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CONCLUSIONS OF THE EUROPEAN COUNCIL ON
NOVEMBER 29 AND 30 IN DUBLIN

The following is a summary of the European Council's final communique, together with some remarks by the European Commission President, Mr Roy Jenkins, at his joint press conference with the Irish Premier, Mr Jack Lynch:

"This was bound to be a most difficult European Council and has indeed been the most difficult of the nine which I have attended. However, we broke up in a slightly better situation than we began in. From a very early stage I was sceptical about the likelihood of complete success or complete failure. During the last week however I could not reject the possibility of complete failure. This we have avoided thanks to a very responsible Community attitude towards the menaces from the outside world, which undoubtedly played a part.

I will not disguise my feeling that it will be difficult to make a success of the next European Council, and no one can predict a successful outcome of it. The Commission proposals at this European Council were given a general welcome as a framework for the possibility of amending the financial mechanism and providing of further receipts to the United Kingdom."

Mr Jenkins made the following points in answer to questions, which were almost entirely on the British budgetary problem.

- there was a general disposition to remove all three brakes on the operation of the financial mechanism not unconditionally, but as part of a general settlement. The Commission paper also held out the possibility of other measures which would provide expenditure in the United Kingdom, and would explore the possibilities further.
- there was no question of a linkage between fisheries, energy and sheep meat and the budgetary problem. The settlement of the latter was not conditional on agreement on the former. However, the Commission did not dispute the need for solutions to these problems.

Mr Jenkins would not characterize the European Council as a failure, simply as a meeting which showed a solution to the problems was not yet agreed. A great deal remained to be achieved in the future. How quickly Community expenditure could take place to the benefit of the United Kingdom would depend on how quickly the Community decided.

Nor did he agree that the response of the European Council was niggardly.

There was a general recognition that the British problem did pose considerable dangers for Britain and for the Community as a whole. There was a deep feeling that the Community needed to be cohesive in the present international situation.

IRAN

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 members of its staff as hostages in flagrant breach of international law.
2. The European Council strongly reaffirmed the statement which was issued by the foreign ministers of the Nine at their meeting of 20 November in Brussels. It is fundamental that diplomatic missions should be protected. The failure to uphold this principle

and the taking of hostages to exert pressure on governments are totally unacceptable. It is the duty of all governments to oppose energetically such a breach of international law.

3. The nine member states of the European Community fully respect the independence of Iran and the right of the Iranian people to determine their own future. They are conscious of the importance which the Iranian people attach to the changes which have taken place in their country. But in the same measure as they respect the rights of Iran they call on Iran to respect fully the rights of others and to observe the established principles that govern relations between states. Respect for these principles is essential to the effort to secure order and justice in international relations which is in the interest of all states including Iran.

4. The governments of the Nine, supported by public opinion in their countries, expressed in particular by the European Parliament, solemnly appeal to Iran to respect these fundamental rights and duties so long established in international law. They urge most strongly that the Iranian authorities take action immediately to release the hostages in complete safety and allow them to return to their own country.

ECONOMIC AND SOCIAL SITUATION

PROSPECTS FOR THE COMMUNITY ECONOMY

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 co-ordinated economic approach agreed at the European Council in Bremen, the objectives sought, particularly maintaining growth and combatting 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 combatting 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 co-ordinated 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 Community industry must continue to enable it to adapt more quickly to new patterns of demand. The present difficulties require an improved co-ordination 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 industrialised 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.

Even with the down-turn 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

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 co-ordinated 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.

TELEMATICS

The European Council discussed the questions raised in a Commission communication 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

The European Council held an exchange of views on convergence and budgetary questions. They re-affirmed the conclusions reached at their meetings in Brussels and Paris 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 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 per cent 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.

ENERGY

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 December 4 to take a final decision on national import objectives for 1980.

The European Council confirmed its resolve to develop indigenous energy resources, particularly coal, nuclear and hydrocarbons and to promote the research and development programmes in the energy field with particular regard to renewable energy resources.

REPORTS ON EUROPEAN UNION

The European Council received and noted the reports by the Foreign Ministers 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 to 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.

