the Community, including a single currency before the end of the decade, and a framework for a common foreign and security policy.

On the economic and monetary union (EMU), the EC leaders reached an accord that will introduce a single currency, the ECU, establish a European System of Central Banks (ESCB) and a European Central Bank (ECB). The coordinated economic policies will follow guiding principles of stable prices, sound public finance and monetary conditions, a sustainable balance of payments and avoid excessive government deficits.

On the political side, the treaty improves the present cooperation on foreign policy matters by setting down rules for joint action. It also creates the embryo of a future common European defense policy which must be compatible with the NATO alliance.

In addition, the summit covered cooperation among the Twelve on matters ranging from immigration and asylum policies to the fight against organized crime and drug trafficking.

EUROPEAN COUNCIL PRESIDENCY CONCLUSIONS
Maastricht, December 9 and 10, 1991

Mr. BARON CRESPO, President of the European Parliament, put to the European Council his Institution's views on the draft Treaties on Political Union and Economic and Monetary Union.

The European Council welcomed all the contacts which had been established with the European Parliament during the preparation of these drafts and, in particular, the inter-institutional meetings which had made for a better understanding of the respective opinions.

TREATY ON EUROPEAN UNION

The Intergovernmental Conferences on Political Union and Economic and Monetary Union, meeting at the level of Heads of State and Government, reached agreement on the Draft Treaty on European Union based on the texts concerning Political Union and on the Draft Treaty text concerning Economic and Monetary Union. The necessary final legal editing and harmonization of the texts will be completed with a view to signature of the Treaty in the beginning of February 1992.
With particular reference to social policy the European Council confirms that the present provisions of the Treaty can be considered an "acquis communautaire".

The European Council notes that eleven Member States desire to continue on the path laid down by the Social Charter in 1989. To this end it has been agreed to annex to the Treaty a Protocol concerning social policy which will commit the Institutions of the Community to take and implement the necessary decisions while adapting the decision-making procedures for application by eleven Member States.

ENLARGEMENT

The European Council recalls that the Treaty on European Union which the Heads of State and Government have now agreed, provides that any European State whose systems of Government are founded on the principle of democracy may apply to become members of the Union.

The European Council notes that negotiations on accession to the European Union on the basis of the Treaty now agreed can start as soon as the Community has terminated its negotiations on Own Resources and related issues in 1992.

The European Council notes that a number of European countries have submitted applications or announced their intention of seeking membership of the Union. The European Council invites the Commission to examine those questions including the implications for the Union's future development and with regard to the European Council in Lisbon.

URUGUAY ROUND

The European Council notes that the trade liberalization negotiations have entered a conclusive stage. It has been informed about the progress of the negotiations, both in Geneva as well as in the Transatlantic Summit, at The Hague on November 9, 1991.

The European Council reiterates its firm commitment to a substantial, balanced and global package of results of the Uruguay Round by the end of the year. This package should cover GATT rules and disciplines, market access, agriculture, textiles, services, Trade Related Intellectual Property Rights (TRIPs) and the institutional reinforcement of the GATT system, excluding any recourse to unilateral action by any partner. It urges other partners in the Uruguay Round to join in its efforts to finalize the negotiations on this basis.

The European Council invites the Commission to elaborate a good negotiated outcome of the Round encompassing substantial and credible results in all major areas, consistent with the objectives of the European Communities.

It asks the Commission to keep the Council closely informed of the results obtained.

CO-OPERATION IN THE SPHERES OF JUSTICE AND HOME AFFAIRS

Free movement of persons, immigration and asylum

A. The European Council noted the reports on immigration and asylum drawn up at its request by the Ministers responsible for immigration. It considered that they constituted an adequate basis for measures to be taken in those areas.

It agreed on the program of work and the timetables laid down and invited the Ministers for Immigration to implement them.

B. The European Council took note of the report by the Co-ordinators' Group on Free Movement of Persons and approved the recommendations made in it.
C. The European Council regretted that it had not yet been possible to resolve the last problem preventing the signing of the Convention between the Member States of the European Communities on the crossing of their external frontiers. The European Council invited the Presidency to collaborate with the two Member States concerned in actively seeking a solution for this problem.

D. The European Council requests the Co-ordinators to examine what the structure of the European Information System should be and to take care that the technical and legal provisions - including the protection of personal privacy - are being taken to build the system.

In view of the need for a speedy conclusion of these activities, it is desirable in the first place to establish whether the arrangements already existing between certain Member States may also apply to all the Member States.

Europol

The European Council agreed on the creation of a European police office (Europol) the initial function of which would be to organize the exchange of information on narcotic drugs at the level of the Community's twelve Member States. The European Council instructed the TREVI Ministers, in collaboration with the Commission, to take such measures as were needed to allow Europol to be set up at an early date.

Drugs

The European Council took note of the report by the European Committee on the Fight Against Drugs (CELAD).

It invited the Institutions of the European Community to employ all means to ensure that the act setting up the European anti-drug monitoring body could be adopted before June 30, 1992.

In the context of the widest possible information on drug problems the European Council supported the organization, during the second half of 1992, of a European Week to promote the prevention of drug use.

The European Council invited CELAD to continue its function of co-ordination and to ensure that the various responsible bodies lost no time in implementing the European program for the fight against drugs adopted by the European Council in Rome on December 14, 1990.

Consequences of the draft Treaty on European Union

The European Council instructed the competent Council bodies and the Coordinators' Group on Free Movement of Persons to collaborate with the Commission on the examination of the consequences of the draft Treaty on European Union on proceedings in these areas, so that the relevant provisions of the future Treaty might be effectively applied as soon as that Treaty entered into force.

FOOD SUPPLY SITUATION IN MOSCOW AND ST. PETERSBURG

The European Council expressed its preoccupation with the critical food supply situation in Moscow and St. Petersburg, and agreed that the Community should take concrete rapid steps to help the populations of these cities.

The Member States will respond positively to requests from the Commission for making logistic experts available.

It asked the Commission to come forward with specific proposals and the Economic and Financial Council of Ministers to examine at its session on December 17, 1991 the specific financial aspects of a Community action, including the question of credit guarantee.
EUROPEAN POLITICAL COOPERATION

Middle East

- The European Council adopted the declaration on the peace process in the Middle East in Annex 1.
- The European Council welcomes the release of further hostages in Lebanon. It expresses its gratitude to the Secretary General of the United Nations for his efforts in this respect.

The European Council deplores that the German nationals Heinrich Strübig and Thomas Kemptner are still being detained in Lebanon.

The European Council urges all governments and personalities who are able to contribute to the solution of the hostage problem, to continue their efforts towards an unconditional release of all persons who are detained without legal procedure.

The hostage question in Lebanon will not be resolved until all hostages have been released.

The European Council welcomes the fact that the Secretary General of the United Nations has declared his readiness to continue his efforts.

Developments in the Soviet Union

The European Council discussed recent developments in the Soviet Union and adopted the declaration in Annex 2.

Policy regarding new European states

The European Council asked Ministers of Foreign Affairs to assess developments in Eastern Europe and in the Soviet Union with a view to elaborating an approach regarding relations with new States.

Racism and xenophobia

The European Council adopted the declaration in Annex 3.

Enquiries in the bombing of flights PAN AM 103 and UTA 772

Recalling the declaration issued by the Community and its member States on December 2, the European Council takes a most serious view of accusations against Libyan nationals in connection with the bombings of flight Pan Am 103 in December 1988 and of flight UTA 772 in September 1989. The European Council reaffirms its condemnation of all acts of terrorism, wherever and by whomever committed.

The European Council has noted the demands made of the Libyan authorities by the Governments of France, the United Kingdom and the United States on November 27. It fully endorses these demands and calls upon the Libyan authorities to comply promptly and in full.

ANNEX 1

DECLARATION ON THE PEACE PROCESS IN THE MIDDLE EAST

The European Council attaches great significance to the Middle East Peace Conference in Madrid, which has launched a process of negotiations on the basis of UN Security Council Resolutions 242 and 338 which should lead to a just and comprehensive solution to the Arab-Israeli conflict and the Palestinian question. On the basis of the
principles which have long governed their position, the Community and its member States are determined to continue to undertake all possible efforts alongside the United States and the Soviet Union to support this process. In Madrid they pledged their constructive partnership in all phases of the negotiations.

The European Council considers it of vital importance that the momentum gained at Madrid is not dissipated on procedural matters. It noted that the second round of bilateral negotiations has been convened in Washington. These negotiations should be pursued in good faith by all parties. Only then may the way be opened to movement on substance and meaningful confidence building measures. The European Council considers a halt to Israel's settlement activity in the Occupied Territories an essential contribution to creating the stable environment which progress in the negotiations requires. Renunciation of the Arab trade boycott is another.

With regard to the situation in the Occupied Territories, it is important that both sides show restraint and that Israel abide by the provisions of the Fourth Geneva Convention. The European Council looks forward to a tangible improvement in the situation in these territories, even before the putting in place of interim or other arrangements. In this respect it noted reports indicating that since the Conference in Madrid, the level of violence there has diminished. Indeed, this Conference has led to an atmosphere of hope, both in the Occupied Territories and elsewhere, which should not be disappointed.

The European Council reaffirms the commitment of the Community and its member States to make an active practical contribution to progress in the multilateral phase of the negotiations on regional cooperation. It expresses the hope that all parties in the region will participate in these negotiations. The European Council considers that the bilateral and multilateral agendas should go hand in hand, each one reinforcing the other. However, regional cooperation cannot progress faster than movement towards a political settlement. Given its close ties with all the parties involved, the Community and its member States are determined to remain in close contact with all participants and to do all they can to promote significant steps in the direction of a comprehensive, just and lasting settlement.

ANNEX 2

DECLARATION ON DEVELOPMENTS IN THE SOVIET UNION

The European Council took note of the decision of the Republics of Byelorussia, Ukraine and Russia to form a "Commonwealth of independent States", which other Republics have been invited to join. It also took note of President Gorbachev's statement on December 9, 1991.

The European Council underlines the necessity for a constructive dialogue among all parties concerned to ensure that the process of transformation of the Soviet Union, which has entered a crucial phase, continues in a peaceful, democratic and orderly manner.

The European Council welcomes the fact that the three Republics engaged in this comprehensive process of change have declared that they mutually recognise and respect each other's territorial integrity and the inviolability of the borders existing in the context of their Commonwealth.

The European Council is pleased to note that these Republics have at the same time reaffirmed their readiness to respect the international commitments of the Soviet Union and to ensure single control of nuclear weapons on their territory.

The European Council recalls the importance which the Community and its member States attach to respect for and implementation by all Republics of all provisions of the Helsinki Final Act, the Charter of Paris and other relevant provisions of the Conference on Security and Cooperation in Europe (CSCE) regarding human rights and the rights of persons belonging to national minorities. It also recalls that according to these provisions, the frontiers of all States in Europe are inviolable and can only be changed by peaceful means and agreement. Furthermore,
Community and its member States attach particular importance to necessary measures being taken without delay at the level of the Republics concerned to put into effect the agreements in the field of arms control, nuclear non-proliferation and the effective control and security of nuclear weapons. The Community and its member States also subscribe to the principle that Republics acceding to sovereignty should, for their part, respect the obligations deriving from the external debt of the Soviet Union.

At a moment when these Republics express democratically and peacefully their will to accede to full sovereignty, the Community and its member States wish to open with them, in a spirit of cooperation, a dialogue regarding the development of their mutual relationship.

The European Council also expresses the wish that these Republics develop among themselves the structures of cooperation required to facilitate their insertion in the international community under conditions appropriate to ensure the security, stability and legitimate fulfilment of all.

ANNEX 3

DECLARATION ON RACISM AND XENOPHOBIA

The European Council notes with concern that manifestations of racism and xenophobia are steadily growing in Europe, both in the member States of the Community and elsewhere.

The European Council stresses the undiminished validity of international obligations with regard to combating discrimination and racism to which the member States have committed themselves within the framework of the United Nations, the Council of Europe and the CSCE.

The European Council recalls the Declaration against racism and xenophobia issued by the European Parliament, Council and Commission on June 11, 1986 and, reaffirming its Declaration issued in Dublin on June 26, 1990, expresses its revulsion against racist sentiments and manifestations. These manifestations, including expressions of prejudice and violence against foreign immigrants and exploitation of them, are unacceptable.

The European Council expresses its conviction that respect for human dignity is essential to the Europe of the Community and that combating discrimination in all its forms is therefore vital to the European Community, as a community of States governed by the rule of law. The European Council therefore considers it necessary that the Governments and Parliaments of the member States should act clearly and unambiguously to counter the growth of sentiments and manifestations of racism and xenophobia.

The European Council asks Ministers and the Commission to increase their efforts to combat discrimination and xenophobia, and to strengthen the legal protection for third country nationals in the territories of the member States.

Lastly, the European Council notes that, in connection with the upheavals in Eastern Europe, similar sentiments of intolerance and xenophobia are manifesting themselves in extreme forms of nationalism and ethnocentrism. The policies of the Community and its member States towards the countries concerned will aim to discourage strongly such manifestations.
The member states of Western Economic Union (WEU) welcome the development of the European security and defence identity. They are determined, taking into account the role of WEU as the defence component of the European Union and as the means to strengthen the European pillar of the Atlantic Alliance, to put the relationship between WEU and the other European states on a new basis for the sake of stability and security in Europe. In this spirit, they propose the following:

States which are members of the European Union are invited to accede to WEU on conditions to be agreed in accordance with Article XI of the modified Brussels Treaty, or to become observers if they so wish. Simultaneously, other European member states of NATO are invited to become associate members of WEU in a way which will give them the possibility to participate fully in the activities of WEU.

The member states of WEU assume that treaties and agreements corresponding with the above proposals will be concluded before December 31, 1992.

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