

SPEECH DELIVERED BY THE RIGHT HONOURABLE SIR CHRISTOPHER SOAMES, VICE PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES IN CHARGE OF EXTERNAL RELATIONS, AT A LUNCHEON GIVEN IN HIS HONOUR BY THE PRESIDENT AND MEMBERS OF THE NATIONAL COUNCIL OF THE MALTA INTERNATIONAL TRADE FAIR, ON FRIDAY 12 JULY 1974.

FRANCOISE
REPRESENTATIONS
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EXTERIEURES (1-B-2)

It is the greatest pleasure for me to be able to spend a few days in Malta. I have the most pleasant memories of a previous visit some 15 years ago when I was Secretary of State for War in the British Government. As a Briton how can I fail to remember the role that Malta played so heroically during the Second World War. But it is not as a Briton but as a European that I come here today, conscious of the memories of many centuries of European history on this Island - the Island from which the Order of St. John of Jerusalem spread its work for humanity, the Island at the centre of the Mediterranean which for millennia lay right at the crossroads of what we think of as the civilised world. I am deeply touched by the warm welcome that you are giving me. I know that this reflects Malta's interest in the European Community, and of course my visit here is an earnest of the interest which the Commission of the European Community has for Malta. I am here to celebrate with you the European Day of your great Fair, and I am here to talk with you about the future of the close cooperation that has begun, and which will I am sure intensify, between Malta and ourselves.

It has been a great privilege for me to play a part in the external relations of the Community since its enlargement 18 months ago. It has in many ways been a very difficult time for the Community. We have not over these 18 months been able by any means to achieve everything that we set out to do, either in advancing our own integration on the continent of Europe, or in developing our relationships with the rest of the world. We have behind us a hard winter in which our nation states found their unity sorely tested by the economic and commercial storms which struck the world.

That was frustrating for us in the European Community. It must also, I know, have been frustrating for our partners in the rest of the world. But the difficulties - difficulties within our Member States, differences between them, and their manifold different historical and economic ties with countries beyond Europe's shores - are ones which you, who have so much of European history behind you, will be able fully to appreciate. We in the Commission are for our part determined to do all in our power to help our Member States to overcome them and to speak with a common voice and to act in common accord towards the rest of the world.

Indeed I believe that over the past two or three months we have seen signs of new efforts being made by new leaders, particularly in Germany and France, to overcome these difficulties and to move forward in the construction of Europe and in the building of bridges between Europe and her neighbours.

A few words then, Mr. Chairman, on the general direction in which we have worked over the past 18 months, and on the progress we have made in our external relations.

Crucial to the future of the world's economic system at a time when there are such dark clouds overhanging, it is the preservation

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and indeed the improvement of trade liberalisation on a world scale. It was one of our first tasks after the enlargement of the Community from six to Nine Members to prepare for two major negotiations in GATT: one to compensate those countries who felt that enlargement would adversely affect their trading advantages in Europe, and the other the multilateral negotiations which were formally opened in Tokyo last September to lower barriers to trade on a world-wide scale. The first of these negotiations is now virtually concluded to the satisfaction of our partners and ourselves. For the second, we obtained last summer the agreement of all our Member States to an overall approach, which in effect constitutes the outline of a negotiating position. It is our hope that the United States Trade Reform Bill will soon be enacted so that these important negotiations can get under way.

In our wider relations with the United States, there were some deep and rather noisy disagreements in the winter. We have worked hard, on both sides of the Atlantic, to contain and overcome those disagreements. Of course we cannot expect to agree on everything - our interests, after all, are far from identical in many spheres. But what matters is that we should be able to speak frankly but without resentment, understand each other, and put our common interests first - for they are vastly more important than our sources of disagreement. In the fields that lie within the competence of NATO and the European Community as such, I feel that is the sort of working relationship we have achieved. In the broader aspects of foreign policy which do not come, as it were, under the Community umbrella, much remains to be done - but this presupposes the European political will and the political machinery to concert our own foreign policies effectively, and the understanding by the US that their relationship with Europe will, in the nature of things, be of a different character to what they have been accustomed to with individual member countries.

In our relations with Eastern Europe, the national trade treaties will expire at the end of the year and the Commission is ready to negotiate new trade treaties on a Community-wide basis. Cooperation agreements remain in force on a bilateral basis; but the Council has agreed that in future, both in making new agreements and in implementing existing ones, our Member States will closely consult each other to ensure that our common interests are preserved.

Where the third world of developing countries is concerned, the original Community has long had an Association with certain countries, particularly in francophone Africa. As a result of enlargement, we are now negotiating with over forty States - the whole of Black Africa, and the Commonwealth countries in the Caribbean, the Indian Ocean and the South Pacific - for a new Association Agreement that will include trade and aid and institutional mechanisms - and also, we hope, a scheme for stabilising export receipts for certain raw materials.

But our concern for the developing world extends a great deal beyond these forty-odd countries. We were the first to institute a system of generalised preferences for the industrial products of the developing world and for some of its agricultural products as well. In particular, under the Joint Declaration of Intent made by all our Nine Member States when they signed the enlargement Treaty, we promised to extend and strengthen our trade relations with the countries of the Indian subcontinent and of South East Asia, and to

look for appropriate solutions to the problems which enlargement would create for them. That we have begun to do; and partly through the generalised preference scheme, partly through our Commercial Cooperation Agreement with India that came into force last April, we have taken quite significant first steps towards redeeming our common and solemn assurance towards this very large part of the Third World.

Another part of what used to be considered the Third World - but a very particular part - are the oil-producing countries of the Middle East and the north of Africa. Their populations often still have a low standard of living in material terms. But their countries will now be exceedingly rich, and they have already demonstrated to the world the enormous political and well as economic power which their control of so important a part of the world's oil supplies has put into their hands. It was one of the difficulties for the Community last winter that we had never as a Community, adopted a common energy policy - although the founders of the Community in the 1950s had seen this as one of the great tasks the Community was to accomplish. We had also not, in the first year of the existence of the enlarged Community, developed a concerted dialogue with the Arab States - some of whom are our neighbours across the Mediterranean and with all of whom we have in the past had so much contact of history and culture, and with whom we have so many interests in common today.

That is something we are now moving into. The first official contacts on a multilateral basis between the Nine members of the Community on the one side, and the Arab states on the other will take place in Paris at the end of this month. I need scarcely insist that this dialogue is not directed against anyone. It is a dialogue which our friends elsewhere agree ought to be developed, for it is in the political and economic interest of the world that two areas that are so intimately dependent one on the other should seek to cooperate to the utmost. We will have a full agenda to discuss on the economic side. Energy and monetary problems are clearly crucial. But so are technical cooperation, the development of infrastructure and industrial activities and a range of other topics. And in many ways of course what we do with the Arab nations clearly overlaps with what we do in the Mediterranean as a whole.

It is pretty well two years now since the Community agreed that it must have a comprehensive policy towards the countries bordering on the Mediterranean - and that of course includes Malta that lies within this beautiful sea. Our plan was and remains to negotiate agreements freeing the trade between us, and to create a framework of cooperation going beyond mere trade - including for the less well-endowed countries the possibility of financial aid from the Community.

Sad to say it has taken us nearly two years to translate this general policy into agreement among our Member States of what precisely could be offered. Nonetheless a fortnight ago the Council of Ministers of the Community at last made substantial progress and I believe that we are well within sight now of an agreed new mandate which will enable us to start negotiations and hopefully rapidly to conclude them.

You here in Malta of course got in early. You have already had your association with the Community since April 1971, and we reduced our tariffs on your industrial exports to us by 70% at that time. We agreed that from April 1976 there should be a second step taken in our association to establish a customs union between us.

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But in the meantime - and this is a matter that surely redounds to the credit of the European Community - we have, by granting to Malta benefits equivalent to our GSP, in effect anticipated the next stage of our tariff cuts.

Now in the light of the most recent progress in the Council of Ministers of the Community, I think we are all agreed that the overall Mediterranean policy will substantially affect how together we approach the second five-year period in Malta's association with the Community. The Community would clearly wish this association with Malta to be in line with the arrangements it intends to offer the Mediterranean basin as a whole, and I know that you for your part are very eager to extend the scope of the association beyond the sphere of trade. It is perhaps too early yet before negotiations have got under way to go into detail. But I am glad to take this opportunity to tell you publicly that the Council now seems agreed that our Association will - independently of the second stage - be extended to cover not only trade, but economic, commercial and industrial cooperation as well as agricultural matters and financial assistance.

I believe that we are all conscious of the heavy clouds which at the moment overhang the world economy. For a country at a focal point of international communications and trade this must be a source of deep concern. It weighs equally heavily on our minds in the European Community. We will need all the goodwill and generosity of spirit, all the hard work and foresight which we can command, to ward off the dangers of inflation and recession that beset us. They may well complicate and make more difficult the task which we hope to pursue together, towards freer trade, technical cooperation and financial investment in the creation of jobs. But it is essential that we should succeed.

In the welcome that you have given me, in the signs of constructive activity that I have seen on this Island, and in the Trade Fair which I look forward so much to visiting this afternoon, I see a good augury. Let me thank you again for your warm hospitality here and let me ask you to drink to peace, security and prosperity in Malta and on the Mediterranean shores all about us, and in particular to friends and fruitful relations between Malta and the European Community.

**PRESSE-MEDDELELSE
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PRESS-RELEASE**

**INFORMATION A LA PRESSE
INFORMAZIONE ALLA STAMPA
MEDEDELING AAN DE PERS**

Brussels, 12 July 1974

RESUME OF SPEECH BY SIR CHRISTOPHER SOAMES AT THE MALTA
INTERNATIONAL TRADE FAIR, 12 JULY 1974

Speaking in Malta today, Sir Christopher Soames, Vice-President of the Commission, said that the Community intends to develop a concerted dialogue with the Arab States.

"I need scarcely insist that this dialogue is not directed against anyone. It is a dialogue which our friends elsewhere agree ought to be developed, for it is in the political and economic interest of the world that two areas that are so intimately dependent one on the other should seek to cooperate to the utmost. We will have a full agenda to discuss on the economic side. Energy and monetary problems are clearly crucial. But so are technical cooperation, the development of infrastructure, job-creating investments, and a range of other topics. And in many ways what we do with the Arab nations clearly overlaps with what we do in the Mediterranean as a whole."

Sir Christopher, who was addressing the National Council of the Malta International Trade Fair, said that the overall Mediterranean policy agreed on by the Council of Ministers nearly two years ago will "substantially affect" Community thinking about the second stage in Malta's association with the EEC.

"I am glad to take this opportunity to tell you publicly that the Council now seems agreed that our Association will - independently of the second stage - be extended to cover not only trade, but economic, commercial and industrial co-operation as well as agricultural matters and financial assistance."

The Association Agreement between Malta and the Community, which came into force on 1 April 1971, provided for a reduction in the EEC tariff on Maltese industrial goods of 70%. It was agreed that the second stage of the Association, which is due to begin in April 1975, should lead to the establishment of a full customs union between the two entities. Meanwhile, the Community has unilaterally anticipated the next round of tariff cuts without asking for anything in return by granting Malta tariff preferences equivalent to those available under the generalised system of preferences.

Sir Christopher Soames was in Malta at the invitation of the Government for talks with Mr. Dom Mintoff, Prime Minister, and Mr. Xuereb, Minister for Trade, Industry, Agriculture and Tourism and to take part in the European Day at the Malta International Trade Fair where exhibitions have been organised by the European Community and by several Member States.