



European Council

The European Heads of Government at their last summit meeting of the year—held in Luxembourg on December 1 and 2—discussed a broad range of international and internal Community affairs. On international matters the European leaders issued the following statements:

“The Middle East

The European Council reviewed the action taken by the Nine since the adoption of the Venice Declaration on the Middle East.

The Council heard the report of Mr. Thorn on the mission which he carried out on behalf of the Nine in accordance with paragraph 11 of the Venice Declaration. It noted that this mission had made clear the great interest aroused by the position taken by Europe and that in this respect it had been a success.

The results of the mission confirm that the principles of the Venice Declaration incorporate the essential elements for a comprehensive, just and lasting settlement to be negotiated by the parties concerned. They reinforce the Nine's determination to contribute to the search for such a settlement.

In this spirit the European Council approved the decision of the Ministers of Foreign Affairs to undertake consideration of the matter with the aim of clarifying and giving substance to the Venice principles. This consideration has resulted in the drafting of a report on the principal problems relating to a comprehensive settlement under the following headings: withdrawal, self-determination, security in the Middle East, Jerusalem.

The report emphasizes that the measures envisaged under these four headings should form a coherent whole and should therefore be co-ordinated carefully.

The European Council was in agreement on this approach.

It noted that different formulas were possible to give substance to some of the Venice principles, in particular on the duration of the tran-

sitional period leading up to the electoral procedure for self-determination, the definitions of the provisional authority for the vacated territories, the conditions and modalities for self-determination, the guarantees of security, and Jerusalem.

With a view to a more thorough exploration of these formulas and with the determination to encourage a climate more favorable to negotiations, the European Council considered it necessary that new contacts be established with the parties concerned side by side with continued discussions within the Community.

The European Council accordingly instructed the Presidency-in-Office to undertake these contacts in consultation with the Ministers for Foreign Affairs.

The Council also asked the Ministers to continue their discussions with due regard for developments in the situation and to report back to the Council.

The European Council laid down this action programme in order to provide a more consistent platform designed to bring the parties concerned closer together.

East-West Relations

The European Council held a detailed exchange of views on developments in East-West relations.

i) On the question of the Madrid meeting, the European Council stressed the importance which the Nine attached to the CSCE process and their willingness to continue it. It pointed out that compliance by all concerned with the principles of the Helsinki Final Act is both the basis of this process and a pre-condition of its continuation.

It affirmed the determination of the Nine not to be content with apparent results in Madrid but to achieve genuine and balanced progress in the various chapters of the negotiations. In particular, it confirmed, with this in mind, the support which the Nine had already expressed in their declaration of November 20,

1979 for the proposed European disarmament conference, the first stage of which would be the drafting of binding and verifiable confidence measures to apply to the entire European continent.

ii) The European Council expressed its sympathy for Poland and outlined the position of the Nine as follows:

1. In their relations with Poland, the Nine conform and will conform strictly to the United Nations Charter and to the principles of the Helsinki Final Act.

2. In this context, they would point out that in subscribing to these principles, the signatories to the Final Act have undertaken in particular to:

- respect the right of every country to choose and freely develop its own political, social, economic and cultural system as well as to determine its own laws and regulations;
- refrain from any direct or indirect, individual or collective intervention in internal or external affairs which fall within the national competence of another signatory state regardless of their mutual relations;
- recognize the right of all people to pursue their own political, economic, social and cultural development as they see fit and without external interference.

3. The Nine accordingly call upon all the signatory states to abide by these principles with regard to Poland and the Polish people, and they emphasize that any other attitude would have very serious consequences for the future of international relations in Europe and throughout the world.

4. They state their willingness to meet, insofar as their resources allow the requests for economic aid which have been made to them by Poland.

Lebanon

The European Council again devoted its attention to the situation in Lebanon, where the latest developments are continuing to give rise to serious anxiety.

The Nine wish to reaffirm that the unity, independence, sovereignty and territorial integrity of Lebanon must be fully respected. This is essential to enable the legitimate government of Lebanon to restore peace throughout the country. Lebanon belongs to the Lebanese: it is for them alone to establish the rules of their co-existence.

It is in this spirit that the Nine make a fresh appeal for the integrity of the borders of Lebanon and the safety of its people to be respected. Respect for the international boundaries of Lebanon is one of the essential factors in the security and stability of the region.

As they declared in Venice on 13 June, the Nine trust that UNIFIL will be enabled to fulfill the assignment given to it by the Security Council.

The European Council reaffirms that one of the aims of the Nine's action in the interests of peace in the Near East is to restore the integrity of Lebanon's borders and to enable it once more to exercise its national sovereignty in full.

Jordan/Syria

The European Council noted with concern the situation which has arisen between Jordan and Syria, two states with which the Nine have long enjoyed close relations. They called upon the governments concerned to exercise restraint and to resolve any disagreements by peaceful means, including the possibility of action in the United Nations.

1981: Greece, the Tenth Member of the European Community

As of January 1, 1981, Greece becomes a full member of the European Community. In the Accession Treaty, the Greek authorities committed themselves to accepting the Community 'acquis', i.e. the body of Community rules which have been defined by the European Treaties and by years of operation.

To ensure, however, that accession does not constitute too harsh a shock for Greece and for other Community sectors, in particular agriculture, transitional arrangements and purely temporary derogations have been allowed for in accepting the Community rules which remain unchanged. In general the transitional period is five years. In terms of these five years, the main part of the harmonization will have been completed except for a certain limited number of areas where more time has been given. This seven-year period must pass before certain agricultural produce can move free of customs duties between Greece and the Nine. Seven years will elapse before we shall see completely free movement of workers in the Community of ten.

A sector by sector analysis of the main provisions of the Accession Treaties follows below:

Institutions

As from January 1, 1981, Greece participates fully in all activities of Community institutions and bodies. The institutions are as follows:

The European Commission comprises 14 members—two Germans, two French, two Italians, two British, one Greek and one member for each of the other countries—appointed for a period of four years by mutual agreement of the ten governments. The Commission forms a collegiate body, whose members act only in the interest of the Community without receiving instruction from any government. It is charged with ensuring

respect for Community rules and for the principles of the Common Market, to propose measures liable to promote Community policies, and to implement them once agreed upon.

The Council of Ministers, comprising ministers from each Member State, now includes a Greek representative. The Council is responsible for deciding upon—following proposals from the European Commission—the Community's principal policies and decisions. When these decisions are taken by a qualified majority (raised to 45 out of a total of 63 because of Greek accession), the Greek minister has five votes like his Belgian or Dutch colleague, whilst the more populous countries each have ten votes and Denmark and Ireland each have three and Luxembourg two.

The European Parliament comprises 434 members. 24 representatives appointed by the Athens parliament, added to the 410 directly elected in June 1979. By the end of 1981, the Greek representatives will also be directly elected. Since the 1979 elections, the moral authority of the Parliament has increased considerably. Though it does not have legislative powers analogous to those of national assemblies, the European Parliament can, however, amend, adopt or reject the Community budget and is called upon to give its opinion on Commission proposals. It also watches over the European Commission and the Council and can even dismiss the Commission.

The Economic and Social Committee consisting of representatives of employers, workers and other interest groups such as farmers and consumers and which also presents opinions on Community policies, is composed of 156 members, 12 of whom are Greek.

The Community's Court of Justice is composed of ten judges—one for each member country, therefore one Greek—and a number of Advocates-General. The role of the Court is, in particular, to pass judgment on Community law and to keep watch over the application of the law both by European institutions and by Member States.

Community Industrial Market

Over the next five years all restrictions to trade in industrial products between Greece and the other Nine EC countries will be phased out. By January 1, 1986 Greece will fully adopt the Common Customs Tariff—consequently all imports from non-EC countries will face the same tariffs at the Greek frontiers as at those of other EC countries.

Common Agricultural Market

A five year transition period (seven years for tomatoes and fish) will enable the progressive integration of Greek agriculture into the EC agricultural system.

External Relations

The European Community is the leader in world trade and has also concluded a series of agreements with third countries. The latter range from simple trade agreements made with one single country, to much more elaborate cooperation agreements such as the Lome Convention which links the Community to some sixty African, Caribbean and Pacific countries. The Community is also a member of GATT—the General Agreement on Tariffs and Trade—and it has given customs preferences to all Third World countries. By joining the Community, Greece is assuming its share in these agreements, although in a few cases certain transitional measures were necessary.

Monetary Affairs

Two main problems must be dealt with in this context: that of the status of the Greek currency (drachma) and those of capital movements. The decisions taken are as follows:

Over five years, the drachma will be integrated into the European monetary 'basket.' This basket represents the weighted average of the different Community currencies. It serves in particular to calculate the fluctuations of the national currencies within the European Monetary System created in 1979 to stabilize exchange rate relationships between the currencies and thereby promote stability and economic recovery.

The accession Treaty does not, however, imply automatic accession of Greece to the European Monetary System and its mechanisms for intervention and reciprocal support against excessive variation in exchange rates. The Greek government is faced with a choice similar to the one facing the United Kingdom, which though a member of the Community, still reserves the right not to participate in the common monetary intervention system.

In the area of capital movements, the accession date coincides in general with that of the freedom of transactions, but several exceptions of a transitional nature have been allowed, particularly concerning direct investment. Thus, until the end of 1983, Greece may prohibit the transfer of profits realized in the country by community investors up until the end of 1985. The Greek government can thus temporarily prevent financial transfers which are too large and would complicate the adaptation process of the Greek economy to new Community realities.

Regional policy

To create a Community which is integrated, economically effective and socially human, the member countries are trying to reduce, through Community action, the disparities, often very great, which exist between their different regions. Greece, where the average revenue per inhabitant is considerably lower than the Community average and which experiences large regional problems, clearly should benefit after accession from a united effort by its partners.

UNCTAD: Cocoa Agreement Concluded

A third international agreement on cocoa was recently concluded in Geneva at a Conference attended by 70 producing and consuming countries. Negotiated under UNCTAD auspices the new agreement is a major step in the difficult implementation of the Integrated Programme covering 18 commodities launched in Nairobi in 1976.

The new agreement will be open for signature on January 5, 1981 and should enter into force either provisionally or definitively before May 31, 1981. Doubts remain however over the accession of the United States, the second largest cocoa consumer after the European Community, and the Ivory Coast, which accounts for about 23% of world production.

Speaking at the close of the three-and-a-half week Conference, the European Community's representative, Mr. Michel Coquin, called for the widest participation of producing and consuming countries.

Mr. Coquin welcomed the conclusion of the agreement. Failure, he said, would have had implications going well beyond any immediate consequences for the world cocoa economy. He anticipated that given the current market outlook, the new agreement would be swiftly called upon to intervene in the market to stabilize price fluctuations.

The Community's spokesman stressed the important role played by the EC in the negotiations; a role he saw as natural in the context of the Community's links with cocoa producers both in Africa, through the Lome Convention, and Latin America, in particular Brazil.

The producer spokesman, Ambassador Dicko (Cameroon) said that although the agreement was not entirely satisfactory, he hoped that those states that had not done so would soon rally to the majority. The agreement was an indispensable instrument for dealing with specula-

tive tendencies in the market and resolving the many problems encountered by producing countries, he said.

The final package provides for a buffer stock agreement designed to keep the world market price for cocoa beans between a lower intervention price of 110 US cents/lb and an upper intervention price of 150 US cents/lb. The buffer stock manager will buy cocoa when the price drops to 110 and sell when it touches 150.

The new agreement, which replaces the one that expired on March 31, 1980, also contains provisions for revising the upper and lower intervention prices by a maximum of 8 cents in either direction during the agreement's three year span. In a bearish market, a first downward revision of 4 cents will take place after the stock manager has accumulated 100,000 tonnes of cocoa over a 12 month period. A second 4 cents revision will take place when another 75,000 tonnes has been purchased taking the price down to 102 US cents/lb, two cents above the floor price. The adjustment mechanism will work according to the same criteria in the upper part of the range, where the higher intervention price could be raised to a maximum of 158 US cents/lb, two cents short of the 160 US cents/lb ceiling.

The result of more than two years of preparatory work, international negotiation and intergovernmental consultation, the third international cocoa agreement represents an important contribution to the development of international cooperation between developed and developing countries, Mr. Coquin said.

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Kampuchea

At the Kampuchea Pledging Conference—held at the United Nations, New York, on December 10, 1980—Mr. Pierre Malve, Head of the Permanent Delegation of the Commission of the European Communities to the United Nations, pledged on behalf of the Nine EC countries a new exceptional aid of \$28 million for emergency operations in Kampuchea.

The EC has designated that the aid be apportioned as follows amongst the different humanitarian organizations involved in the emergency program:

International Committee of the Red Cross	\$5.6 mln.
UNICEF	\$5.6 mln.
FAO	\$9.8 mln.
High Commissariat for Refugees	\$3.5 mln

In addition a further \$3.5 mln. is to be donated to non-governmental organizations to further their work in this field.

With this latest additional pledge, the European Communities' total contribution to the emergency aid operations for the people of Kampuchea stands at \$109 million—without including the contributions made directly by individual Member States.

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