

SPECIAL EDITION



EUROPEAN PARLIAMENT

# ACTIVITIES



EUROPEAN COUNCIL  
Luxembourg,  
28 and 29 June 1991

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EUROPEAN COUNCIL

LUXEMBOURG, 28 AND 29 JUNE 1991

PRESIDENCY CONCLUSIONS

The European Council heard a statement by Mr BARON, President of the European Parliament, devoted mainly to outlining the European Parliament's position on current discussions in the Intergovernmental Conference on Political Union and that on Economic and Monetary Union.

#### INTERGOVERNMENTAL CONFERENCES

The European Council took note of the draft Treaty prepared by the Luxembourg Presidency in the light of proceedings at the two Conferences. It welcomed the considerable progress that had been made since the two European Councils held in Rome.

The European Council confirms that the proceedings of these two Conferences should continue in parallel. The final decision on the text of the Treaty on Political Union and on Economic and Monetary Union will be taken by the Maastricht European Council so that the results of the two Conferences can be submitted for ratification simultaneously during 1992 and the new Treaty can enter into force on 1 January 1993.

The European Council considers that the Presidency's draft forms the basis for the continuation of negotiations, both as regards most of the principal points contained in it and the state of play at the two Conferences, on the understanding that final agreement by the Member States will only be given to the Treaty as a whole.

## POLITICAL UNION

The European Council's discussions have gone into greater detail on some issues for which a solution is crucial to the success of the negotiations. It has established the following general guidelines:

### - Principles

The European Council considers that the Union should be based on the following principles, as decided at the European Council in Rome on 13 and 14 December 1990: full maintenance of the "acquis communautaire" and development thereof, a single institutional framework with procedures appropriate to the requirements of the various spheres of action, the evolving nature of the process of integration or union, the principle of subsidiarity and the principle of economic and social cohesion.

The European Council also stresses the importance of establishing Union citizenship as a fundamental element in the construction of Europe.

### - Common foreign and security policy

The Presidency's draft reflects the unanimous desire to reinforce the identity and role of the Union as a political entity on the international scene, as well as the concern to ensure the consistency of all its external activities. The decision-making process for implementation of the common foreign and security policy has still to be examined. Common foreign and security policy will extend to all questions relating to the security of the Union.

The European Council has agreed that the question of strengthening the defence identity of the Union will be decided at the final stage of the Conference. That identity will take account of the traditional positions of certain Member States. The role of the WEU, which is an essential part of the process of European integration, will be clarified.

The Community Member States which are party to the Treaty on the Atlantic Alliance, in accordance with the guidelines established at the recent meeting of NATO Foreign Ministers in Copenhagen, regard the ultimate reinforcement of a European defence identity as an important contribution to the strengthening of the Atlantic Alliance. In the immediate future, they will endeavour to work out common guidelines with a view to the forthcoming NATO Summit in Rome.

- Democratic legitimacy

The European Council considers the Presidency's draft to contain significant proposals strengthening the European Parliament's political, legislative and monitoring role, which must go hand in hand with development of the Union. The European Council has also noted that achieving a consensus on the principle of a co-decision procedure will be an important political part of the final agreement. In the Presidency's view, this procedure will initially be applied to a number of suitable areas, with the possibility of extending it further as the Union progresses.

For some Member States, acceptance of the co-decision principle is linked to overall progress in the development of Community policies, particularly in the social and environmental fields, in accordance with the proposals contained in the Presidency's draft.

- Social policy

The European Council emphasized the need to strengthen the Community's social dimension in the context of Political Union and Economic and Monetary Union. It thinks that the Community's role in this area should be stepped up and its action made more effective, with due regard for the principle of subsidiarity and the respective roles of the Member States and the social partners, in accordance with national practices and traditions. This general approach must not call into question or in any way affect national social security and social protection schemes.

- Economic and social cohesion

The European Council believes that ever closer economic and social cohesion is an integral part of the general development of the Union and it considers that this aspect should be embodied in the Treaty in an appropriate way.

It heard a statement from the President of the Commission on the effects of the policies currently being pursued by the Community from the point of view of economic and social cohesion, and on the outlook in this area. It asked the Commission to clarify the various ideas put forward in the statement in time for the next European Council.

The European Council has already stressed the particular importance in this context of establishing major infrastructure networks at European level.

- Implementation of Community law

The European Council agreed in principle to the approach in the Presidency's draft, designed to improve the implementation of Community law.

- Home affairs and judicial co-operation

The European Council noted with interest the practical proposals submitted by the German delegation, which supplement the work already carried out in this area (see Annex I).

The European Council agreed on the objectives underlying these proposals and instructed the Conference to examine them further with a view to revision of the Union Treaty.

ECONOMIC AND MONETARY UNION

The Intergovernmental Conference has revealed, with its draft Treaty and the draft statute of the ESCB annexed thereto, that there are broad areas of agreement on the basic components of EMU. At the next European Council these draft texts should be finalized according to the guidelines worked out there and in keeping with the European Council's conclusions of 27 and 28 October 1990, recalling the United Kingdom reserve attached thereto.

The European Council emphasizes the need to make satisfactory and lasting progress with economic and monetary convergence as of now, and as part of the first stage of Economic and Monetary Union, with particular reference to price stability and sound public finance.

In this context, the European Council notes that in the near future several Governments intend to submit specific multi-annual programmes designed to secure the requisite progress on convergence, which will quantify the objectives and the means of securing them. The European Council would encourage other Governments to submit such programmes and calls upon the Commission and the ECOFIN Council to report regularly on the implementation of these programmes and on progress with convergence.

#### INTERNAL MARKET

1. The European Council points to the importance for business and consumers and for the future development of the Community of the internal market being completed within the time limits laid down. It notes that three quarters of the measures provided for in the White Paper have been decided. In particular it welcomes the agreement reached at the latest ECOFIN Council on the alignment of VAT rates and excise duties which opens the way to the completion of an area without frontiers on 1 January 1993. The European Council records with satisfaction that the approximation of excise duties on diesel oil will make it possible, as it requested at its meeting in Rome, to substantially reduce distortions of competition in the road transport sector within the context of a comprehensive and coherent transport policy. As regards road transport, liberalization should be extended to transit third countries. The



European Council calls upon the Council to finalize the dossier on the taxation of road transport with reference to the aspects which have still to be examined in depth, namely the tax on commercial vehicles and the subject of tolls. The European Council also noted the recent progress made in the field of insurance, the opening up of public procurement, road safety, controls on the possession of arms and veterinary and plant-health legislation.

The various Community institutions must do everything in their power so that the entire legislative programme required for completing the large market may be adopted by 31 December 1991 at the latest, due regard being had to the time needed for implementation at national level.

2. In this context, the following deserve particular attention during the next half year: public procurement in the service sector, financial services, co-operation between undertakings, and in particular the Statute of the European Company, definitive arrangements in the field of insurance, pharmaceuticals and the veterinary and plant-health sectors. In the field of indirect taxation, all the necessary decisions will have to be taken as soon as possible to give effect to the agreement reached in the ECOFIN Council.

Alongside harmonization of the conditions of competition in the transport sector, the necessary measures will have to be adopted before the end of the year in preparation for the final phase of air transport liberalization; progress will also have to be made before the end of the year on liberalizing cabotage.

On a more general level, the European Council recalled the importance of ensuring that the competitiveness of European industry can develop under favourable conditions. It emphasized in particular the need for the industrial sector to adapt continuously to structural changes, subject to respect for the principles of an open and competitive economy.

3. Lastly, the European Council emphasizes the importance for the credibility of the integration process under way of correct and proper implementation by the Member States of the acts adopted by the Community and ratification of conventions signed by the Member States. It notes with satisfaction that the situation has improved regarding the incorporation of Directives into national law and invites each Government to take all necessary steps to make up for time lost so far and the Commission to report back to it for its next meeting.

#### SOCIAL DIMENSION

The European Council notes that the progress made in the completion of the internal market has not been accompanied by comparable progress in the field of social policy. It emphasizes that the Community, the Member States and the representatives of employers and employees should play a role in the implementation of the principles contained in the "Social Charter" according to their respective responsibilities.

It requests in particular that the discussions begun in the Social Affairs Council on the Commission's action programme for implementing the Charter should be intensified so that the necessary decisions can be reached at an early date, having regard for the specific situation and practices of each Member State.

FREE MOVEMENT OF PERSONS

The European Council welcomes the fact that all the Member States have signed the Convention on Asylum.

The European Council notes with satisfaction that a very important step towards the creation of an area without internal frontiers where persons may move freely under the terms of the Treaty will be accomplished very shortly when full agreement is reached on the Convention between the Member States on the crossing of their external borders.

The European Council requests the Ministers with responsibility in this area to finalize agreement at their meeting on 1 July, taking as their model solutions adopted in the past with a view to overcoming the outstanding difficulty.

The European Council asks the ad hoc Group on Immigration to put in hand without delay the measures necessary for this Convention to be effectively applied, with a view to adoption of those measures as soon as possible after the Convention enters into force. The European Council also instructs the ad hoc Group on Immigration to embark on discussions for a Convention on the protection of individuals in relation to the processing of personal data. Work on that Convention must be completed by 30 June 1992 at the latest.

The European Council also records its agreement to the recommendations submitted by the Co-ordinators' Group and requests that action should be taken on them as soon as possible.

Regarding immigration and the right of asylum, the European Council has agreed on the objectives underlying the German delegation's proposals as set forth in point B of Annex I and requests the Ministers with responsibility for

immigration to submit proposals before the European Council's next meeting in Maastricht.

#### DRUGS

The European Council has taken note of the first report from by the relevant Committee (CELAD) on the implementation of the European Plan to combat drugs. It emphasizes in particular the importance of the recent adoption of Community legislation on money laundering.

It approves the principle of setting up a European Drugs Monitoring Centre on the understanding that the practical arrangements for its implementation, e.g. its size, institutional structure and computer systems, are still to be discussed.

The European Council instructs CELAD to continue work to that end and bring it rapidly to a successful conclusion, in liaison with the Commission and the other relevant political bodies.

Regarding the fight against international drug trafficking and organized crime, the European Council has agreed on the objectives underlying the German delegation's proposals as set forth in point B of Annex I and requests the Ministers with responsibility for drugs matters to submit proposals before the European Council's next meeting in Maastricht.

The European Council emphasizes the importance of ensuring that Community action is taken in close co-operation with the United Nations Plan for combatting drugs.

EXTERNAL RELATIONS

At a time when arrangements for its internal reinforcement are under debate in two Conferences, the Community wishes to reaffirm its determination to play an active and open role externally and seek close co-operation with all other international partners, whether bilaterally or multilaterally.

USSR

1. The European Council heard the Commission report on the situation in the Soviet Union and specifically on the implementation of the guidelines adopted in Rome on 14 and 15 December 1990. It noted with satisfaction that the necessary decisions have now been adopted for granting food aid amounting to ECU 750 million. Food deliveries have begun.

With regard to technical assistance, the figure for the 1991 programme (ECU 400 million) and the implementing arrangements with the Soviet authorities have been adopted.

2. The European Council fully supports the endeavours of the President and the Government of the Soviet Union to accelerate the reforms undertaken and to ease the Soviet Union's integration into the world economy. It considers that a substantial programme for reorganizing and modernizing the economy is necessary.
3. Economic and financial co-operation between the USSR and the Community is intended to foster this process. The Community is ready to continue contributing to this venture in the framework of concerted international

action. In this context, the European Council requests the Commission to put forward proposals on the amount of technical assistance in 1992.

The European Council refers to the wish it formulated at its Rome meeting to see the USSR assume its place in international financial institutions. With regard to the EBRD, the European Council reiterates its desire for a revision of the current provisions which restrict the possibility of loans to the Soviet Union.

4. The European Council invites the Commission - by extension to its Rome II conclusions - to begin exploratory talks on a major agreement between the Community and the USSR covering not only economic questions but political and cultural matters as well.

#### EUROPEAN ENERGY CHARTER

The European Council also noted with satisfaction that the proceedings of the negotiating conference for the preparation of a European Energy Charter would open in Brussels on 15 July 1991 with the aim of adopting, by December 1991, a Charter instituting long-term European co-operation in the energy sectors on the basis of equal rights and obligations for the signatory countries.

#### URUGUAY ROUND

The European Council considers the Uruguay Round to be the first priority in international economic relations, and stresses the importance of concluding these negotiations before the end of this year.

If a balanced agreement covering all areas is to be reached within that period, important policy decisions will have to be taken without delay.

The European Council calls on the Council and the Commission in its capacity as negotiator to continue their efforts to enable the Uruguay Round to come to a satisfactory conclusion.

#### EUROPEAN ECONOMIC AREA

The European Council considers that the creation of a European Economic Area is an important component of the future structure of Europe.

It welcomes the recent decisive progress and fully endorses the two parties' commitment to overcome the remaining obstacles before 1 August, which would enable the agreement to enter into force on 1 January 1993.

#### CENTRAL AND EASTERN EUROPE

The European Council welcomes the progress towards political and economic reform in the countries of Central and Eastern Europe. It recognizes the positive role played by members of G24 in underpinning structural adjustment and democracy and asks all sides to play a full part in that endeavour. The European Council reaffirms its determination to strengthen the Community's links with these countries. It notes with satisfaction the progress achieved to date in the negotiations on Association Agreements with Poland, Hungary and Czechoslovakia and hopes that these negotiations will culminate in the conclusion of overall agreements before the end of October 1991.

The European Council hopes that conditions permitting reinforcement of the links between the Community and the Balkan countries will soon obtain.

#### SITUATION IN YUGOSLAVIA

The European Council examined the course of developments in Yugoslavia. It heard a report from the Ministerial Troika on its return from Belgrade and Zagreb and expressed satisfaction at the results of this mission. However, the European Council remains concerned about the situation in this country and requests the relevant organs of European co-operation to remain seized of this situation and to follow developments closely.

It took note of the fact that Luxembourg has invoked the emergency mechanism in the CSCE framework in view of the extreme gravity of the situation in Yugoslavia.

#### BALTIC STATES

The European Council expresses its deep concern at the continued acts of intimidation and violence which have taken place in the Baltic States since the events in January, most recently in Vilnius on 26 June.

The European Council urges the Soviet authorities to put a stop to all such acts and activities, and to ensure that those that have already taken place are fully and impartially investigated. It notes with satisfaction the recent statement of the Soviet President to this effect.



The European Council against appeals for serious negotiations to be engaged between the Soviet authorities and the three Baltic States with a view to finding a solution which will fulfil the legitimate aspirations of the Baltic peoples.

#### MIDDLE EAST

The European Council examined the state of play on the Middle East peace process and adopted the declaration in Annex II.

It discussed the situation in Iraq and adopted the declaration in Annex III.

#### WESTERN SAHARA

The European Council noted with satisfaction the progress made in the process of self-determination of Western Sahara, in particular the adoption by the Security Council and the General Assembly of the Secretary-General's report, as well as the setting up of the UN Mission for the referendum in Western Sahara (MINURSO). The Community and its Member States will assist in the implementation of the process that is under way.

The European Council reiterates its support for the persistent efforts of the Secretary-General of the United Nations and his special representative to ensure that the process goes forward smoothly.

#### ALGERIA

At the initiative of France, the European Council took note of the situation in Algeria and of the Algerian authorities' request for Community support. It

decided on the principle of balance of payments aid, its amount and the arrangements to be settled, on a proposal from the Commission, at the next meeting of the ECOFIN Council.

#### RELATIONS WITH DEVELOPING COUNTRIES

The European Council is determined that the Community should play its full role in improving the economic and social situation of the developing countries. Lomé IV, which is due to come into force very soon, and the new assistance and economic co-operation programmes in Asia, Latin America and the Mediterranean countries mark the opening of a new era. The European Council reaffirms its conviction that certain aspects with an important bearing on these relations, such as broader-based democracy, respect for human rights, and economic reform, are bound to develop further.

#### RELATIONS WITH THE UNITED STATES, CANADA AND JAPAN

The relations of the Community and its Member States with the United States and with Canada, which are developing on the basis of the joint declarations signed in November 1990, will continue to play a crucial role in the prosperity and security of the Western world.

With the same considerations in mind, the European Community wishes to strengthen its links with Japan on the basis of a similar declaration.

#### SOUTHERN AFRICA

The European Council examined the positive developments in South Africa and adopted the declaration in Annex IV.

The European Council welcomes the South African Government's decision to accede to the Non-Proliferation Treaty, which it considers an important contribution to the stability of the region and to the strengthening of the international nuclear non-proliferation régime.

The European Council welcomes the positive outcome of the negotiations concerning the peace process and democratization in Angola and expresses its appreciation for the mediation carried out by Portugal.

It also hopes that the talks taking place in Rome, under Italian auspices, will lead to an early peaceful settlement of the conflict in Mozambique.

#### HUMAN RIGHTS

The European Council adopted the declaration in Annex V, which should guide the future work of the Community and its Member States.

#### IMPROVEMENT OF EMERGENCY ASSISTANCE

The European Council adopted the declaration in Annex VI.

#### NON-PROLIFERATION AND ARMS EXPORTS

The European Council adopted the declaration in Annex VII.

TROPICAL FORESTS

The European Council notes with pleasure that the Commission, pursuant to the conclusions of the Dublin European Council, has submitted a proposal, prepared together with the World Bank and in consultation with the Brazilian authorities, on a large-scale pilot project for the preservation of the tropical forest.

The European Council supports the broad thrust of the project and confirms that the Community's contribution to the preliminary stage will be US \$15 million in financial support, to which contributions from the Member States will be added. It requests the other participants in the London Economic Summit to confirm that they too will contribute.