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PRESS CONFERENCE

by Mr Claude CHEYSSON on 9 September 1974
describing the latest state of European Policy
in the Cooperation and Development field

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It is a long time now since I had the occasion to appear before you : 6 months. And it would seem to me that, at this Press Conference on our return from vacation, we could perhaps set out the present state of our discussions and of our policy with respect to developing countries. In the last six months a good many things have happened in this field, but they have naturally occurred in bits and pieces and I think that it would be a good thing to have a general view of what we are doing at present and of the outlook for the coming months. You know that Community Development Policy has two main lines of approach : one of special relations with a growing number of countries, and the other a general policy, a world policy, which is applied independently of any special relations. The first results from contractual agreements and the second, on the contrary, from unilateral decisions on the part of the Community or of its member countries.

I will begin by the world approach : what seems to me to be the feature of these recent months is first of all the fact that the Development Council, the Council of Ministers when composed of Ministers of Development, has now taken on its full importance. This Council had met two or three times in the past - a maximum of once a year - and this year it is about to hold its fourth meeting and there will perhaps be five. A certain number of important resolutions of principle have been taken on the proportion of the GNP which each country must devote to public development aid, on the coordination of bilateral cooperation policies and also on the entry of the Community into sectors which are somewhat new, such as encouragement of trade promotion and technical assistance for such promotion on the European market, irrespective of the developing country concerned.

In the general field of world policy, as you know, we have a food aid policy which has now attained fairly handsome dimensions (250 million u.a. in the 1974 Budget, which we expect to increase to 300 million in 1975). This food aid policy mainly benefits Asia. Naturally, I have nothing original to tell you on this matter. I simply wanted to remind you of it and to point out that it is, after all, flexible enough to permit rapid intervention in case of need. You know that we have been able to speed our aid to Bangladesh in face of the floods and other catastrophes which have stricken the Bengalis. We have thus been able to send 40 million dollars of crash aid - which is already a reasonable amount - and to launch the supplementary operation. We are about to launch - if the Council accepts this, as it surely will - a supplementary aid operation to help the Cypriot refugees, additional to what we are doing for the Government of Cyprus, an operation which represents one month's consumption for all the refugees. Finally, we intent to supplement our Sahel action - already a pretty large one - by the allocation of certain quantities which will remain available at the end of the year. Under the heading of food aid, we cover a not inconsiderable part of the budget of the United Nations Agency for Palestine Refugees and, as these refugees were threatened by inflation, which was about to compel the United Nations agency to shut down the schools and turn 70 000 children out into the street, we have added 6 million five hundred thousands u.a., which means that the Community and its Member States are at present meeting 40 % of the budget of the United Nations Agency for Palestine refugees, the Community itself accounting for 25 %.

Finally, in this general picture, I would like to recall the initiative which had been taken by the Community and has since become a United Nations decision for an emergency action in favour of the countries particularly hit by the crisis of raw materials prices (India, Bangladesh, but also Kenya and a few other countries in Africa and Latin America). You know that the Council of Ministers has ended by accepting this attitude and that we have promised the United Nations 500 million dollars if a 2 500 million are raised

from other donors. Moreover, in the coming weeks we must see if we are to launch a first action in this field.

It is of course in our special relations with certain countries that we have made the most marked progress. I refer to the negotiations with the ACP countries. These will be resumed next week and we all believe that in Kingston we got over the hump. This does not mean that there will be no danger of skidding, but it is now all downhill and the end of this phase is already set since we want to complete these negotiations by the end of November. The Kingston meeting was therefore of very great importance - you have seen the communiqué published by the 53 : 44 ACP and 9 Europeans - and you have seen its style and its way of presenting the problems dealt with from the political angle. Of course, there remain difficulties concerning rules of origin, non-tariff obstacles, the institutions, and, above all, the amount of the aid. Nevertheless, we all believe that these difficulties can be solved. What is the most striking in Kingston is that an absolutely original system, which has never existed anywhere in the world, was adopted a system of guarantee against lean years. This system is important for a country trying to develop, since it enables it to plan its production, but - and here I am speaking entirely in political terms - it is important above all because of the recognition of the right to compensation when there is a fall in prices or in the quantities purchased. This is the fundamental point as regards Kingston. We have recognized that the countries with which we will be associated have a right to compensation. I have not yet had a chance to say so in this room, but I have said in others that this is as important basically as what was done in each of our countries on the day when it was recognized that workers had a right to unemployment benefits and to aid allowances on the event of illness. During the whole 19th century manpower was bought at the most favourable prices and if there was less work because firms closed down, so much the worse for the workers. And then, little by little, it was recognized that the suppliers of labour, the working class, were entitled to a minimum remuneration. Well, in Kingston, mutatis mutandis, we have done vis-à-vis the proletarian nations with which we are associated

what had been done 50 years earlier in each of our countries vis-à-vis our proletarians. We have recognized a right to compensation for production which we need. The negotiations will therefore now be resumed as Community/ACP negotiation and also, as you know, a parallel negotiation, exploratory talks between the Commission and the countries producing the leading raw materials in order to see how the stabilization scheme is going to function, in particular how it will be possible to elaborate the sugar agreement. It is on 17 September that the Commission will receive the sugar-producing countries and endeavour to agree with them on an outline scheme which would then be submitted to the Governments and the Council of Ministers, to return afterwards into the setting of the negotiations. It is the 44 ACP - 44 who I greatly hope will be more than 44 very soon, since the independence of Guinea-Bissau is an accomplished fact, and that of Mozambique itself is now laid down in the calendar.

Apart from this there is our approach vis-à-vis the Arab world. As you know, on 31 July, the President-in-Office of the Council of Ministers of the Community had the first meeting in the Euro-Arab dialogue, the Commission of course being associated with this. At this level the dialogue is of a political nature, but concrete subjects of cooperation will have to be found, and this will give the Commission a role to play that will certainly be interesting. I had the occasion to speak of this at great length with the Secretary-General of the Arab League in Cairo where I was last week. This Euro-Arab dialogue is the back drop for the various relations between the Arab League countries and the European countries and the Community. Three countries belonging to the Arab League are taking part in the ACP negotiations. Three others are the three Maghreb countries, and you know that, having at last obtained a mandate from the Council - everything happens sooner or later - we are resuming the negotiations with the three Maghreb countries and also with Israel. And in Europe, with Spain at the end of September or early October.

But we have also had very specific manifestations of interest on the part of the four countries bordering the Mediterranean in the Near East. When I was in Syria, the Government of that country published a memorandum asking for a similar agreement. The Lebanese Government has requested resumption of discussion on an agreement which today is only a commercial one. The Jordan Government has asked for a complete cooperation agreement, and finally, in Cairo, last week, the Egyptian Government confirmed to me the memorandum which it had handed us in May 1974 with a view to a complete cooperation agreement with the Community. Let us dwell on the case of Egypt for a moment, if you will. It is very clear for the Egyptians that there are bilateral relations - Egypt/Germany, Egypt/France, Egypt/Italy, but that this must be supplemented by an agreement with the Community, for certain matters are of the competence of the latter and not of the Governments, since there are subjects which must be dealt with collectively and cannot be handled individually. What most interests the Egyptians - and the other countries of the Maghreb and the Near East moreover - are developments in industrial cooperation, i.e. to see how the greatest possible number of European industrialists and bankers can be led to enter upon joint ventures with these countries. Perhaps to invest there, but certainly to enter into trade agreements and to supply technology. The problem of Egypt illustrates very well how the combination of Egyptian manpower which is abundant and of capital, which in those parts will mainly be Arab, in view above all of the very great sums available with the Arab oil countries, but which would also need to be European to some extent - of technology, of our industrialists and finally of a market which is first of all that of the 35 million Egyptians and of the whole Near East, how the combination of all these factors can permit new industrial developments. This is at present striking in Egypt, and I believe that our discussions with the countries of the Maghreb and the Near East must lead a good way in the direction of association agreements.

This is a picture which repeats elements with which you are all familiar. But I thought that it was not without profit to present them together. For, on each of these subjects, you will note that we have in recent months made progress, and sometimes progress which was frankly unexpected by most Europeans, most Americans and most people throughout the world. Who would have thought that we would be able to take an initiative vis-à-vis the countries most hit by the crisis. Who would have thought that Europe would be the first entity in history to conclude with 44 countries a new - not to say revolutionary - system, of guarantees for export incomes. Who would have believed that Europe could pursue this dialogue with each of the Arab countries and collectively with all of them and that each of these countries, despite our weakness of which we hear so many reports, ardently wishes that the joint will to independence on both sides of the Mediterranean should be manifested by precise agreements. In fact, the field which I have the good fortune to deal with in the Commission is certainly the one where progress has been most continuous, clear and coherent for several years now. And this appears very striking to me at a time when the world is changing, and changing not only within each of our countries but at general level and in particular, and with special rapidity, in the developing countries. Now, it is at the very moment when the developing countries are experiencing a considerable mutation, where many of them are becoming very important on the world stage, it is precisely at this very moment that the Community is developing a policy of its own, a policy which is a very bold one and is advancing on all levels. In fact, on the plane of development aid, the European Economic Community is the only world body which has made progress in the last two years whether this be in the amount of funds provided for financial aid, or above all on the plane of new ideas, structures, and organizations. And believe me, when one is on the other side of the fence, that is to say in the developing countries, all this is very clear and distinct. That is why I believed that it would be useful today to speak to you on these matters, but I will answer any questions concerning them, or any other subject if you wish.