

it was always my intention , as president of the european commission to pay an official visit to india during my term of office. i think the timing has turned out to be in many ways a useful one in relation to the three main areas of discussion which formed both the purpose and the content of my visit. these were:

- bilateral eec-india relations
- wider north-south question
- general political questions relating to south asia.

as you know, i met president reddy, the prime minister, the foreign minister, the minister of commerce and a number of their colleagues. i also called the speaker of lok sabha and met a number of members of the house.

my talk with the prime minister covered all three areas, but particularly regional political question and north/south relations. on the former i explained the initiative of the nine governments of the community countries for a possible guaranteed return by afghanistan to its traditional position as a natural and non-alligned state.

this proposal was made in february and reaffirmed at the european council in luxembourg five days ago.

i discussed the north /south dialogue and the related question of the report of the brandt commission with both the prime minister and the foreign minister. we exchanged views on the prospects for the special session of the united nations general assembly. the european community attaches great importance to an effective relaunching of the north/south dialogue, as do the major industrialized countries as a whole. i believe that the western economic summit in venice from 22 to 23 june- which brings together the european community, four of its member states, the united states, canada and japan- will pay very substantial attention to north/south issues.

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this reconcentration of international minds is quite right, and is in any case made necessary by the timetable of the special session of the un. there are, however, two particular points which must make us concentrate even more seriously both on the substance and the form of the dialogue.

first: as i explained in my speech last evening to the indian council of world affairs, we face the threat of a crisis in the international economic and financial system.

the effects of the 1979 rises in oil prices on the economies of the industrial countries has been damaging but on the poor countries it has been crushing. unless we find some way of recycling the funds involved and increasing investment particularly outside the industrial world, i fear we risk the collapse of the present structure.

second: recognition of the problem is only the first step towards a solution, but an important one. the most impressive feature of the brandt commission report was perhaps its comprehensive nature, and its recognition of the interconnection of the problems. we must find an effective way of following it up, and in particular the need for a more equitable and effective world economic system.

i concluded my talks this morning with a round of discussions on bilateral questions with the minister of commerce, during which we reviewed in particular the prospects for the new commercial and economic co-operation agreement. the council of ministers of the european community adopted negotiating directives on 22 april, and we expect to open negotiations within a month. this i am confident will be repaid and successful. we in the community attach great political as well as economic importance to the new agreement and the wider opportunities it opens up. it recognises india's increasingly successful efforts to create a broad industrial base, and her status as a major economic partner of the community on a basis of equality. the commission intends, after conclusion of the agreement, to open a delegation office in new delhi, and i believe this prospect is welcomed by the indian government. i have no doubt this will greatly benefit our work and understanding.

i hope my visit may have made some contribution in that direction. i have certainly found my talks during the last two days most rewarding. i am very grateful for the way in which i have been

welcomed here in india. I now look forward to seeing and understanding a little more of this country during the remainder of my stay.

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in answer to questions on afghanistan, mr. jenkins explained the difference between neutralisation (which implied a status imposed from out side and was not the intention of the nine) and neutrality and non-allignment after soviet withdrawal, with agreement not to draw afghanistan into another orbit and where no out side power attempted to exercise undue influence. mr. jenkins believed there had earlier been some misunderstanding about the proposal of the nine. he thought mrs. gandhi had been interested in his explanation and

saw the distinction. he added that the proposal remained on the table. the nine would push it forward when the time appeared right. the president was asked about the investment protection clause in the new agreement. he did not believe there would be difficulty in negotiating this point: the question was more whether after signature , conditions of confidence would exist for the desired investment. he elaborated on the point about recycling (covered also in his speech to the indian council of world affairs on 2nd may), stressing his wish to see the opec countries sharing in increased investment, particularly in developing countries. for this, however, a good investment climate was required.

mr. jenkins defended the community against accusations of

protectionism . we have had a good record, but problems inevitably arose when whole industries and regions were threatened by sudden increases in imports.

the community would however keep in mind the interest of the poorer non- nic countries.