

**THE EUROPEAN COUNCIL**

**ROME  
14-15 DECEMBER 1990**

Documents in the dossier include:

*Rome European Council*

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*Press Conference by President Delors before the Rome European Council  
Strasbourg, 12 December 1990*

# I — Rome European Council

## Rome, 14 and 15 December

1.1. With the Italian Prime Minister, Mr Andreotti, in the chair, this meeting of Heads of State or Government of the Member States was attended by Mr Delors, President, and Mr Andriessen, Vice-President, representing the Commission. It first heard a statement by Mr Barón Crespo, President of the European Parliament, on the situation in the Community and Parliament's views on the questions to be discussed at the two Intergovernmental Conferences.

The European Council held an in-depth discussion on the Community's internal development and on the contribution it plans to make towards shaping the new face of Europe.

It expressed its determination to define the stages in the process of transforming the Community into a political union, which will act as a focus of stability in Europe.

It noted with satisfaction all the preparatory work designed to serve as a basis for the Intergovernmental Conference on Political Union.

Without prejudice to other subjects raised by Governments or by the Commission in the preparatory work, it asked the Conference to give particular attention to democratic legitimacy, common foreign and security policy, European citizenship, and the extending and strengthening of Community action.

Moving on to the organization of the Intergovernmental Conferences, the European Council confirmed that they should proceed in parallel and be concluded rapidly and at the same time, so that the results could be submitted for simultaneous ratification by the end of 1992 if possible.

On the internal market, the European Council took note of the Commission's progress report, observing that the main features of the European internal market were now in place. It called for rapid completion of proceedings on VAT and excise duties, and welcomed the Commission proposal for

a major infrastructure network. It asked for every effort to be made to ensure that all the internal market measures embodied in the programme annexed to the Commission communication were adopted in 1991.

Regretting the delay in work in the free movement of persons, the European Council asked that all the necessary decisions be taken under the Single Act, particularly on the crossing of external borders. It took note of the recent reports on immigration, and invited the Council and the Commission to consider the most appropriate measures regarding assistance to countries of emigration.

It then considered the situation regarding the social dimension and stressed the importance of pressing ahead more actively with application of the action programme for the implementation of the Social Charter.

The European Council noted the considerable importance attaching to the systematic and sustained strengthening of the action taken by the Community to combat drugs. It stressed the importance of the role played by Celad and asked the Council to reach an agreement on money laundering.

The European Council then took general stock of external relations questions.

In particular, it expressed the hope that the forthcoming ministerial conference between the EEC and EFTA would enable decisive progress to be made, and welcomed the completion of work on the new Mediterranean policy.

It called for closer political and economic links between the Community, the Rio Group countries and the other countries of Latin America; it welcomed the accession of Namibia to the Lomé IV Convention and called for a swift examination of the Commission paper on debt relief for the ACP countries.

While regretting the developments in the Uruguay Round negotiations, the European Council stressed the need for a global

approach based on balanced concessions. It asked all parties concerned to show the political will needed to resolve these problems and called on the Commission to step up its contacts in order to conclude a balanced agreement covering all sectors in the shortest possible time.

The European Council then considered the situation in the Middle East and adopted three declarations on the Gulf crisis, the Middle East and the Lebanon.

It also adopted a declaration welcoming the initiatives taken to establish a united, non-racial and democratic South Africa. It recalled that sanctions could be relaxed as soon as the South African Government had taken measures to repeal the Group Areas Act and the Land Acts, and decided to lift the ban on new investments forthwith. It also agreed to intensify the programme of positive measures to assist the victims of apartheid.

There was also a general debate on relations with the USSR and the countries of Central and Eastern Europe, upon which conclusions were adopted.

On the basis of guidelines set out in a report prepared by the Commission as requested by the Dublin European Council, and following consultations with the IMF, the World Bank, the EIB, the OECD and the President of the EBRD, the European Council decided to grant the Soviet Union food aid worth up to ECU 750 million and technical assistance worth ECU 400 million in 1991 to support the reorganization of the Soviet economy. The European Council particularly emphasized energy questions.

Regarding the other countries of Central and Eastern Europe, the European Council called for the swift conclusion of the first set of European Agreements, and agreed that measures should be taken, notably within the G-24 context, to meet the financing requirements of those countries which were not covered by public or private initiatives. It agreed that Community financing could in certain conditions be given over and above that provided by international financial institutions.

The European Council noted that the Council would release the second tranche of ECU 260 million granted to Hungary to support its balance of payments, together with Community support for Czechoslovakia's programme to stabilize and modernize its economy and make its currency convertible.

It approved emergency aid of ECU 100 million for Romania and Bulgaria, and asked the Council to press ahead with examination of the Commission proposals on credit insurance for exports to Central and Eastern Europe.

## Conclusions of the Presidency (Part 1)

1.2. The European Council heard a statement by the President of the European Parliament on the situation in the Community and Parliament's views on the questions to be discussed at the two Intergovernmental Conferences.

1.3. On the eve of the opening of the two Conferences on EMU and Political Union and following the recent CSCE meeting in Paris, the European Council held an in-depth discussion on the Community's internal development and on the contribution it plans to make to shaping the new face of Europe.

With regard to its internal development the Heads of State or Government expressed their determination to complete the large single market within the periods laid down, to continue strengthening economic and social cohesion and to define the stages in the process of transforming the Community into a political union, which will act as a focus of stability in Europe.

For the European Council, the Community's internal development is closely linked with the adoption of an open approach to the world in general and, in particular, with its resolve to cooperate ever more closely with the other European countries. This cooperation must today be expressed in particular by showing active solidarity with the USSR and the countries of Central and Eastern Europe in their efforts to overcome the difficulties they are experiencing.

The European Council adopted the following conclusions:

## Political union

### • References:

Conclusions of the special meeting of the European Council, Dublin: Bull. EC 4-1990, point 1.12

Conclusions of the Council and informal meeting of the Foreign Ministers, Parknasilla: Bull. EC 5-1990, point 1.1.1

Conclusions of the Dublin European Council, 25 and 26 June 1990: Bull. EC 6-1990, point 1.11

Conclusions of the special meeting of the European Council, Rome: Bull. EC 10-1990, point 1.4

Commission opinion on the proposal for amendment of the Treaty establishing the European Economic Community with a view to political union: COM(90) 600; Bull. EC 10-1990, point 1.1.5

Resolution embodying Parliament's opinion on the convening of the Intergovernmental Conferences: OJ C 324, 24.12.1990; Bull. EC 11-1990, point 1.1.2

Council opinion and decision convening the Intergovernmental Conferences: → point 1.1.3

First meeting of the Intergovernmental Conference on Political Union: → point 1.1.7

1.4. The European Council notes with satisfaction all the preparatory work which is to serve as a basis for the Intergovernmental Conference on Political Union.

The Union will be based on the solidarity of its Member States, the fullest realization of its citizens' aspirations, economic and social cohesion, proper balance between the responsibilities of the individual States and the Community and between the roles of the institutions, coherence of the overall external action of the Community in the framework of its foreign, security, economic and development policies and of its efforts to eliminate racial discrimination and xenophobia in order to ensure respect for human dignity.

Without prejudice to other subjects raised by Governments or by the Commission in the preparatory work, the European Council asks the Conference to give particular attention to the following:

### 1. Democratic legitimacy

1.5. In order to strengthen the role of the European Parliament, the European Council asks the Conference to consider the following measures:

- (i) extension and improvement of the cooperation procedure;
- (ii) extension of the procedure for assent to international agreements which require unanimous approval by the Council;
- (iii) involvement of the European Parliament in the appointment of the Commission and its President;

(iv) increased powers on budget control and financial accountability;

(v) closer monitoring of the implementation of Community policies;

(vi) consolidation of the rights of petition and enquiry as regards Community matters.

The European Council also discussed further-reaching reforms on the role of the European Parliament and asks the Conference to consider developing co-decision procedures for acts of a legislative nature, within the framework of the hierarchy of Community acts.

Consideration should be given to arrangements allowing national parliaments to play their full role in the Community's development.

The European Council notes the particular importance which some Member States attach to:

(i) the adoption of arrangements that take account of the special competence of regional or local institutions as regards certain Community policies;

(ii) the need to consider suitable procedures for the consultation of such institutions.

### 2. Common foreign and security policy

1.6. The European Council welcomes the broad agreement on basic principles concerning the vocation of the Union to deal with aspects of foreign and security policy, in accordance with a sustained evolutive process and in a unitary manner, on the basis of general objectives laid down in the Treaty.

The common foreign and security policy should aim at maintaining peace and international stability, developing friendly relations with all countries, promoting democracy, the rule of law and respects for human rights, and encouraging the economic development of all nations, and should also bear in mind the special relations of individual Member States.

To this end, the Conference will in particular address the Union's objectives, the scope of its policies and the means of fostering and ensuring their effective implementation within an institutional framework.

Such an institutional framework would be based on the following elements:

(i) one decision-making centre, namely the Council;

(ii) harmonization and, where appropriate, unification of the preparatory work; a unified Secretariat;

- (iii) a reinforced role for the Commission, through a non-exclusive right of initiative;
- (iv) adequate procedures for consulting and informing the European Parliament;
- (v) detailed procedures ensuring that the Union can speak effectively with one voice on the international stage, in particular in international organizations and *vis-à-vis* third countries.

The following elements should be considered as a basis for the decision-making process:

- (i) the rule of consensus in defining general guidelines; in this context, non-participation or abstention in the voting as a means of not preventing unanimity;
- (ii) the possibility of recourse to qualified-majority voting for the implementation of agreed policies.

As regards common security, the gradual extension of the Union's role in this area should be considered, in particular with reference, initially, to issues debated in international organizations: arms control, disarmament and related issues; CSCE matters; certain questions debated in the United Nations, including peacekeeping operations; economic and technological cooperation in the armaments field; coordination of armaments export policy; and non-proliferation.

Furthermore, the European Council emphasizes that, with a view to the future, the prospect of a role for the Union in defence matters should be considered, without prejudice to Member States' existing obligations in this area, bearing in mind the importance of maintaining and strengthening the ties within the Atlantic alliance and without prejudice to the traditional positions of other Member States. The idea of a commitment by Member States to provide mutual assistance, as well as proposals put forward by some Member States on the future of Western European Union, should also be addressed.

### 3. *European citizenship*

1.7. The European Council notes with satisfaction the consensus among Member States that the concept of European citizenship should be examined.

It asks the Conference to consider the extent to which the following rights could be enshrined in the Treaty so as to give substance to this concept:

- (i) civil rights: participation in elections to the European Parliament in the country of residence; possible participation in municipal elections;

- (ii) social and economic rights: freedom of movement and residence irrespective of engagement in economic activity, equality of opportunity and of treatment for all Community citizens;

- (iii) joint protection of Community citizens outside the Community's borders.

Consideration should be given to the possible institution of a mechanism for the defence of citizens' rights as regards Community matters ('ombudsman').

In the implementation of any such provisions, appropriate consideration should be given to particular problems in some Member States.

### 4. *Extension and strengthening of Community action*

1.8. The European Council notes that there is a wide recognition of the need to extend or redefine the Community's competence in specific areas.

It asks the Conference to bear in mind, *inter alia*, the following areas:

- (i) the social dimension, including the need for social dialogue;
- (ii) economic and social cohesion among the Member States;
- (iii) improved protection of the environment in order to ensure sustainable growth;
- (iv) the health sector and in particular the combating of major diseases;
- (v) a research effort commensurate with the development of the Community's competitive capacity;
- (vi) an energy policy aiming at greater security and efficiency, bearing also in mind cooperation in the whole of Europe;
- (vii) providing the Community with major infrastructures, in order also to permit the completion of a trans-European network;
- (viii) safeguarding the diversity of the European heritage and promoting cultural exchanges and education.

It should also be considered whether and how activities currently conducted in an intergovernmental framework could be brought into the ambit of the Union, such as certain key areas of home affairs and justice, namely immigration, visas, asylum and the fight against drugs and organized crime.

The European Council agrees on the importance of the principle of subsidiarity, not only when considering the extension of Union competence,

but also in the implementation of Union policies and decisions.

The European Council stresses the fact that the Union must have at its disposal all the necessary resources to achieve the objectives that it sets and to carry out the resulting policies.

## 5. Effectiveness and efficiency of the Union

1.9. The European Council discussed how to ensure the effectiveness and efficiency of the Union's institutions.

It agreed that the essential role that the European Council has played over recent years in creating fundamental political momentum will continue. The Conference will consider whether the Community's development towards the Union necessitates an accentuation of this role.

Regarding the Council, the extension of majority voting will be examined by the Conference, including the possibility of making it the general rule with a limited number of exceptions.

Regarding the Commission, the European Council emphasized that extending the responsibilities of the Union must be accompanied by a strengthening of the Commission's role and in particular of its implementing powers so that it may, like the other institutions, help to make Community action more effective.

As for the Community's other institutions and organs, the Conference will examine the question of how to improve their effectiveness and efficiency in the light of the suggestions presented by those institutions and by Member States.

## Economic and monetary union

### ● References:

Conclusions of the special meeting of the European Council, Dublin: Bull. EC 4-1990, point 1.7

Commission communication to the Council on economic and monetary union: Bull. EC 7/8-1990, point 1.3.2

Conclusions of the special meeting of the European Council, Rome: Bull. EC 10-1990, point 1.5

Resolution embodying the European Parliament's opinion on the convening of the Intergovernmental Conferences: OJ C 324, 24.12.1990; Bull. EC 11-1990, point 1.1.2

Council opinion and decision convening the Intergovernmental Conferences: → point 1.1.3

1.10. The European Council takes note of the Report by the Committee of Governors of the Central Banks, of the draft statute and of the

draft Treaty on Economic and Monetary Union submitted by the Commission.

The European Council notes that the Intergovernmental Conferences on Political Union and Economic and Monetary Union will open in Rome on 15 December 1990. The Conferences will take due account of the opinions given by the European Parliament and by the Commission under Article 236 of the Treaty.

The European Council confirms that the work of the two Conferences will proceed in parallel and should be concluded rapidly and at the same time. The results will be submitted for ratification simultaneously with the objective of ratification before the end of 1992.

The European Council takes note of the President's report on his discussions with the European Parliament concerning, *inter alia*, the contacts between the Conferences and the European Parliament.

The European Council decides to take the fullest account of the European Parliament's views during the Intergovernmental Conferences and at the time of their conclusion.

## Internal market

### ● References:

White Paper on completing the internal market: an area without internal frontiers: COM(85) 310; Bull. EC 6-1985, points 1.3.1 to 1.3.9

Commission report on progress in completing the internal market: COM(90) 552; Bull. EC 11-1990, point 1.3.2

Commission communication on trans-European networks: → point 1.3.7

Council conclusions on the new VAT arrangements: → point 1.3.4

Council conclusions on the new excise duties arrangements: → point 1.3.5

1.11. The European Council took note of the Commission report on the progress made towards completion of the internal market.

The report shows that the main features of the large European internal market are now present. The credibility which the project has thereby acquired has given rise to a feeling of anticipation on the part of economic operators who, in their turn, are helping to speed up the process.

On the subject of indirect taxation, the European Council took note of the results recently achieved. As regards VAT and excise duties, it considers that proceedings must be completed in the near future and be accompanied by the approximation necessary to satisfy the requirements of a true internal market.

All the advantages of the large market will fully emerge only if it is supported by a major transport, energy and telecommunications infrastructure network. The European Council welcomed the Commission proposal in this area.

The European Council invites the Council, the Commission, the European Parliament and the Member States to make every effort to ensure that all the measures concerning the internal market and embodied in the programme annexed to the Commission communication are adopted in 1991. Since the time available is short, it requests that an assessment be made of the work that remains to be done. The European Council undertakes to take every useful initiative to ensure that the deadline of 1 January 1993 is met.

It underlines the importance of timely implementation and adequate enforcement of agreed measures and notes with satisfaction that the measures taken by the Commission and the Member States to effect the full and rapid incorporation of the directive into national law have made it possible to reduce the delay that has occurred.

## Free movement of persons

- **Reference:**  
Conclusions of the Madrid European Council: Bull. EC 6-1989, point 1.1.7  
Experts' report on immigration policies and the social integration of immigrants in the Community: Bull. EC 9-1990, point 1.2.190

I.12. The European Council notes with regret that a delay has occurred in relation to the programme. It considers it necessary to give full scope to the provisions of the Single Act on the free movement of persons. It wants the necessary decisions, in particular on the crossing of external borders, to be taken at an early date to ensure that the 1 January 1993 deadline is met.

The European Council invites the Commission to submit, on the basis of information to be provided by the Member States, the study which has been announced on measures designed to reinforce the infrastructure necessary for controls at external borders.

The European Council took note of the reports on immigration and asks the General Affairs Council and the Commission to examine the most appropriate measures and actions regarding aid to countries of emigration, entry conditions and aid for social integration, taking particular account of the need for a harmonized policy on the right of asylum.

## Transport policy

- **References:**  
Proposal for a Directive on the harmonization of the structures of excise duty on mineral oils: OJ C 322, 21.12.1990; COM(90) 434; Bull. EC 9-1990, point 1.2.5  
Amended proposal for a Council Directive on the charging of transport infrastructure costs to heavy goods vehicles: COM(90) 540; Bull. EC 11-1990, point 1.3.182

### *Harmonization of conditions of competition*

I.13. The European Council noted the Commission's latest proposals, which address certain aspects of the problem (excise duties on fuel, taxes, tolls). It asks the Council to reach decisions by 30 June 1991.

### *Netherlands memorandum*

I.14. Having taken note of the Transport Council's report on this matter, the European Council requests the Commission and the Council to take the necessary decisions to ensure that the deadline of 1 January 1993 is met. The European Council stresses the importance of making progress on the other aspects of the common transport policy (relationship with the environment, social aspects and major infrastructures).

### *Situation of peripheral countries*

I.15. The European Council calls for special heed to be paid to the situation of the peripheral countries in the context of the common transport policy.

## Social dimension

- **References:**  
Commission communication concerning the action programme for the implementation of the Community Charter of Fundamental Social Rights: COM(89) 568; Bull. EC 11-1989, point 2.1.80  
Commission proposals to the Council for three Directives on atypical work: OJ C 224, 8.9.1990; Bull. EC 6-1990, points 1.3.70 to 1.3.72  
Commission memorandum on the rationalization and coordination of Community vocational training programmes: Bull. EC 7/8-1990, point 1.3.91  
Opinion of the Steering Group on the creation of a European occupational and geographical mobility area and improving the operation of the labour market in Europe: Bull. EC 7/8-1990, point 1.3.85  
Agreement of the Social Dialogue Steering Group: Bull. EC 1/2-1990, point 1.1.91

Third Community action programme on equal opportunities for women and men: COM(90) 449; Bull. EC 10-1990, point 1.3.46

**1.16.** The European Council referred to the need, in the context of European integration, to give equal weight to social aspects and to economic aspects. The establishment of the large single market must result in a genuine improvement in employment and in the living and working conditions of all Community citizens.

The European Council stresses the importance of pressing ahead more actively with the application of the action programme for the implementation of the Social Charter.

This applies in particular to the proposals on health protection and safety at work, which should be adopted without delay in order to ensure that the Community's legislation in the essential area of social protection is complete.

With regard to the other proposals on working conditions and industrial relations (including non-standard employment), vocational training, free movement of workers, the information and consultation of workers and equal treatment for men and women, the European Council requests that proceedings be speeded up, starting with the matters on which rapid progress is possible. It asks that in each case the solutions sought should be those which best serve the spirit of the Social Charter, taking account of the respective responsibilities of the Community, the Member States and the social partners, the aim of creating and developing employment and the need to respect the different customs and traditions of the Member States in the social area.

The European Council emphasizes the importance of the family as an essential aspect of solidarity and social cohesion. It also stresses the importance of the support which young people can bring to European integration and hopes that Community action in both these areas will be extended.

## Combating drugs and organized crime

### ● References:

- Meeting of the European Coordinators' Group on Drugs (Celad), Brussels, 29 and 30 May 1990, and preparation of guidelines for a European programme to combat drugs: Bull. EC 5-1990, point 1.2.250
- Conclusions of the Dublin European Council, 25 and 26 June 1990: Bull. EC 6-1990, point 1.16
- Proposal for a Directive on the manufacture and the placing on the market of certain substances used in the illicit manufacture of narcotic drugs and psychotropic substances: COM(90) 597; → point 1.3.8

Council Regulation (EEC) No 3677/90 laying down measures to be taken to discourage the diversion of certain substances for the illicit manufacture of narcotic drugs and psychotropic substances: OJ L 357, 20.12.1990; → point 1.3.9

Council agreement on the proposal for a Directive on prevention of use of the financial system for the purpose of money laundering: → point 1.3.10

**1.17.** The European Council notes the considerable importance attaching to the systematic and sustained strengthening of the action taken by the Community and its Member States to combat drugs and organized crime.

It asks the bodies responsible to ensure rapid implementation of the programme drawn up by Celad, with particular regard to the objective of reducing demand for drugs. It asks the Council to reach an agreement at its meeting on 17 December on money laundering and expresses the wish that a swift decision should be taken on the principle of a European Drug Monitoring Centre.

The European Council considers that policies towards third countries must take account of the objective of combating drugs.

The role of Celad should be to encourage and coordinate Member States' action at international level.

## External relations

### *Relations with European countries*

**1.18.** The European Council held an in-depth discussion on the Community's relations with other European countries, including the USSR, which are especially important at a time when the groundwork for the new structure of Europe is being established, in particular in the context of the CSCE.

The European Council adopted conclusions on relations with the USSR and relations with the countries of Central and Eastern Europe and these are to be found in Part 2 of the present Conclusions.

### *Relations with the EFTA countries*

#### ● References:

- Conclusions of the Dublin European Council: Bull. EC 6-1990, point 1.18
- EEC/EFTA Ministerial Conference: → point 1.4.12

**1.19.** Given the political importance of the negotiations with these countries, the European Council hopes that the meeting at ministerial level on

19 December 1990 will enable decisive progress to be made towards the conclusion of negotiations next spring.

### *Other third countries*

#### **Mediterranean policy**

- **Reference:** Council conclusions on the implementation of a new Mediterranean policy: → point 1.4.15

1.20. The European Council notes with satisfaction the progress made in redirecting Mediterranean policy, which involves *inter alia* Community support for structural adjustments. It asks the Council to complete its discussions as quickly as possible so that negotiations on the Financial Protocols can be opened.

#### **Relations with the countries of Latin America**

- **References:**
  - Council agreement on guidelines for technical and financial cooperation with developing countries in Latin America and Asia (1991-2000): → point 1.4.33
  - Proposal for a Council decision on general guidelines for technical and financial cooperation with developing countries in Latin America and Asia (1991-2000): → point 1.4.34
  - Ministerial Conference — EEC/Latin American countries of the Rio Group: → point 1.4.39

1.21. The European Council stresses the importance of relations between the Community and the member States of the Rio Group, as well as the other countries of Latin America. It hopes that the Ministerial Conference to be held in Rome on 20 December 1990 will add a new dimension to its political and economic ties.

#### **Relations with the ACP countries**

- **References:**
  - Commission Decision on the conclusion of the Fourth ACP-EEC Lomé Convention: COM(90) 302; Bull. EC 7/8-1990, point 1.4.49
  - Accession of Namibia to the ACP-EEC Lomé Convention: OJ C 295, 26.11.1990; Bull. EC 10-1990, point 1.4.28; → point 1.4.47
  - Commission communication on relieving the ACP countries' debt to the Community: Bull. EC 11-1990, point 1.4.36

1.22. The European Council notes with satisfaction both the entry into force of the new Lomé Convention at the beginning of next year and the planned signing on 19 December 1990 concerning the accession of Namibia to the Lomé Convention. The European Council takes note of the recent

Commission communication concerning relief of the ACP countries' debt to the Community and requests a swift examination of that communication by the appropriate bodies in accordance with international strategy for debt management.

#### **GATT**

- **References:**
  - Council conclusions on the Community position in the Uruguay Round negotiations: → point 1.4.95
  - Uruguay Round Ministerial Conference in Brussels: → point 1.4.94

1.23. The European Council regrets the developments which have occurred in the Uruguay Round negotiations. It stresses that only a global approach based on balanced concessions made by all participants will enable the negotiations to be brought to a successful conclusion. The European Council points out that the aim of the negotiations is to strengthen the open multilateral trading system, so as to make possible the further development of world trade, the extension of the system to new sectors and the introduction of a mechanism for the settlement of disputes which prohibits recourse to unilateral action and on the contrary ensures the application of common rules.

The European Council asks all parties concerned to show the political will needed to resolve these problems and to endeavour to seek constructive solutions to the problems outstanding. The European Council calls upon the Commission as negotiator to step up its contacts with all the participants in order to conclude a balanced agreement covering all sectors in the shortest possible time.

#### **Gulf crisis and the Middle East**

1.24. The European Council discussed the Gulf crisis and the situation in the Middle East and adopted the declarations in Annexes I, II and III.

#### **South Africa**

1.25. The European Council examined the way the situation in South Africa is developing and adopted the declaration given in Annex IV.

#### *Annex I*

#### **Declaration on the Gulf crisis**

- **References:**
  - Declarations by the Community and its Member States in political cooperation: Bull. EC 7/8-1990, points

1.5.9, 1.5.11, 1.5.14 and 1.5.16; Bull. EC 9-1990, points 1.4.2, 1.4.3 and 1.4.4; Bull. EC 11-1990, point 1.5.1

Commission decisions on emergency aid and emergency food aid: Bull. EC 7/8-1990, points 1.4.65 and 1.4.67; Bull. EC 9-1990, point 1.3.18; Bull. EC 10-1990, point 1.4.36

Regulation (EEC) No 3155/90 amending Regulation (EEC) No 2340/90 preventing trade by the Community as regards Iraq and Kuwait: OJ L 304, 1.11.1990; Bull. EC 10-1990, point 1.4.15

Regulation (EEC) No 3557/90 on financial aid for the countries most directly affected by the Gulf crisis: OJ L 347, 12.12.1990; → point 1.4.16

**I.26.** The European Community and its Member States remain firmly committed to full implementation of the UN Security Council resolutions. Complete Iraqi withdrawal from Kuwait and the restoration of Kuwaiti sovereignty and of its legitimate government remain the absolute conditions for a peaceful solution of the crisis.

Security Council Resolution 678 sends the clearest possible signal to Iraq that the international community is determined to ensure full restoration of international legality. The responsibility lies on the Iraqi Government to ensure peace for its people by complying fully with the demands of the UN Security Council, in particular by a complete withdrawal from Kuwait by 15 January.

The European Community and its Member States earnestly hope that implementation of the UN Security Council resolutions can be secured peacefully. To this end, they support a dialogue of the sort President Bush has offered. They also favour action by the UN Secretary-General and hope that the UN Security Council's Permanent Members will remain actively involved as well. They wish Arab countries to continue to play an important role in the efforts for a peaceful solution. The European Community and its Member States underline the value of a contact between the Presidency and the Foreign Minister of Iraq, aimed at securing, in coordination with other members of the international community, full compliance with UN Security Council resolutions.

The European Council expresses relief at Iraq's decision to release all foreign hostages, but underlines its deep concern at Iraq's failure to withdraw, at its oppressive and inhuman occupation of Kuwait and its attempt to destroy the fabric of the country.

## *Annex II*

### **Declaration on the Middle East**

- **Reference:** Conclusions of Rome European Council I: Bull. EC 10-1990, point 1.16

**I.27.** The European Council expresses its dismay at the continuing lack of clear prospects for a solution to the Arab-Israeli conflict and to the Palestinian problem, and at the renewed acts of terrorism and violence. It expresses its deep concern at the rising incomprehension and tension in the Occupied Territories. It renews its call to the parties concerned to refrain from violence which can only engender new violence. It expresses its concern about the Israeli practices of collective reprisals, such as the destruction of houses or restrictions on freedom of movement, and deplors the recent decision to place moderate Palestinians under administrative arrest.

The European Council calls once again on Israel to comply with Resolutions 672 and 673 of the UN Security Council, to act in conformity with its obligations under the Fourth Geneva Convention on the Protection of the Civilian Population, and to cooperate with the United Nations. It welcomes the recommendations by the UN Secretary-General in this regard and fully supports every effort of the UN Security Council to achieve a better protection of the Palestinian population and to promote peace in the area. It reaffirms the determination of the European Community and its Member States to further assist the Palestinian population in its serious plight.

The European Council reiterates its longstanding commitment to a just and lasting solution to these problems, in conformity with the relevant resolutions of the UN Security Council and with the principles expressed by the European Community in its previous declarations. To this end, the European Council reaffirms its support for the principle of convening, at an appropriate time, an international peace conference under the auspices of the UN.

The serious deterioration in the economic situation in the Occupied Territories is a source of great concern to the Community. In this connection, the European Council reaffirms its commitment to the economic and social development of the Palestinian people and considers that, in the new circumstances, the doubling of Community aid to the Occupied Territories decided on by the Strasbourg European Council appears particularly appropriate and timely.

The European Council also considers it vital for all efforts to be made to create the conditions for facilitating and increasing trade between the Occupied Territories and the Community.

As expressed in its Declaration of 28 October 1990, the European Council remains convinced that relations of mutual confidence and cooperation must be encouraged among the countries of the region, with a view to establishing a situation of

stability, security, economic and social well-being, and respect for civil and political rights, to forestalling the recurrence of crises, and to preventing the spread of weapons of mass destruction. The European Community and its Member States remain ready to cooperate actively with the countries concerned to achieve these goals and to contribute to the success of the task entrusted by the relevant resolutions to the UN Secretary-General to examine measures to enhance security and stability in the region. In this connection, the European Council reaffirms the importance of a meaningful and constructive Euro-Arab Dialogue.

### *Annex III*

#### **Declaration on Lebanon**

- **Reference:** Conclusions of the Madrid European Council: Bull. EC 6-1989, point 2.3.6

1.28. The European Council expresses its satisfaction at the implementation of the security plan in greater Beirut following the withdrawal of all militias from the Lebanese capital. It expresses the hope that the recent developments can foster the process of national reconciliation and lead to the full implementation of the Taif Agreements, thus bringing about the restoration of the sovereignty, independence, unity and territorial integrity of a Lebanon free of all foreign troops and enabling the Lebanese people to express their will through free elections.

It appeals to the parties concerned to release all remaining hostages.

The European Community and its Member States reaffirm their commitment to help provide Lebanon with the assistance needed to build its future and view favourably the participation of the Community in the pledging conference for the creation of a Lebanon Assistance Fund.

### *Annex IV*

#### **Declaration on South Africa**

- **References:**
  - Positive measures for the victims of apartheid: Bull. EC 9-1985, point 2.5.1
  - Commission communication on reorientation of the special Community programme of measures to assist the victims of apartheid in South Africa: Bull. EC 6-1990, point 1.4.48
  - Conclusions of the Dublin European Council: Bull. EC 6-1990, point 1.38

1.29. The Community and its Member States have consistently followed developments in South Africa with the greatest attention and have given a favourable reception to the initiatives which have been taken to bring about the abolition of apartheid and the establishment of a united, non-racial and democratic South Africa. They have already expressed approval of the results of the talks between the Government and the ANC, in particular those of the Pretoria meeting in August which opened the way to the negotiation of a new constitution.

They deplore the phase of serious violence through which South Africa is passing which may endanger these developments. They welcome, however, further indications serving to confirm that the process of change already begun is going ahead in the direction advocated by the Strasbourg European Council. They have decided to continue to encourage this process.

Against this background, the European Council has decided that as soon as legislative action is taken by the South African Government to repeal the Group Areas Act and the Land Acts, the Community and its Member States will proceed to an easing of the set of measures adopted in 1986.

As of now, so as to contribute to combating unemployment and improving the economic and social situation in South Africa, and to encourage the movement under way aimed at the complete abolition of apartheid, the European Council has decided to lift the ban on new investments.

At the same time, the Community and its Member States, with the objective of sending a clear signal of political support to the victims of apartheid, and intending to contribute to a new economic and social balance in South Africa, have agreed to strengthen the programme of positive measures and to adapt it to the requirements of the new situation, including requirements related to the return and resettlement of the exiles.

The Community and its Member States hope in this way to be able to contribute to the speeding up of the process under way by sending to all the parties involved in negotiation a concrete sign of support for the establishment of a new South Africa, united, non-racial and democratic, and capable of resuming the place which it deserves in the international community.

### **Conclusions of the Presidency (Part 2)**

- **References:**
  - Agreement between the European Economic Community and the Soviet Union on trade and commercial

and economic cooperation: OJ L 68, 15.3.1990; Bull. EC 1/2-1990, points 1.2.23 and 1.2.24

Conclusions of the special meeting of the European Council, Dublin: Bull. EC 4-1990, point 1.8

Commission plan of action for coordinated assistance from the Group of 24 to Bulgaria, Czechoslovakia, the German Democratic Republic, Romania and Yugoslavia: Bull. EC 5-1990, point 1.3.3

Conclusions of Dublin European Council: Bull. EC 6-1990, point 1.19

Council Regulation (EEC) No 2698/90 amending Regulation (EEC) No 3906/89 in order to extend economic aid given to Hungary and Poland to other countries of Central and Eastern Europe: OJ L 257, 21.9.1990; Bull. EC 9-1990, point 1.3.3

Ministerial meeting of the Group of 24: Bull. EC 7/8-1990, point 1.4.1

Conclusions of the Rome European Council I: Bull. EC 10-1990, points 1.8 and 1.9

Commission communication on measures to strengthen export credit insurance and investment protection and promotion in connection with the countries of Central and Eastern Europe; proposal for a Council Regulation concerning the establishment of a reinsurance pool for export credits to Central and Eastern European countries: Bull. EC 11-1990, point 1.4.3

Council decision authorizing the Commission to negotiate European Agreements with the Czech and Slovak Federative Republic, the Republic of Hungary and the Republic of Poland: → point 1.4.6

Proposal for a Council Regulation introducing a Community guarantee for exports of foodstuffs from the European Community to the Union of Soviet Socialist Republics; proposal for a Council Regulation on urgent action to supply agricultural products to the USSR, Romania and Bulgaria: → point 1.4.2

## Relations with the USSR

1.30. The European Council fully supports the reforms undertaken by the President and the competent authorities of the Union. In order to contribute to their success, it has adopted the following guidelines for the short, medium and long term on the basis of a Commission statement:

In order to satisfy the urgent food and health requirements reported by the authorities of the Union, the Community will be making available to the USSR food aid up to an amount of ECU 750 million, 250 million of which will be in the form of gifts under the 1990 farm budget. The rest will be in the form of a medium-term loan guarantee in accordance with the procedures laid down by the Economic and Financial Affairs Council on 17 December. This aid will be routed in accordance with arrangements to be finalized with the authorities of the Union guaranteeing that the aid actually reaches those for whom it is intended and does not jeopardize the gradual advance towards normality of supplies in accordance with market rules. Such aid will commence as soon as possible and will continue in 1991 under the conditions as stated above, in the light of developing requirements.

Regarding the reorganization and rehabilitation of the Soviet economy, the European Council feels that the Community's role must, above all, be to cooperate with the USSR in order to help it to mobilize its own resources.

The Community will provide as soon as possible technical assistance in the fields of public and private management, financial services, energy, transport and foodstuffs distribution. With reference to the energy sector, technical assistance should give priority to nuclear safety, energy saving, electricity, gas and oil transport systems and the administrative and legal framework.

Technical assistance will be the subject of a practical programme geared to specific projects and will be eligible for overall support of ECU 400 million in 1991 and a sum yet to be determined in 1992, to be released in tranches as projects actually materialize.

In the case of longer-term economic relations in sectors of common interest essential for the development of the Soviet economy, such as energy, telecommunications, transport and the agri-foodstuffs industry, the European Council requests the Commission to propose the instruments and framework for effective cooperation, with due regard for the ideas put forward by the Netherlands, Italy and the United Kingdom.

With regard, more generally, to energy and on the basis in particular of the proposals from the Netherlands Prime Minister and the Commission, the European Council deemed it necessary to institute long-term cooperation in Europe, in order to increase security of supplies, to optimize the exploitation of resources and investment, improve networks, increase trade and ensure more rational use of energy, which—in the light, particularly, of joint responsibility for the environment—will greatly benefit the whole of Europe. The European Council hopes that an international conference can be organized in 1991 to prepare a Pan-European Energy Charter.

The Commission is requested to explore with the Soviet authorities the idea of a major agreement between the Community and the USSR, encompassing a political dialogue and covering all aspects of close economic cooperation and cooperation in the cultural sphere, with a view to concluding such an agreement as quickly as possible and certainly by the end of 1991.

The Community's endeavours in the context of cooperation with the Soviet Union support the objective of the Government of the Union of achieving its gradual integration into the world economy. The Community and its Member States will use their influence to facilitate the USSR's

membership of international financial institutions, in particular the IMF, which must form the main framework for macroeconomic assistance.

The European Council would like the present provisions of the EBRD, which limit the possibility of aid grants for the USSR, to be examined.

The European Council stresses the importance of effective coordination by the Commission of the efforts made by the Community and its Member States acting individually, including efforts in the field of credits granted to ensure the urgent provision of supplies to Soviet industry.

The European Council would like cooperation with the USSR to be given priority by the Council, the Commission and the European Parliament. In particular all the necessary measures, including budgetary decisions, will have to be decided on in time to make it possible for food aid to begin early in 1991 and to enable the Commission to make the necessary arrangements to implement technical assistance as quickly as possible.

### Countries of Central and Eastern Europe

1.31. Right from the start the Community has adopted a clear policy of helping the countries of Central and Eastern Europe to succeed with their political and economic reforms. This policy involves actions and initiatives within the framework of the Group of 24 and bilateral cooperation with each of the countries concerned. The Community hopes to conclude 'European Agreements' as quickly as possible and these will mark a new stage in the Community policy of developing increasingly close relations with those countries.

The general process of reform embarked on with the help of such support is being threatened, however, by external disturbances and constraints arising from, *inter alia*, the Gulf crisis, which are very seriously affecting their financial situation.

The European Council agreed that initiatives will be taken, within the framework of the Group of 24 in particular, to meet the financing requirements

of those countries which are not covered by public or private contributions and which are estimated at USD 4 000 million.

The Community initiative could take the form of financing over and above that provided by international financial institutions, which would be subject to a time-limit and to which the Community and the Member States would contribute, together with the other countries of G-24 and possibly other third countries. Such aid would be conditional. It would be subject to agreement with the IMF and would be granted on a case-by-case basis, with the proviso that it met the real needs and specific conditions of each country in such a way as to ensure maximum effectiveness.

The European Council noted, moreover, that at its meeting on 17 December 1990 the Economic and Financial Affairs Council would adopt the second tranche of ECU 260 million granted to Hungary to support its balance of payments. In addition it confirmed that in the context of G-24 the Community would support the programme undertaken by Czechoslovakia to stabilize and modernize its economy and to make its currency convertible.

The European Council decided on emergency aid of ECU 100 million in the form of food and medicinal products for Bulgaria and Romania. In addition, the European Council called for urgent examination of the problem arising for these countries because of the risk of interruption of their oil supplies. The countries estimated their immediate requirements at approximately ECU 150 million.

The European Council asked the Council to press ahead with examination of the proposals on credit insurance for exports to the countries of Central and Eastern Europe, tabled by the Commission in line with the conclusions of the Dublin European Council on 28 April 1990.

Finally, the European Council stated that it was following recent developments in Albania with great interest, and it expressed the hope that that country would gradually move towards democracy.

PRESS CONFERENCE BY PRESIDENT DELORS

BEFORE THE ROME EUROPEAN COUNCIL ON 14 AND 15 DECEMBER

Strasbourg, 12 December 1990

Introductory remarks

Ladies and Gentlemen,

You have seen the letter from Mr Andreotti, the Italian Prime Minister, setting the agenda for the upcoming European Council.

You know that the European Council is responsible for assessing the progress and problems of European integration. Its role is

- to provide impetus in new areas or in the no-man's land between political cooperation and Community competences - in this case the policies to be implemented towards the Soviet Union and the countries of eastern Europe
- to go beyond the present Treaty - in this case a discussion, an exchange of views, on political union.

Let us look at the four topics in turn: the Gulf crisis, a progress report on the Single European Act, policies towards the Soviet Union and the countries of eastern Europe and, last but not least, political union.

- On the Gulf crisis, you are aware of the recent decisions taken by the Council of Foreign Ministers, of the Community's intention to maintain a presence. A dialogue is beginning in circumstances of which you are well aware between the United States and Iraq and the Community will be there in the person of Mr De Michelis, the President of the Council. Undoubtedly, the situation in the Gulf, and the repercussions and aftermath of the crisis, will be discussed in depth at the dinner of the Heads of State and Government on Friday evening.

Other foreign policy issues will be dealt with concurrently by the Foreign Ministers. The burning topics will almost certainly include the GATT negotiations and I believe that Mr Andriessen will be given an opportunity of reviewing the situation and outlining the conclusions he has drawn.

- On the policies to be implemented vis-à-vis the Soviet Union and the countries of Central and Eastern Europe, I hardly need to remind you why the two are being considered together. It is a matter of equity and political balance.

The European Council will have to answer four questions. Three relate to the Soviet Union, the fourth to the countries of Central and Eastern Europe, given what has already been done and what is now in hand.

The three questions relating to the Soviet Union are:

- (1) What substance are we to give to the trade and cooperation agreement signed between the Soviet Union and the Community, bearing in mind what we now know about the bilateral agreements that certain countries have signed with the USSR ? The Commission will be making proposals on this.
- (2) Is the Community prepared, as an extension to its political declaration in support of Mr Gorbachev's perestroika, to provide backing, at this difficult time, for the reforms proposed or initiated by Mr Gorbachev in the two closely-linked areas of economic reform and institutional reform ?
- (3) Finally, should we - as the last European Council suggested - be thinking in terms of a new broader-based agreement with the Soviet Union that would go beyond the traditional avenues of cooperation and trade and embrace political issues ?

On the countries of Central and Eastern Europe, we will begin by appraising the trade and cooperation agreements signed with those countries, and then move on to the coordination operation mounted by the Commission within the Group of 24 OECD countries.

We will also touch on the Commission's practical proposal for a mandate to negotiate 'European agreements' with the countries of Central and Eastern Europe, which would go further than trade and cooperation agreements, would be more comprehensive in economic terms and would cover political and cultural aspects too, to make these countries feel that they are now part of the European family although the conditions for accession to the Community are not yet satisfied. This in no way pre-empt the future. We need several blueprints for the architecture of the Greater Europe.

That said, the question now, in the wake of the initiatives taken by the Commission in the second half of August, is whether, over and above the activities of the Group of 24, we should consider a special operation to fund the difficult period of transition that these countries are experiencing, in the light of recent developments that have aggravated their situation: the Gulf crisis, the rise in oil prices and the other consequences of that crisis, the dismantling of Comecon rules and the indirect repercussions of German unification on the terms of trade between them and the former German Democratic Republic.

We estimate the deterioration in the balance of payments of the six countries - Hungary, Czechoslovakia, Romania, Bulgaria, Poland and Yugoslavia - at 14 to 18 billion dollars. This allows for uncertainties but our diagnosis tends to coincide with the IMF's assessment of the situation.

These then are the four questions the European Council will have to tackle.

- On political union, the Heads of State and Government will have a third opportunity, in an exchange of views, to clarify what they understand by political union and the points they see as important, whether it be widening the Community's competences, enhancing the democratic legitimacy of the Community and its institutions, the effectiveness of Community action or, finally, the move towards a common foreign and security policy.

Besides the papers we already know about - which include three Parliament reports by Mr Martin, Mr Colom and Mr Giscard d'Estaing - they will have before them the Commission's opinion of 21 October on political union in accordance with Article 236 of the Treaty. They will also have a report produced by the personal representatives of the Foreign Ministers and a note setting out the Foreign Ministers' conclusions drawn up under the responsibility of the President of the Council.

In the normal course of events they should issue a communiqué on political union as they did for economic and monetary union. No doubt it will be less detailed since work is less advanced. After all, work on economic and monetary union began for all practical purposes in September 1988, while work on political union only began in June of this year. But it will lay down the terms of reference for discussions at the Intergovernmental Conference that will open the next day.

- Finally, if time allows, the Commission will report on implementation of the Single European Act at the Italian Presidency's request.

The record is positive on the whole but I will be obliged to mention a few points that are causing problems, including the common transport policy, the common transport market, the disappointments over the social dimension of the single market for highly specific reasons - which incidentally in no way reflect on the Commission which has honoured all its commitments to the trade unions amongst others - the free movement of persons and, last but not least, the problems of harmonizing indirect taxation and excise duties.

This is a somewhat more detailed bill of fare than that given in Mr Andreotti's letter. So it was not a complete waste of your time coming here today.

Thank you.