

THE EUROPEAN COUNCIL

BRUSSELS
28-29 JUNE 1982

Documents in the dossier include:

Conclusions

Session of the European Council
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European Council in Brussels

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EC Summit Discusses the Middle East and Relations with the United States

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Session of the European Council

Brussels, 28 and 29 June 1982

Conclusions

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 coordinated policy for combating 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 investment 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.

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 the 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 cease-fire must at all costs be preserved.

This cease-fire 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 transitional 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 authorized 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 cooperate 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 of the Lebanese problem, the lasting restoration of peace and security in the region, the Ten wish to see negotiations 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 the 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 recognize and respect the existence and security of all.

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.

Latin America

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

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 ministers to study appropriate means to strengthen cooperation 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.

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 the Versailles summit. 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.

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 and 22 June, with respect to the decisions or intentions announced by the United States concerning steel markets, and export and licensing of equipment for inclusion in the gas pipeline, and those concerning the common agricultural policy.

The European Council emphasized its view that the maintenance of the open world trade system will be seriously jeopardized 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.

5. European Council in Brussels

1.5.1. The European Council met for the second time this year in Brussels on 28 and 29 June with Mr Wilfried Martens, Prime Minister of Belgium and President of the Council, in the chair. Mr Thorn and Mr Ortoli represented the Commission.

The European Council's activities were dominated by topical issues—the conflict in the Middle East and the measures recently taken by the United States¹ occupied the Heads of State or Government for most of the meeting. The progress made in the membership negotiations with Spain and Portugal was also considered.

The European Council discussed the economic and social situation against the background of the conclusions reached at the March meeting.² It was agreed to step up efforts to modernize economic structures, help national economies converge and combat unemployment, particularly youth unemployment.

The Commission had prepared three memoranda—on relations with the United States, on the economic and social situation and on investment incentives—as a basis for the European Council's discussions.

Conclusions of the European Council

European Community — United States relations

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Economic and social situation, investment policy

1.5.3. 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 coordinated policy for combating 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 Points 2.2.41 to 2.2.46.

² Bull. EC 3-1982, point 1.3.1 et seq.

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 investment 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.

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.

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.

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 the common objectives.'

Middle East

1.5.4. '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 cease-fire must at all costs be preserved.

This cease-fire 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 transitional 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 authorized by a legitimate and broadly representative Government of Lebanon whose authority would be fully re-established 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 cooperate 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 of the Lebanese problem, the lasting restoration of peace and security in the region, the Ten wish to see negotiations 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 the 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 recognize and respect the existence and security of all.'

Iraq-Iran

1.5.5. '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.'

Latin America

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

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 Ministers to study appropriate means to strengthen cooperation 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.'

Statements and comments

1.5.7. When the European Council meeting ended on 29 June, the President of the Commission and the President of the Council held their usual press conference and the Heads of State or Government issued separate statements.

The President of the Council, Mr Martens, made statements on enlargement and on the Middle East on the basis of the guidelines laid down by the Heads of State or Government.

On enlargement, Mr Martens said that the European Council had confirmed its previous statements, particularly the one made in London in November 1981,¹ on the Member States' resolve to make progress with the accession negotiations; at the same time it had asked the Commission to list the problems which enlargement poses for Community policies and for each of the Member States.

On the Middle East, Mr Martens said that the Heads of State or Government had had a detailed discussion of the situation in Leba-

non and the conflict in the Middle East and had agreed to confirm that the signature of the second Financial Protocol between the Community and Israel would be deferred, as would the next ministerial-level meeting of the EEC-Israel Cooperation Council. He stressed that the Member States were not selling any military equipment to Israel at present.

1.5.8. The President of the Commission, Mr Thorn, expressed his satisfaction that the European Council had reverted to the form it was originally intended to take, making possible a free and flexible discussion and a frank exchange of views leading to an effective analysis of the situation.

On enlargement, he stated that it was important to dispel any ambiguity about the Ten's political intentions: these had not changed.

1.5.9. Some of the Heads of State or Government took the opportunity to make statements on the more particularly 'European' issues of enlargement and relations between the Community and the United States which expressed their individual views. Mr Mitterrand, for instance, described the measures taken by the Americans² as 'vexatious, unfair and dangerous' and 'veiled protectionism', accusing Washington of grave breaches of solidarity.

Mr Spadolini, referring to the Versailles Summit, considered that there was no point in holding summits if the results were to be contradicted afterwards; he added that steps would be taken at Community and bilateral level to ensure that no hasty measures were introduced that might lead to a trade war.

Standing in for Mrs Thatcher, who had to leave Brussels before the meeting ended, Mr Pym pointed out that the British Prime Minister had voiced her concern about the American measures to President Reagan when she was in the United States. Mr Pym felt that the text finally adopted was a fair balance between the concern caused by

¹ Bull. EC 11-1981, point 1.1.5.

² Points 2.2.41 to 2.2.46.

America's decisions and the wish to see the problems resolved by discussion and negotiation.

1.5.10. As regards the enlargement of the Community to take in Spain and Portugal, Mr Mitterrand referred to the problems it entailed both for the Member States and for the Community. The stocktaking which the European Council was asking the Commis-

sion to undertake did not mean that the current negotiations would be held up.

The Italian Prime Minister pointed out that he had suggested that 1 January 1984 should be confirmed as the date for Spain's and Portugal's accession and that a transition period should be determined that would prevent accession from having any adverse effects on the workings of the Community or on its relations with the Mediterranean countries.

No. 21/1982

June 30, 1982

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:-

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