

European Economic Community

—

Associated African States and Madagascar

# PARLIAMENTARY CONFERENCE OF THE ASSOCIATION

TENTH ANNUAL MEETING OF THE PARLIAMENTARY  
CONFERENCE OF THE ASSOCIATION

SUMMARY RECORD OF PROCEEDINGS

Thursday, 31 January 1974

Part I

ROME

In the Chair: Mr BERKHOUWER

President

The sitting was resumed at 9.40 a.m.

Approval of minutes

The minutes of the previous sitting were approved.

Documents received

The PRESIDENT announced that he had received the following documents since the last meeting of the Conference :

from the Association Council

- the Ninth Annual Report on the activities of the Association Council to the Parliamentary Conference of the Association (Doc. 48/I/II), and the report of the Commission of the European Communities to the Association Council on the management of financial and technical cooperation from 1 January to 31 December 1973 (Doc. 48/III),

from the Joint Committee

- Mr FALL BABAHA's report on the management accounts of the Parliamentary Conference of the Association for the 1972 financial year and the draft estimates for the 1974 financial year (Doc.49),
- Mr BERSANI's report on the Ninth Annual Report on the activities of the Association Council to the Parliamentary Conference of the Association (30 September 1972 - 30 June 1973) (Doc. 50),
- Mr BERSANI's supplementary report on the Ninth Annual Report on the activities of the Association Council (Doc. 48/I/II) to the Parliamentary Conference of the Association (Doc. 51).

Order of business

The Conference adopted the following order of business on a proposal from the Joint Committee and the Bureau.

Morning - 9.30 a.m.:

- Mr FALL BABAHA's report on the management accounts of the Parliamentary Conference of the Association for the 1972 financial year and the estimates for the 1974 financial year;

- Mr BERSANI's report and supplementary report on the Ninth Annual Report on the activities of the Association Council (Doc. 48/I/II) to the Parliamentary Conference of the Association.

Afternoon - 3.30 p.m.:

Continuation of the discussion of Mr Bersani's reports.

Friday, 1 February 1974 - 9.30 a.m.:

- Completion of the discussion of Mr BERSANI's report and supplementary report on the Ninth Annual Report on the activities of the Association Council (Doc. 48/I/II) to the Parliamentary Conference of the Association.

3.30 p.m.:

- meeting of the Bureau .

4.00 p.m.:

- appointment of the Members, Chairman and Vice-Chairman of the Joint Committee.

Management accounts of the Parliamentary Conference of the Association for the 1972 financial year and draft estimates for the 1974 financial year.

The PRESIDENT drew the Conference's attention to the corrigendum to Mr BABAHA's report which had been adopted by the Joint Committee.

Mr Mohamed FALL BABAHA presented his report, pointing out that it covered both the Conference's management accounts for the 1972 financial year, and the estimates for the 1974 financial year.

With regard to the management accounts the rapporteur stated that the budget amounted to 216,000 FF while expenditure had only been 112.295,41 FF. An unused balance of 103.704,59 FF therefore remained. He pointed out that, though this result seemed extremely favourable, it was largely due to the fact that it had not been possible to finance the cost of the Kinshasa Conference, held in March 1973, from the 1972 credits and it had therefore been charged to the 1973 financial year.

The rapporteur felt that the interests of the Conference had been well looked after. He proposed that the Secretary-General of the European Parliament should be given a discharge in respect of the management in 1972.

He emphasised fairly that contributions continued to come in irregularly and expressed the hope that payments would be made with the least possible delay.

It was essential to increase the appropriations for the 1974 financial year, (originally 228,000 FF) by 100.000 FF in order to meet the expenditure incurred for the Kinshasa Conference because the 1974 budget would - by way of exception - have to cover the cost of two Conferences and two Joint Committee meetings. But, owing to other increases due to the international economic situation, even 328,000 FF would not be enough. The rapporteur therefore proposed a further increase of 27,000 FF, giving a total of 355,000 FF for the 1974 budget. If the rate of inflation increased, it might even be necessary to present a supplementary budget.

On the revenue side, Mr FALL BABAHA proposed that the contribution of each State be kept at 600,000 CFA francs since the accession of Mauritius had brought the Conference additional income; in this way the expenditure of 228,000 FF provided for in the initial budget drawn up by the Joint Committee would be covered. It would be necessary to draw on reserves for the supplementary appropriations of 127,000 FF.

The rapporteur called upon the Conference to approve the motion for a resolution submitted to it.

(Applause)

The Conference adopted the motion for a resolution contained in  
Mr FALL BABAHA's report.

Speech by Mr MIAKASSISSA, President of the National Assembly of the  
People's Republic of the Congo

Mr MIAKASSISSA conveyed sincere, warm and brotherly greetings from his people and the President of the People's Republic of Congo to the Assembly. He stressed his pleasure at being able to play a part in achieving his country's great political and economic objectives within the Association.

The Congo supported all struggles for emancipation and liberation against colonial, racist and minority regimes in Africa, Asia, Latin America or the Middle East. It intended to pursue a foreign policy compatible with the action programme of the Congolese Labour Party which forbade any discrimination on the grounds of ideology, was based on the principle of peaceful co-existence with all peoples of good will and, therefore, remained faithful to the spirit of the charters of both the United Nations and the Organisation for African Unity. It advocated the elimination of the barriers separating the French and English speaking countries of Africa.

It was difficult to dissociate political problems from economic problems. Wealth must be re-distributed. The international community would, in the long run, be the first to benefit from such re-distribution. This goal could, however, be reached only if the inhabitants of the rich countries understood where the interests of the world community lay.

Thanks to the understanding shown by the elite of various countries and their desire to cooperate without encroaching upon national sovereignties, a step in the right direction had already been taken. The Congo had come to the Conference in the firm hope that the ties and understanding between Africans and Europeans would thus be strengthened. It was up to everyone to seek practical solutions to realise the common ideal.

The first decade of the Association had certainly been disappointing for the Africans, but it seemed sure that a redoubling of efforts, at a time when the international economic situation was favourable, would enable the difficulties to be overcome and dynamic cooperation between Europe and the third world to be achieved.

In the immediate future, the African countries would obviously not be able to give their European partners anything in the financial and technical fields which they did not already have. But was this a reason to refuse all cooperation? It was already necessary to make preparations for the

future and Africa had a great fund of untapped resources. The African continent also merited attention in human terms. The goals which had been established would be achieved when feelings of egoism had been overcome.

The speaker expressed his conviction that all those present were motivated by the wish to make the Conference a complete success. All hopes might, therefore, be justified. The today's dream would become tomorrow's reality.

(Applause)

Ninth annual report on the activities of the Association Council  
to the Parliamentary Conference of the Association

Mr BERSANI, the rapporteur, thanked the Chairman, Mr YACE, for his speech of the previous day and, as an Italian member of Parliament, expressed his satisfaction that the Parliamentary Conference of the Association was meeting in Rome, where, almost ten years ago, it had first assembled.

He was also glad that representatives from the associable states in Africa, the Carribbean and Pacific were present at the Conference.

In his introduction, he first placed the Association's problems in their international context. Though the main aim of these meetings was to prepare for the Association's renewal and enlargement, a combination of recent international events had given the Conference additional meaning. In this context, he recalled the OAU's declaration at Addis Ababa, the UNCTAD III Conference in Santiago, the IMF Conference in Nairobi, the GATT negotiations in Tokyo and, above all, the sudden, far-reaching changes in the markets for raw materials, energy sources, industrial products and currency.

Turning to the consequences of the rise in the prices of raw materials, agricultural products and minerals, the speaker stressed the fact that, while this helped to compensate for the deterioration in the terms of trade, it also contributed to inflation, the break-down of the monetary system and, most important, a worsening of the position of countries short of primary commodities.

In order to remedy this state of affairs, it was necessary to go beyond the simple principle of free trade and accept the idea of international responsibility for the production, stock-piling and trade of primary commodities. The solution to these problems must be sought within the framework of a renewed and enlarged Association.

Speaking on behalf of the Joint Committee, Mr BERSANI stressed both the necessity and importance of the Association. He hoped that negotiations for the new Association would be rapidly concluded, but would take account of new problems on the horizon, as well as past experience.

In considering the Association's activities during the past year, the speaker first referred to trade. Owing to the rise in prices, some of the Associated states had considerably improved their trading position



vis-à-vis the EEC, which had also increased its trade with other developing countries. The Joint Committee did not, however, consider this situation satisfactory, and wished to see a profound change in Community commercial policy.

The Joint Committee deplored the renewal of generalised preferences since this scheme meant that the associated states lost the benefit of exclusive preferential access to the Community market without any compensation on the markets of other industrialized countries, especially the USA.

On agricultural products, particularly products similar to or competitive with those produced in Europe under the common agricultural policy, the associated states regarded the tariff exemption as a precursor to individual product agreements in the future.

Mr BERSANI then raised the problem of harmonizing legislation on general and plant health. Present measures in this field acted as a deterrent to trade and had the same effects as import restrictions.

Turning to financial and technical cooperation, he stressed the effectiveness of the EDF and its new slant in favour of directly productive activities and inter-African regional projects. He nevertheless hoped that, in the future, the EDF's management and its goals would be more closely linked and that the associated states would be able to play a larger part in its management.

The problems of industrialization of the associated countries remained to be solved. The EIB would certainly play a more important part in the future. It was important to use all the possible sources of finance.

The Joint Committee had, for the first time, dealt with the overall problem of financial and technical cooperation, going beyond the EDF, and stressed the importance of vertically structured production in the associated countries.

Mr BERSANI thought that the institutions and their activities provided the framework for a fruitful dialogue and were the central element of a real partnership. They must, therefore, be maintained and their true value appreciated. It had even been suggested that social, cultural, scientific and youth forces could in some way be represented in them.

Referring to the problem of the Sahel, the speaker first referred to the part played by the European Parliament, on the spot and in the Council, with a view to aiding the countries suffering from drought. The Community's action was not only intended to meet the most immediate necessities, but also represented an attempt to fight the causes of the disaster. The creation in the future of a fund to respond to the needs arising from disasters could now be envisaged.

On behalf of all those present at the Conference, Mr BERSANI expressed solidarity with the Sahel countries.

He then referred to the problem of bananas originating in Somalia. For six years, this country had faced grave difficulty because the Suez canal had been closed and aid from the Italian government cut off as incompatible with certain Community provisions.

A committee had undertaken to take the urgent measures required. The speaker felt it important for the Conference to express its solidarity with Somalia.

Mr. BERSANI then referred to the problems involved in the Association's renewal and enlargement. After briefly outlining the origins of these negotiations, he pointed out that the present Conference was taking place just a few days before an important meeting between the representatives of the associated and associable countries in Kinshasa and could therefore significantly affect the definition of the new bases for negotiations.

Progress in these negotiations had hitherto been rather slow. Though there was agreement on the fundamental principles, some differences of opinion had arisen on the Commission's proposals and on those of the associated and associable countries.

The speaker listed a number of delicate points which were still unresolved :

- the contractual arrangements, which should have a stable base, be freely reached and unassailable by third countries, particularly in the context of GATT;
- the options on trade preferences between the future partners which should be considered in the light of their legal, economic and commercial consequences;
- products which were particularly important to the economies of certain associated and associable countries and needed permanent access to the Community market in large quantities at profitable prices;

- the upholding of previous commitments to safeguard the interests of countries whose economy depends essentially on sugar exports;
- the establishment of machinery to ensure that the associated states enjoyed stable and adequate revenue;
- providing funds for the EDF at a level at least equivalent to that enjoyed by associated states at present, ensuring that the new associated states enjoyed equivalent advantages;
- including Community aid in the budget of own resources, thus making it possible not only to avoid transitional periods and the possibility of disturbing the balance between Member States, but also to ensure that aid increased in step with own resources.

The speaker concluded by expressing his conviction that, despite differences of opinion, satisfactory practical solutions to all the outstanding problems could be found within the framework of a renewed Association based on principles which everyone accepted against the background of the historical need for a modern form of cooperation between a bigger Europe and the largest possible number of African states on a basis of equality, solidarity and complementarity. The Association was an original experiment which had stood the test of experience and to which, at present, there were no valid alternatives.

(Applause)

Mr CHEYSSON, after congratulating Mr BERKHOUWER on his election as President of the Conference, stressed the fact that its meeting was the major event of the year for the Commissioner responsible for development.

Mr BERSANI's report deserved appreciation both for its content and presentation, and would be a valuable guide to everyone.

Mr CHEYSSON welcomed the fact that the associable states had been invited to attend.

In this discussion, which was of necessity very general, he was speaking on behalf of the Commission and not as a negotiator. It was an important political fact that a whole continent (44, even 45, countries) was speaking with a single voice in negotiations. The Commission was bound to welcome this.

In Europe, neighbouring states with similar problems and ambitions were making a remarkable effort and, despite the difficulties which governments always have in reaching agreements, the successive meetings were showing impressive cohesion.

In future, the Association should be worldwide. The institutions were an important part of it. They should give the partners a chance to get to know one another, to develop a perspective and deepen their experience. They must not be stationary; on the contrary, they must be constantly evolving.

The parliamentary institutions had a special responsibility in this field - they should not only provide a framework for the government's action, but also explain it to public opinion. In this respect, the AASM went further than the Commonwealth, which was in many ways similar. Criticisms could certainly be made and the speaker gave his word that he would not fail to watch over the follow-up to the ideas expressed in Mr BERSANI's report. Parliament's influence sometimes made it possible to get things going. The recent decision to provide aid to the Sahel, reached owing to the European Parliament's bold action, was a typical example.

Finance was also an important aspect of the Association. For the least favoured countries, financial aid was what counted most.

Financial intervention had already reached a world scale. The food aid granted by the EEC, over and above the aid provided by individual Member States, had reached 260 million u.a., i.e. 5% of its budget (Sahel, Bangla Desh). Europe should provide yet more finance and concern itself about all the southern Mediterranean countries.

The associated states themselves must make the fundamental choices concerning the EDF which acted as a channel for this financial aid. New lines of policy were emerging - the encouragement of directly productive activities and regional projects. Means of allocating a larger share of aid to the least favoured countries should be studied. The Commission attached the greatest importance to the relevant suggestions in the resolution. The closer the EDF was integrated into the economy of the beneficiary countries the better it would be.

Another innovation of this system was to link financial to commercial aid. This allowed a developing country to expand its own activity and increase its exports. Since customs tariffs had been reduced, the protected access to the Community market had become insufficient; there was, accordingly, a need to go further.

The present economic system was conceived to suit the industrialized countries and, therefore, puts the developing countries at a permanent disadvantage. Mr CHEYSSON recalled that his predecessor had envisaged a guarantee system against bad years and welcomed the fact that his African partners were about to express their opinions on this subject.

He regarded the guarantee mechanism, covering both quantities and prices, which had been most highly developed for sugar, as an embodiment of the attitude which should characterize future development. A way to ensure that the developing countries had constant, or even increasing, purchasing power on Community markets must be found in the future. Referring to the report by Mr ARMENGAUD and Mr PEDINI, Mr CHEYSSON pointed out the need to stabilize these countries' export revenue in real terms on the world market. This should be possible through joint action by all the partners.

Balanced industrialization and a better division of labour should also be encouraged to enable raw materials to be processed on the spot.

But all this would have to be carried out in the context of the current economic situation which was dominated by a crisis which, at least superficially, seemed to be caused by the rise in the price of oil products and, to a lesser extent, of cereals and other foodstuffs.

The rise in oil prices was not, however, responsible for this situation, but merely an indication of the inability of the world economic system to cope with development problems. The world as a whole was facing the unknown. Everyone was in the same boat and should, therefore, pull their weight. In this respect, the speaker welcomed the cooperation alluded to in paragraph 13 of the resolution. One of the simple but basic points which had to be kept in mind was that the increase did not only affect oil products and that the figures involved were of a quite different order to the financial means available in the framework of development aid. It was necessary to neutralize the catastrophic consequences of this crisis for the developing countries, treating the problems arising from it quite separately from those linked to the normal development policy.

Taking a more optimistic line, the speaker said that, unlike some, he was not convinced that the present crisis necessarily meant the end of world growth. On the contrary, the additional liquid assets should make it possible to maintain and even further stimulate growth. The only way to prevent the economic order from breaking up in chaos was to use these new liquid assets as a constructive investment in massive development in the developing countries. This could obviously not be done without difficulty, or without mistakes, 'but,' said the speaker, 'our interests and yours almost coincide.'

The important thing was to convince people that, even if each country was only concerned to safeguard its own interests, they must all work together. The speaker was afraid that only the strong countries would receive attention because others needed them; the result would be a new economic order which would be even worse than the previous one for the less favoured. The developing countries should on no account be allowed to become terra incognita, even for the young. The weak must not be forgotten. In this light, the sad events in the Sahel served a purpose in that they reminded the rich countries of the poverty of the world.

Imperfect as it was, the existing economic order, founded on individual liberty, had a remarkable capacity for adaptation. In the face of present difficulties, countries should remain shoulder to shoulder and, in the current situation, Parliament could play a decisive part in maintaining cohesion.

(Applause)

IN THE CHAIR : MR YACE

First Vice-President

Mr BOURGES said that the second half of this century, following the last world struggle which had shaken all the continents, seemed to be a period in which international relations were undergoing major changes.

The Association, established fifteen years ago between the industrialized nations of Western Europe and the African countries, had been a unique experiment in this field, and provided a stirring example.

In two decades, both the associated countries and the Community had changed significantly. The Association was a matter of concern for the Community's members and institutions, particularly the European Parliament, which had always considered this policy as one of the purest and most important of the Community's goals. The Association's value was all the greater in that it remained the only example of association between industrialized nations and developing countries.

The Rome Conference had come at an opportune moment and provided a chance to reflect together on the new facts of world trade.

This was a great opportunity. The Conference could propose a contract between societies providing a valid basis for cooperation between peoples and acting as a factor of hope in the world.

For a quarter of a century, world trade had been conducted within the framework of the Bretton Woods system of monetary agreements, which had now been overthrown. A new, fairer, but undoubtedly difficult, balance had to be established.

Both geography and history had led to relations between Europe and Africa from the very earliest times. Over the centuries, they had woven a real common life.

At this Rome Conference, it was particularly true to say that everyone had good reason for wanting to establish a new social contract between the two continents to show to the world as an example.

It was also essential to open the meeting to anyone who might be involved in the common effort. The presence of observers who had already become friends was, therefore, particularly welcome.

It was important to preserve the essential spirit of association, the common will to translate the friendship between peoples onto the political, economic and social levels and respond to the needs of the nations involved.

Many means were available to meet this end, e.g. partly financing investments which encouraged development or were essential requirements for human progress, allocating part of European financial resources to the European Development Fund, or opening public or private credits.

Special provisions were needed in many fields to combat and prevent disasters, or to afford special treatment to the least advanced and least endowed countries.

In trade, real progress, which might even be called revolution, had been made.

The last quarter of a century had seen an incredible growth in international trade. More precise agreements should be sought covering trade in particular products or with specific partners, and an effort made to conclude international agreements on raw materials guaranteeing supply and equitable remuneration.

The Association's second state should be designed to guarantee supply from the point of view of both price and quantity, as the inspiring aim of solidarity dictated.

The needs of modern techniques could only make the associations contemplated all the easier. The increased value of production imposed different constraints on countries at different levels of development and living standards. This difference could facilitate a better allocation of tasks in producing materials and goods.

Dealing with quite another aspect, great importance had been attached to providing youth in the associated countries with the education which the development of their States and their complete involvement in humanity's fate required. The Community certainly intended to help its associated members in pursuing this goal.

In concluding, the speaker congratulated the Joint Committee on its efforts to put the principles to which the Association adhered into effective practice. It was largely inspired by sentiment, more by the heart than by the head. By accepting these principles, and seeking the means to make the Association a reality which confirmed solidarity, to everyone's advantage, the Conference could and should give a new message of hope.

(Applause)



The President thanked Mr BOURGES for his speech, and stressed his achievements, as a minister of the French Government, in strengthening relations between Europe and Africa.

Apologies from the Chad delegation

The President read a telegram from Mr ELHADJ ABO NASSOUR, President of the Chad National Assembly, in which the Chad Parliament expressed regret that, for internal reasons, it could not send a delegation to the Conference.

Mr Salomon MUNA TANDENG congratulated the Italian authorities and the President of the Conference, and particularly welcomed the representatives from the associable countries, regarding their presence as a promise of an enlarged Association and profound readjustment to a changing international situation.

The meeting was being held at a particularly decisive moment in the Association's history, when its future and the world economy were being discussed and it had become completely clear that the fate of all nations, large and small, rich and poor, was inextricably linked.

The negotiations were being conducted in the shadow of a number of events - the revision of trade relations between the western countries, the review of the international monetary system, the enlargement of the Community and the accompanying opportunity for a number of English-speaking countries in Africa, the Pacific and Caribbean to join the new Association.

While the Conference was meeting, the plenipotentiaries of the African countries were pursuing, in Brussels, with their European partners, a slow and laborious dialogue to clarify the terms and justifications of an overall agreement covering trade, financial and technical cooperation, and joint institutions.

These historic negotiations, for which no precedent existed, were being conducted by the nine Member States of the EEC on the one hand, and 44 countries from Africa, the Caribbean and the Pacific on the other. They were being held at a time when the international situation was marked by growing scarcity of, and rising prices for, certain primary products, particularly petroleum. Both the rich and poor countries should draw the necessary inferences, rising above national egoism in the realization that solidarity was beneficial to all. It should no longer be given for some countries to be rich while others bear the brunt of poverty.

The speaker considered that the Association was a unique achievement which, despite the inevitable imperfections which characterize all human effort, remained a model of dynamic and fruitful cooperation and of solidarity.

He thought that the future Association convention should take into consideration the need to maintain the advantages already acquired and guaranteed to the partners. The perfecting of a free trade system, for example, had to be studied, taking account of generalized preferences and

particularly of the need to leave the associated states free to organise their trade policy as their economic situation required.

The EEC and its partners in the Brussels negotiations should seize the opportunity thus afforded by framing a new agreement covering the full range of their economic relations and giving Association policy a content and dimension that would serve as an example.

This was, at any rate, the aim to which the United Republic of Cameroon was bending all its efforts.

(Applause)

Mr SPENALE stressed the fact that, though the Parliament's discussions had no binding force, parliamentary work had always favourably influenced Europe's decisions affecting Africa. Members of Parliament had their responsibilities and knew how to face up to them.

The purpose of the Conference was, in theory, to examine the Ninth report on the Association, covering the period from 30 September 1972 to 30 June 1973, but the discussion in fact focussed on recent events since the current situation broadly conditioned international relations of all types, including the Association.

The Joint Committee had carefully and frankly discussed Mr BERSANI's report, and the motion for a resolution. Both European and African delegates had been prepared to seek a compromise. This will was an important part of cooperation.

1973 had been remarkable for exceptional events :

- the accession of three new members to the EEC;
- the Sahel drought;
- the Kippour war;
- the explosion in the price of raw materials.

Accession provided a unique example which might be useful later on. This enlargement had taken place peacefully as a result of the free will of all parties involved, and not of domination of some countries over others.

Great Britain's accession had raised the problem of how to deal with the special relations between the Commonwealth and Great Britain, which were due to end in 1975. Establishing these new relations would give Africa an opportunity to progress. It would be desirable for Africa to achieve solidarity and integration according to its own choices. This idea was reflected in the preparatory work on the new Association.

It was important to remember that the Sahel drought was not yet over. The African delegates to the Joint Committee had thanked the Community for the efforts it had made but the future was equally important. The EEC's decisions in any case went beyond immediate aid, since they envisaged taking the necessary steps to avoid the recurrence of a catastrophe of this gravity. All these efforts merited whole-hearted support.

It seemed likely that, since shortly after the Kippour war, peace had been re-established between Israil and Egypt, the Suez canal would probably be re-opened. Somalia, which the Community had tended to forget, was

suffering from the closure more than the other associated states. For this reason, it was essential to grant special aid for its bananas. Aid had, in any case, been planned, but it was necessary to make sure that it would be efficiently allocated. The granting of this aid illustrated a fundamental principle that, if an associated state was in distress and there were no grounds in the texts for taking action, the means to make good the situation must be created.

The most worrying subject of all was, however, the explosion in the price of raw materials. Mr CHEYSSON statement showed that the developing countries would now have to pay 2½ times as much for raw materials as they received in public aid. It would naturally be the weakest who suffered most.

The associated states should not simple be granted the current value of technical and financial aid. Aid should be granted in proportion to the increasing prosperity of the Community countries.

All the international bodies and governments declared that development aid should represent a constant proportion of public budgets. This idea should, therefore, be incorporated in drawing up the new Association convention.

Mr SPENALE felt that there was an omission in the motion for a resolution which should be made good, possibly by an amendment stating that aid should increase in proportion to the Community's own resources.

The current situation was developing rapidly. The cards by and large had already been redealt. There was a risk of a resurgence of a devil take the hindmost mentality. The American Congress's recent decision to cut off finance for international aid illustrated the current attitude of public opinion.

The immediate future looked difficult. The Association faced a series of challenges and it should respond with solidarity. It had the means to do so.

In conclusion, Mr SPENALE thanked the Italian representatives and the city of Rome for their hospitality. He particularly thanked them for having acted as a springtime of solidarity at the onset of economic winter.

(Applause)

Mr SATCAM-BOOLELL expressed his country's satisfaction in taking part in the Conference as a full member for the first time. He also welcomed the presence of representatives from associable countries. Mauritius was in favour of frank and open discussion between the members of the European Parliament and the representatives of the associated States.

He invited the Joint Committee to meet in his country in Autumn, 1974. He also hoped that his colleagues from the associable States would come.

Referring to Mr BERSANI's report, Mr BOOLELL welcomed the spirit of solidarity reflected in the resolution submitted to the Conference.

Mr CHEYSSON had already stressed to the Joint Committee the need for the industrialized countries to do all they could to keep the current world economic difficulties within bounds. The Association's renewal and enlargement was an ideal framework within which to establish real cooperation between Europe and Africa. The associated states would continue to require technical and financial aid from the Nine, but were sure that they could make a significant contribution to the Association. However, particularly as a result of the effects of inflation in the industrialized countries, the associated States needed an assurance that their agricultural products would find outlets at profitable prices. Their revenue from exports of these products must be large enough to enable them to meet the increase in the cost of imports from industrialized countries.

The problem of banana exports raised by the Somalian delegate clearly illustrated the need for associated countries to have guaranteed outlets for their exports and stable revenue. It was to be hoped that the Community would find an effective solution to this urgent problem.

The speaker then raised the problem of sugar which was of vital importance to his country. He hoped that the Community would thoroughly examine the mode of application of chapter III of protocol No. 22 annexed to the Accession Treaty and that negotiations would be opened as soon as possible with a view to safeguarding, by means of a guaranteed market for large quantities of sugar at profitable prices, increasing revenue to the African, Caribbean, Pacific and Indian ocean countries taking part in the negotiations with the Community. The cultivation of sugar in tropical countries dated from the colonial era. For a number of reasons, the developing countries which cultivated sugar could not adequately diversify their production. Mauritius had attempted, with some success, to achieve a more diversified agriculture and industry but the cultivation of sugar cane remained the key factor of the island's economy.

There had been reference to the possibility that a shortage might emerge on the world sugar market and that demand might increase by 3.5% p.a. Some thought that the developing countries would be unable to meet this increase. It had even been suggested that the EEC Member States should increase their production of sugar beets in order to equate supply and demand and assist the developing countries which import sugar and would otherwise have to pay very high prices. Mauritius rejected this argument and considered that the developing countries with efficient sugar industries should increase their production. Close cooperation should be established between cane producing countries and beet producing countries with a view to avoiding any disturbance of the very fragile economy of the poor producer countries.

Before the international sugar agreement had come into force, the world price had fallen to £13 per ton which did not cover production costs even in the countries with the most efficient sugar industries. The international agreement should be applied to the letter. The enlarged Community had special obligations to the countries now involved in the Association negotiations. The solution which the Community adopted on sugar would be a test of its will to aid the developing countries. Mauritius above all hoped that its quota under the Commonwealth Sugar Agreement would be increased. Since this agreement had come into force 22 years previously, Mauritius' quota had only increased by 8% while its production had increased by about 54%. In the same period, world consumption had increased by about 125%.

Given that sugar exports represented 91% of all Mauritius' exports, that the other sectors of its economy depended almost entirely on the sugar industry and that the demographic growth of the island was very high (creating serious unemployment problems) the country could no longer be satisfied with a quota which represented only 54% of its production.

The speaker hoped that the sugar problem could be resolved to the satisfaction of all the developing countries.

In concluding, he expressed the hope that the new Association would include all the English-speaking countries in Africa, the Caribbean and Pacific.

(Applause)

Mr JAMES HILL expressed his satisfaction at speaking immediately after the Mauritian representative whose speech expressing his country's faith in the Association he had found very moving.

For him, the conference had a twofold importance. First, it coincided with a world economic crisis, secondly, observers from the associable countries were present. He intended to dwell on two principal topics: the International Sugar Agreement and the oil crisis.

The British Government found itself in a different position on sugar. It had to try to safeguard the markets of the developing countries. The new agreement should give them a guaranteed outlet at stable prices. The EEC countries should adopt a common position on the sugar problem and the Commonwealth countries should follow Mauritius' example and join the Association.

Turning to the oil crisis he referred to the heavy financial burden it imposed on developing countries. He quoted India as an example.

There, the consequences of the increase in oil prices would be extremely grave. It would no longer be able to import the petroleum products it needed for producing artificial fertilisers. Famine would be the inevitable consequence.

In the current year, the developing countries as a whole were facing a 300% increase in the price of imported petroleum products. The figures spoke for themselves. The associated States would have to open a dialogue with the oil producing countries in order to awaken them to their problems. The oil producing countries, which now found themselves among the rich countries, had a duty to follow the example of the industrialized nations and assist the developing countries.

An immediate solution to the Middle East conflict must also be found. The sums expended on arms in this part of the world could have been used to reduce substantially the difficulties of the developing countries.

(Applause)



Mr BORDU, on behalf of the European Parliament's Communist and Allies Group, congratulated Mr. Bersani on his remarkable report.

He first stressed the need for a thorough and realistic examination of present problems, particularly the oil problem.

In this field, he thought that fair prices should be established and the practice of exploiting the producer countries, particularly those in North Africa, abandoned.

By accusing the latter of reaping excessive profits, the capitalist countries were attempting to create divisions between the African countries - colonialism and neo-colonialism had still not been entirely eradicated. The main multinational companies controlled the markets. The moment had come, from this point of view, to make a serious attempt to build up some solidarity.

(Applause)

The idea of the Algiers conference would win through. Africa's political independence was becoming possible but required its economic independence.

The world was changing radically. The idea of complementarity should exclude any form of neo-colonialism. It was in Europe's interest to establish good new relations with Africa. There was an enormous range over which their interests could well coincide. Guaranteed revenue was the essential condition for progress of the African countries. In this field, Europe should stand up to pressure from the USA.

The solidarity which would guarantee peace must be encouraged by new methods.

10% of the funds currently spent on arms should be allocated to aid to the underprivileged countries in Africa and elsewhere, since the European industrialized countries had built up their wealth on the basis of the exploitation of under-developed countries.

The day of reckoning had come. Justice and equality would change the life of the people.

The Community should undertake to encourage the policy pursued by the Association's institutions.

(Applause)

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The sitting was adjourned at 12.55 p.m.