

PROGRESS

The European Council noted that in the five years since their last meeting in London the Community had settled a number of difficult and divisive issues and had a record of solid achievements, notably:

- the convergence of economic and technological policies
- the accession of two new Member States
- the adoption of a Common Fisheries Policy
- the agreement on the Single European Act

SINGLE EUROPEAN ACT

The Heads of State and Government noted that those Member States which have not already done so aim to ratify the Single European Act in time for it to enter into force on 1 January 1987.

SOCIAL AND ECONOMIC COHESION

The European Council recalled the Single European Act's provisions concerning social and economic cohesion and The Hague conclusions on the same subject.

In this context, the Council takes note of the Commission's intention to present proposals, after M. Delors has visited Heads of State and Government, in accordance with The Hague commitment, in order to develop structural policies and to proceed with the reform of the Funds, as provided in the Single European Act.

The European Council urges the Council of Ministers to adopt the measures necessary to attain the aforementioned objective.

The European Council also notes the importance of cohesion in the implementation of the Internal Market and other Community policies.

THE CHALLENGE: BUSINESS AND JOBS

Economic and social progress and the constant improvement of the living and working conditions of the people of Europe are central goals of the Community. The Community must be a major force for growth in the 1980s and 1990s as it was in the 1960s.

The growth of business and enterprise and all productive activities is essential to tackle the scourge of unemployment, particularly long-term and youth unemployment.

To create the conditions for this, the Community must work to break down the remaining barriers to trade between Member States, reduce red tape and open up opportunities so that European enterprise can flourish in all Member States.

The European Council stressed the importance of the growing convergence of economic policy in all the Member States over the last four years. This has led to reduced inflation, now estimated by the Commission to be likely to fall to 3% in 1987, the lowest Community average for 20 years. Reduction in unemployment and convergence in living standards were less satisfactory.

Reduction in interest rates is desirable.

The European Council reaffirmed its commitment at The Hague to the cooperative growth strategy. It welcomed the priority being given to work aimed at helping to

create the conditions for establishing non-inflationary growth and a substantial growth in employment, including measures:

- to promote long-term prosperity and job creation through the completion of the internal market;
- to achieve sustained employment growth;
- to lighten regulations hampering business;
- to help small and medium-sized enterprises make a dynamic contribution to the creation of prosperity and jobs; and
- to encourage productive investment.

The European Council invites the Economic and Finance Council to resume its consideration of the EMS in order to strengthen the convergence of economic policies and monetary stability in Europe.

The Council invited the President of the Commission to report quarterly to the Economic and Finance Council on progress being made in the cooperative growth strategy.

The European Council agreed that strengthening the open world trading system on the basis of a fair balance of rights and obligations is crucial to this strategy and to the future prosperity of both industrialised and developing countries. The Community played a leading role in the successful launch of the new round of Multilateral Trade Negotiations. The success of those negotiations will increase opportunities for EC export trade and will make an important contribution to growth and employment, not least in the key new service industries.

The Council called on Japan to take urgent and effective steps to ensure that imported goods are able to compete freely in the Japanese market and, in specific market sectors, to reduce the massive and still growing trade imbalance with the Community. It considered that the ending of discrimination of the type applied to imported alcoholic drinks would be a test case of Japan's willingness to open its markets to foreign competition. It invited the Council to conduct a thorough review of other actions to achieve a more balanced trading relationship; and called on the

Commission to identify other sectors in which action should be pursued to remove barriers to trading in the Japanese market.

THE SINGLE LARGE MARKET

The European Council welcomed the steady acceleration of progress on the internal market over the last year, and looked forward to still faster progress when the Single European Act enters into force.

The Heads of State and Government noted the substantial results recently reached by the Internal Market Council which completed work on nine out of a package of thirteen measures proposed by the Presidency. They underlined the importance which they attached to completing the package by the end of the year. They asked the Member States concerned to lift their outstanding reserves on two items. On the two remaining items concerning public purchasing and standardisation in the fields of information technology and telecommunications they agreed to instruct their Permanent Representatives to reach agreement before the end of the year. They considered that the completion of the package would be a clear signal to business of

the Community's determination to complete the internal market by the end of 1992.

They called on the Agriculture Council to reach decisions on food law measures and veterinary and plant health measures currently before it.

They called for substantial further progress in the Transport Council towards:

- a Community policy for civil aviation encouraging greater competition between airlines and improved services to their customers.
- measures to establish a common shipping policy for the Community, including the freedom to provide shipping services.

Heads of State and Government welcomed the further liberalisation of capital transactions decided in November. They called for decisions next year:

- to achieve the next phase of freer movement of capital throughout the Community;
- to make progress in opening up the market in financial services including insurance in the light of the judgments just given by the European Court of Justice;
- on mutual recognition of testing and certification;
- on the full arrangements for a single market in road haulage by 1992;
- on the continued opening-up of public purchasing;
- on more internal market measures in the Agriculture Council; and
- on faster progress with the creation of a Citizens' Europe, including the freer movement of people and the mutual recognition of professional qualifications.

They noted that fiscal issues would be taken up again by the Council of Economic and Finance Ministers early in 1987 with a view to further progress.

RESEARCH AND TECHNOLOGY

The European Council urged Research Ministers, at their next meeting on 9 December, to reach agreement on the Framework Programme for Community action in research and technological development, an important step towards enabling the Community to reinforce the internal market and compete in the worldwide market for high technology products.

They asked the Commission and the Council to make a special effort to secure agreement on standards and the commitment of operators necessary to enable Europe to compete in the development and marketing of digital cellular radio in the 1990s.

ENCOURAGING ENTERPRISE

The Council welcomed the conclusions of the 20 October Industry Council on reducing regulations on business and the steps taken by the Commission to assess the

impact of all new proposals on business costs and jobs and similarly to review existing legislation.

The Council welcomed the setting up of the Commission task force on small and medium sized enterprises to coordinate action to improve the environment for business.

The European Council also endorsed the principles of the Commission's proposals on help for small businesses, and in particular steps to:

- improve the administrative environment and reduce the fiscal burdens for small firms;
- ensure that existing schemes operate effectively for small firms;
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- help the setting up of new small firms;
- improve the access of small firms to new technology;
- enable Member States to learn from each other's experience.

Heads of State and Government noted the agreement that has been reached to provide Community loans worth 1.5 billion ecu which will be available to small and medium sized enterprises and will help them invest in new technology.

AN ACTION PROGRAMME FOR EMPLOYMENT GROWTH

The European Council, noting the proposals made by the Commission and Member States in this area, emphasised the importance of Community action on jobs designed to:

- encourage better training for both young people and adults;
- help the long-term unemployed back into jobs;
- promote the creation of self employment and of small and medium sized firms;
- improve the workings of the labour market, including ways of increasing part-time and other flexible working patterns, providing better access to training for disadvantaged groups, and

encouraging employment for such groups in inner city areas.

They called on the Social Affairs Council meeting next week to adopt an action programme for employment growth based on these priorities.

The European Council undertook to review progress at its next meeting.

The European Council welcomed the progress made in discussions at European level between the social partners and invited the Commission to continue its efforts to encourage this cooperation.

ENVIRONMENT

The European Council noted that good progress had been made in protecting the environment through action within the Community and called for further progress. It emphasised that greater attention needed to be given to the effects on the Community of cross-border problems originating outside the Community's frontiers. It stressed the need to reach cross-border solutions both inside and outside the Community.

TRAVELLERS' ALLOWANCES

The European Council noted the importance attached by several Member States to travellers' allowances. It calls upon the December Council of Economic and Finance Ministers and the Commission to find solutions to these problems, taking into account the concerns of Member States as raised in this Council.

ERASMUS

The European Council called for further consideration of the ERASMUS student mobility programme with a view to reaching a decision at an early Council.

COMMUNITY PROSPECTS FOR 1987

The President of the Commission briefed Heads of State and Government on the discussions set in hand by the Commission under the guidelines given by the European Council in Fontainebleau and by the Single European Act. He covered the financing of the Community, the CAP and the achievement of cohesion.

It was agreed that M. Delors would visit Heads of State and Government to report on the Commission's work. In the meantime, work must continue and decisions be taken in the Council.

SAFEGUARDING THE OPEN SOCIETY

The European Council had a detailed discussion of how further to intensify their cooperation to combat terrorism, illegal immigration and drug trafficking. They agreed that concerted policies to deal with these problems were essential to the goal of achieving free movement within the Community as set out in the Single European Act.

TERRORISM

They agreed that the following principles must govern their common fight against terrorism and those who sponsor terrorist acts:

- no concessions under duress to terrorists or their sponsors;
- solidarity between the Member States in their efforts to prevent terrorist crimes and to bring the guilty to justice;
- concerted action in response to terrorist attacks on the territory of a Member State and to evidence of

external involvement in such attacks.

The Heads of State and Government confirmed the decisions taken by the Twelve in response to evidence of state-sponsored terrorism. The Heads of State and Government welcomed the intention of the governments of France, Greece and Ireland to ratify the European Convention on the Suppression of Terrorism.

COOPERATION BETWEEN SECURITY AUTHORITIES

Heads of State and Government agreed that they must pool their resources to maximise their ability to prevent terrorist acts and to bring those responsible to justice. They agreed also to intensify their cooperation with like-minded countries, including members of the Council of Europe.

ASYLUM SEEKERS

The Heads of State and Government underlined their continued willingness to give asylum according to their national legislation and treaty commitments. They agreed that

asylum should not be granted for economic and financial reasons and that steps must be taken to counter abuse. They invited the relevant Ministers to concert action with a view to ensuring that the right of asylum is not abused.

ACTION BY THE RELEVANT MINISTERS

The European Council asked the relevant Ministers to concert:

- arrangements for extradition. They welcomed the changes being made by the United Kingdom to its extradition laws which will enable it to adhere to the European Convention on extradition;
- measures to deal with the theft and forgery of passports;
- consideration of the role of coordination and possible harmonisation of visa regimes in tightening controls at the Community's external frontiers.
- intensified cooperation on measures to prevent illegal immigration;

At the same time, the Community and the Member States will be examining what further action they can take to simplify frontier procedures within the Community, for the benefit of all their citizens.

In order to strengthen their defences against terrorism while making travel easier for the Community's citizens, they endorsed the action of relevant Ministers in setting in hand a study of how to strengthen controls at the Community's external frontiers. Heads of State and Government agreed to examine the progress made at their next meeting, determined that their solidarity in the face of the terrorist threat to the safety of their citizens should be put into practice at every level of cooperation.

DRUGS

Heads of State and Government decided that the Community and the Member States must continue to contribute to the fight against drug abuse. They endorsed the Seven Point Action Programme of work agreed by Interior Ministers and noted that agreement had been reached for the Community to participate as an observer in the 1987 UN Conference on Drugs.

They agreed on the need to work in close cooperation with the Council of Europe's Pompidou Group to:

- cooperate to thwart and to prosecute those who criminally traffic in illegal drugs;
- coordinate legal action and, in particular, ensure that the assets of someone convicted of illicit trafficking in one Community country will be liable to confiscation throughout the Community;
- exchange Drugs Liaison Officers between EC countries and continue posting such officers to other countries;

- intensify cooperation between police and customs authorities;
- seek recommendations from EC ambassadors in drug producing countries on further ways in which the EC can help.
- concert their contributions to the 1987 UN Conference;
- work closely with other friendly countries;
- draw on each others' expertise in the treatment and rehabilitation of drug addicts and work together to educate teachers, parents and children about the dangers of drug abuse.

Each Member State has its own problems and ways of dealing with them but there are lessons which will apply to all. The European Council called for a report to be made to the next European Council with recommendations for action by the Community and its Member States with particular reference to

- a list of products prohibited throughout the Community.
 - harmonized criminal legislation on drug offences.
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PUBLIC HEALTH

The European Council recalled that at their meeting in The Hague they had requested the Council of Ministers to reach agreement on an action programme against cancer, and agreed that 1989 should be designated European Cancer Information Year. The aim will be to develop a sustained and concerted information campaign in all the Member States on the prevention, early warning and treatment of cancer. They noted with appreciation the work of the Committee of Cancer Specialists which will shortly be reporting and undertook to follow up this report as soon as it becomes available.

The European Council expressed its concern about the rising incidence of AIDS. They noted the link that existed with the drug problem. They stressed the importance of coordinating national campaigns to improve public awareness and information about the disease and prevent its spread.

The European Council expressed its support for the work of the World Health Organisation. They asked the Council of Ministers and the Commission to ensure through the appropriate machinery the effective Community-wide exchange of information about the spread of the disease,

prevention and treatment and to consider what further cooperative measures should be taken by all the Member States. They agreed to consider also the scope for further cooperation in research. This matter should then be considered by Health Ministers.

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