

PLEASE CHECK AGAINST DELIVERY

Draft opening statement to the Press by Mr. Wilhelm Haferkamp,
Vice-President of the Commission of the European Community.

DELHI - 16 MAY 1977

Ladies and Gentlemen,

For me, this visit to India has been a double "first": it is the first time I have ever visited your country, and it is the first official visit I have made outside Europe as Vice-President responsible for external relations in the new European Commission which took office in January. My visit has been very rewarding on both counts, and I would like to express my appreciation to the Indian Government.

As your External Relations Minister said when welcoming me on Saturday, my visit has come at a "historic moment" in India's history as a democratic nation. I will not comment on the results of the elections, since it is not for me to take sides in Indian internal affairs, but I would like to assure you that we in Europe have been deeply impressed with the way in which the people were asked to express their will and with the way the people's will was respected once it had been expressed. It is this which shows the Indian people's profound commitment to democratic values, and which proves, as your External Relations Minister said, that democracy is not a luxury which only the rich countries can afford. I am sure that this common commitment to democracy can only strengthen relations between India and the European Community. (Freedom in India is inseparable from freedom in Europe.)

North-South dialogue

As you know, I have had a busy programme of conversations with members of the Indian Government. I have had the honour to be received by your Prime Minister, Mr. Morarji Desai, with whom I had a most interesting exchange of views. In addition to the

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Minister for External Relations whom I met on Saturday, I have had talks with the Minister of Commerce, the Minister of Finance, the Minister of Communications and the Minister of Steel and Mines.

The most important subject we have discussed has been the North-South dialogue between the developed and the developing nations. The concluding ministerial conference will take place in Paris at the end of this month, and India and the European Community are both expected to play leading roles, India within the group of developing countries and the European Community within the developed country group.

The object of my conversations with the Indian Government on the North-South dialogue has not been to negotiate but to try and understand each other's position better and to obtain a clearer view of the conditions on which a successful outcome may be reached. In this sense my talks have been extremely useful.

The European Community has always been convinced that the success of the Paris conference is in the long-term interests of both the developing and the developed nations. As I said in my speech on Saturday, in the modern world prosperity is interdependent. We in Europe will only be able to contribute to the development of the Third World on the scale required if we can solve the problems of inflation and unemployment: that is to say, if our own economic situation is sound. But we recognise that the economic progress of the Third World will be a powerful factor in stimulating the European economy.

The European Community is proud of the role it has already played in persuading the developed nations group to accept the

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principle of a common fund for raw materials; the need for machinery to stabilise the developing countries' export earnings from commodities; and last but not least, a special action to help the poorest developing countries, on top of the normal development aid flows. I recognise that greater efforts will have to be made if we are to reach agreement, but I would urge you to consider the results of the Paris Conference not as the final word of the rich countries but as a first step which will be followed by other measures as the general economic situation improves.

Bilateral difficulties

In my talks with Indian Ministers I have also touched upon certain difficulties we have been having in our bilateral trade relations. I am convinced that the good relations which exist between India and the European Community require us to discuss these difficulties frankly with each other, because this is the only way to reach agreed solutions.

We have had frank discussions, for example, on certain difficulties in applying our agreement on textiles. The textile industry is an extremely sensitive sector socially and politically in both India and the Community. We in the Community are committed to the progressive liberalisation of trade in this sector under the Multifibres Arrangement, but the growth of imports must take place in an orderly fashion, as laid down in the Arrangement. From our point of view, this has not happened. Since the MFA came into force, there has been a rapid rise of Indian exports of textiles into the Community — for example, of men's shirts and women's blouses into Britain and France — which have doubled or trebled between 1975 and 1976.;

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I have explained to your Minister that the restrictions we have reluctantly had to introduce in this sector do not reflect any failure to honour our obligations to India, but the extremely serious social problems in the European industry due to rapidly rising imports at a time of high unemployment. I am convinced that given a bit of time and goodwill on both sides we can find a satisfactory solution.

The Commercial Co-operation Agreement

The most important thing is to look to the future. As you know, we have a programme of bilateral co-operation in the framework of our Commercial Co-operation Agreement. The purpose of this Agreement is to identify sectors where we can co-operate to stimulate Indian exports to the Community, by means of closer contacts and joint ventures between European and Indian firms. We have already achieved practical results in such sectors as engineering goods, leather products, cattlefeed and tobacco. We have also ordered a study to identify other areas of co-operation for the future which will be ready very shortly. In this respect, I am convinced that the people's plan announced yesterday by the Indian Government will open up new possibilities of co-operation between the European Community and India. I have instructed my officials to remain in close contact with the Indian administration to see in what way the Community can help India reach the goals it has set itself.

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