

EUROPEAN COUNCIL ON 29 AND 30 NOVEMBER 1979 IN DUBLIN

CONCLUSIONS OF THE PRESIDENCY

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 re-affirmed 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.

The European Council noted the recent adoption by the Council of Ministers of a Resolution on the re-organisation of working time and asked the Commission to pursue their consultations with the Social Partners.

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.

The Commission is asked to make proposals which will enable the Council of Ministers to pursue the search for appropriate solutions to be reached at the next meeting of the European Council. The President of the Council will convene the European Council as soon as the conditions for such a meeting have been fulfilled.

The European Council recognized the need to reach rapid Community solutions to the problems of fisheries, energy and organization of the market in sheepmeat within the framework of the principles laid down in the Treaty.

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 4 December 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 sources.

The European Council concluded that as energy problems affect all countries in the world no lasting solution of these problems can be achieved without closer understanding and co-operation between the industrialized, the oil producing and the non-oil developing countries. Efforts should be made to promote discussion with oil producing countries with the object of adopting policies in both consumer and producer countries which would allow the transition to a better market equilibrium without serious damage to the economy of the world as a whole. The European Council considers it most desirable that significant and rapid progress be made in all international fora where energy is discussed i.e. the United Nations, OECD/IEA and the Economic Commission for Europe, with a view to establishing a consensus and co-operation on the adjustments required by the changing situation in the world.

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.

The European Council decided that, as has been done previously, these Reports should be published in an appropriate form.

Report of the Committee of Wise Men

The European Council warmly thanked the Committee of Wise Men for the timely presentation of its valuable report on adjustments to the machinery and procedures of the Community institutions, prepared in discharge of the mandate given by the European Council in Brussels in December 1978.

The European Council asked the Foreign Ministers in the appropriate framework to examine the report with a view to preparing the discussion at the next meeting of the European Council.

The European Council decided to publish the report and agreed that the President of the Council would transmit a copy of the report to the Presidents of the other Institutions for information.

The European Council also adopted the following statements on Iran and Cambodia:

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.

CAMBODIA

1. The European Council expressed its deep concern at the tragic situation in Cambodia.
2. It recalled that the European Community and its member States are contributing substantially to international relief efforts now under way. It emphasised the urgent need to ensure that international efforts to bring humanitarian relief to those in need in Cambodia and to Cambodian refugees in Thailand will be fully effective. It appeals to all those in a position to help and in particular to the parties most directly concerned to ensure that humanitarian relief will reach those in need.
3. It expresses its particular concern regarding the dangers confronting the refugee camps on the Thai-Cambodian border as a result of the continuing hostilities.
4. In the view of the Governments of the Nine a solution of the wider problems which confront Cambodia should be based on an independent and neutral Cambodia, with a genuinely representative government, free from any foreign military presence and maintaining friendly relations with all the countries of the region.