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## EC SUMMIT DISCUSSES THE MIDDLE EAST AND RELATIONS WITH THE UNITED STATES

The European Summit meeting of the Heads of State and Government of the ten member countries of the European Community which took place in Brussels on June 28-29 was chiefly concerned with the current situation in the Middle East and the recent U.S. measures on European steel exports and the Siberian natural gas pipeline.

In addition to the communique, Wilfried Martens, Prime Minister of Belgium and President of the Council, announced at the conclusion of the meeting that the EC would suspend the signing of the second financial protocol between the European Community Israel and postpone the next ministerial meeting on EC-Israeli co-operation.

The full text of the official communique follows:-

### "European Community - United States Relations

The European Council had a detailed discussion of the development of economic relations between the European Community and the United States.

In particular, the European Council considered that it was in the interests of the world economy to adhere to the lines of policy agreed by the participants at Versailles. It confirmed its intention for its part of doing so to the full.

It considered that a lowering of interest rates was a prerequisite for the recovery of the world economy and expressed the hope that the US Administration and Congress will take the necessary decisions to resolve the problem of the budget deficit.

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So far as trade policy issues were concerned, the European Council confirmed the conclusions of the Ministers for Foreign Affairs, meeting in the Council on 21-22 June, with respect to the decisions or intentions announced by the United States concerning steel markets, and export and licencing of equipment for inclusion in the gas pipeline, and those concerning the common agricultural policy.

The European Council emphasised its view that the maintenance of the open world trade system will be seriously jeopardised by unilateral and retroactive decisions on international trade, attempts to exercise extraterritorial legal powers and measures which prevent the fulfilment of existing trade contracts. The European Council expressed its concern at these recent developments which could have adverse consequences for their relations with the United States.

The European Council therefore considered that it was of the highest importance:

- a) to defend vigorously the legitimate interests of the Community in the appropriate bodies, in particular the GATT,
- b) to make sure that the Community, in managing trade policy, acts with as much speed and efficiency as its trading partners,
- c) that a genuine and effective dialogue take place between those in the United States and the Community responsible for decisions in the areas of possible dispute. This dialogue should be instituted as a matter of urgency. The Community for its part is prepared to make a constructive contribution to this dialogue.

#### Economic and Social Situation, Investment Policy

The European Council discussed the economic and social situation on the basis of the Commission report. It confirmed the conclusions it had reached in March regarding a co-ordinated policy for combatting unemployment by promoting productive investment, increasing competitiveness and productivity as well as the development of a Community industrial strategy based on a technology and innovation policy. It agreed to step up efforts in the following three areas:

##### 1. Modernization of European Economic Structures

This objective can be attained only if investment is developed purposefully. In line with its conclusions in March, the European Council welcomed with interest the guidelines proposed by the Commission in its report.

It calls upon the member states to take account of the priority to be given to developing investments when formulating their economic and budget policies. It asks for practical proposals for its December meeting.

In addition it looks forward to proposals for the development of new technologies, particularly on the basis of the communication of the Commission on Communications.

## 2. Increased Convergence of the Economies of the Community

Development of investment will be a vain hope unless governments manage to convince public opinion, economic circles and both sides of industry of the need to transfer resources in favour of both public and private productive investment.

## 3. A Specific Community Measure to Combat Unemployment, particularly in the case of Young People

The European Council asks the joint Council (Ministers of Finance, Economic Affairs and Social Affairs) to adopt firm decisions, on a proposal from the Commission, at its November meeting.

4. The European Council therefore requests that the discussions in meetings of the Council, particularly that in July on national budgetary guidelines for 1983, should aim at guaranteeing that such guidelines are compatible with common objectives.

## Middle East

1. The Ten maintain their vigorous condemnation of the Israeli invasion of Lebanon. They are greatly concerned about the situation in that country and in particular in Beirut. They believe that the present ceasefire must at all costs be preserved.

This ceasefire should be accompanied on one hand by an immediate withdrawal of Israeli forces from their positions around the Lebanese capital as a first step towards their complete withdrawal, and on the other hand by a simultaneous withdrawal of the Palestinian forces in west Beirut in accordance with procedures to be agreed between the parties.

In order to facilitate this withdrawal, the separation of forces would be controlled during this short transition period by Lebanese forces and, by agreement with the Lebanese government, by UN observers or forces.

2. The establishment of a final peace in the Lebanon requires the complete and prompt withdrawal of Israeli forces from that country as well as the departure of all foreign forces except those which may be authorised by a legitimate and broadly representative government of Lebanon whose authority would be fully reestablished over all its national territory. The Ten support all efforts for the achievement of these objectives.

3. For the present, the Ten have decided to continue their activity to bring relief to the population in distress and, in this context, call on all parties to act in accordance with Security Council resolutions 511 and 512 and to co-operate with the responsible international agencies as well as with UNIFIL. They are also ready in due course to assist in the reconstruction of the country.

4. Anxious to initiate, over and above the settlement on the Lebanese problem, the lasting restoration of peace and security in the region, the Ten wish to see negotiation based on the principles of security for all states and justice for all peoples. All the parties concerned should be associated with these and thus should accept one another's existence. Israel will not obtain the security to which it has a right by using force and creating "faits accomplis", but it can find this security by satisfying the legitimate aspirations of the Palestinian people, who should have the opportunity to exercise their right to self-determination with all that this implies.

They believe that for negotiations to be possible the Palestinian people must be able to commit themselves to them and thus to be represented at them. The position of the Ten remains that the PLO should be associated with negotiations.

The Ten wish to see the Palestinian people in a position to pursue their demands by political means and wish that the achievement of these should take account of the need to recognise and respect the existence and security of all.

#### Latin America

The European Council has examined the state of the relations of the Ten with the countries of Latin America and the Carribean.

It confirmed the lively interest that the Ten attach to the development of their relations with the peoples of this part of the world, with so many links with Europe and called upon to play an expanding role on the world stage. In this spirit it instructed

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Ministers to study appropriate means to strengthen co-operation between the Ten and this region.

The European Council asked the Community institutions to pursue actively the study with which they had already been entrusted of the problem of aid to Central America. It also discussed the means of helping, with the agreement of the countries concerned, to reduce tension and promote peace in this latter region.

### Iraq-Iran

The Ten express their deep concern at the continuation of the damaging conflict between Iraq and Iran, which is destructive for the two countries and seriously threatens the security and stability of the region.

They repeat the appeal which they made on 24 May for an end to hostilities and a negotiated settlement.

They call for an intensification of the peace efforts currently under way, and declare themselves ready to assist in these."

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