

PARLIAMENTARY CONFERENCE OF THE ASSOCIATION

NINTH ANNUAL MEETING
OF THE PARLIAMENTARY CONFERENCE OF THE ASSOCIATION

SUMMARY REPORT OF PROCEEDINGS

Thursday, 29 March 1973

Part II

KINSHASA

IN THE CHAIR: Mr PHILIPPE YACE

President

The meeting was resumed at 4.10 p.m.

Submission of documents

THE PRESIDENT announced that he had received, since the last meeting of the Conference:

from the Association Council

- the Eighth Annual Report of the activities of the Association Council to the Parliamentary Conference of the Association (Doc. 42/I/II and III);

from the Joint Committee

- Report by Mr GLINNE on the coordination of the activities of the 24 Partner States of the Association within the framework of the international organizations for economic cooperation and development, notably in pursuance of Protocol No. 5 of the Second Yaoundé Convention (Doc. 41);
- Report by Mr Francois BOUDA on the management accounts of the Parliamentary Conference of the Association for the financial year 1971 and on the estimates for the financial year 1973 (Doc. 43);
- Report and supplementary report by Mr Francois PERRET on the Eighth General Report on the activities of the Association Council (Doc. 42-I/II and III) to the Parliamentary Conference of the Association (Doc. 45 and Doc. 46);
- Report by Mr Heinrich AIGNER on the memorandum of the Commission of the European Communities on a Community policy of development cooperation.

Order of business

On a proposal from the Joint Committee and the Bureau, the Conference decided on the following order of business:

That afternoon:

- Report by Mr BOUDA on the management accounts.
Discussion and vote;
- Report by Mr PERRET on the Eighth Annual Report on the activities of the Association Council.

Friday, 30 March 1973

9.30 a.m. and 4 p.m.

- Continuation of discussion of Mr PERRET's report on the Eighth Annual Report;

- Report by Mr GLINNE on cooperation between the 24 Partner States of the Association;
- Report by Mr AIGNER on Community development aid policy;
- Working document by Mr BRIOT on the development of tourism in Africa;
- Appointment of members and of the chairman and vice-chairman of the Joint Committee;
- Constituent meeting of the Joint Committee.

Saturday, 31 March 1973

10 a.m.

- Possibly, continuation of Friday's agenda and vote on motions for resolutions;
- Closure of the Conference.

After announcing that the vote on motions for resolutions would take place on Saturday, with the exception of that following the report by Mr BOUDA which would be voted on immediately it was presented, the President announced that motions for resolutions or amendments should be tabled by 3 p.m. on Friday, 30 March.

Management accounts of the Parliamentary Conference of the Association for the financial year 1971 and estimates for the financial year 1973

Mr Francois BOUDA presented his report which covered both the management accounts of the Conference for the financial year 1971 and the estimates for the financial year 1973.

As regards the management accounts, Mr BOUDA stated that, although the budget amounted to FF 216,000, expenditure had been only FF 160,312.56, leaving an unused balance of more than FF 55,000. This, he said, should be considered satisfactory since, despite the increase in costs, expenditure had decreased by about 10%.

Thanks to the savings thus made, the payment of certain arrears and the receipt of bank interest, the state of finances on 31 December 1971 was better than it had been on 31 December in the preceding year.

The interests of the Conference had been well served and a discharge could therefore be given to the Secretary-General of the European Parliament in respect of its management in 1971.

Mr BOUDA pointed out, however, that contributions continued to be paid in at irregular intervals, and that some for previous years were still outstanding. He invited members of the Conference to ensure, where necessary, that their governments discharged their obligations in respect of the Common Fund as they fell due.

The estimates for the financial year 1973 amounted, as in the previous year, to FF 216,000. The results of the previous financial years showed that this amount was sufficient and that contributions from the States could be maintained at CFA 600,000.

The structure of the budget, however, called for some comment. As the present meeting had taken place after the end of the financial year with which it dealt, it could not be included in the budget for 1972 and would therefore have to be charged to the budget for 1973.

After giving some information on the number of future meetings, the places where they would be held, and their bearing on the budget for 1973, Mr BOUDA invited the Assembly to vote on the motion for a resolution placed before it.

(Applause)

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

Eighth Annual Report on the activities of the Association Council to the
Parliamentary Conference of the Association

Mr PERRET said it was an honour to have been appointed general rapporteur, thanked all those who had helped him in his work and expressed his gratitude to the Zaïre authorities for their hospitality.

He then reviewed the principal events which had affected, in one way or another, the life of the Association.

As regards the enlargement of the European Community, which he welcomed, he was pleased that steps had been taken to ensure the continuity of the Association and that negotiations would take place to avoid any weakening of its position.

Even more satisfying was the reaffirmation, at the Paris Summit Conference, of support for the policy of association.

The accession of Mauritius to the Yaoundé Convention pointed the way for other Commonwealth countries and confirmed the worth of the Association. In this connection, it was regrettable that, as a result of the delay in Europe in ratifying the Port-Louis Agreement, the Mauritian delegates could not yet participate fully in the work of the Conference.

Another outstanding event had been the UNCTAD-III. Despite mistrust and national self-interest, this had had the paradoxical effect of reinforcing solidarity between the Six and the Eighteen. Mr PERRET emphasized the importance of the unanimous adoption at the Santiago Conference of the resolution on the 'special measures' to be taken concerning the 25 countries classed among the least developed. This vote was an added justification for the existence of the Association.

On the African side, the establishment of the Economic Community of the West African States had been a happy event. The Association could only welcome such a grouping and wished it every success.

Finally, another factor which was quite encouraging was the development of public opinion on the problems of economic growth. Without themselves having to fear industrial pollution, the developing countries were pleased that world public opinion was becoming aware of the need for all nations to join forces in safeguarding fundamental human values.

Reviewing the Association's activities proper, Mr PERRET, while expressing satisfaction at the continuing good relations between the Council and the Joint Committee, regretted that no real political dialogue had as yet been established between the Community and the Associated States.

As far as the system of preferences was concerned, he deplored the lack of understanding between the partners of the Association with regard to the regulations applicable to certain fruits and vegetables from the Associated States. There were still profound differences of opinion on the subject, despite the good offices of Mr Jean REY and the intervention of the European Parliament itself.

The Associated African States and Madagascar thought it unjust to have to pay for the shortcomings of agricultural arrangements internal to the Community.

This dispute over a question of principle led the speaker to hope that, after acting as the main catalyst of European unity, the EEC's common agricultural policy could become the touchstone of a more united world. The necessary reform of the agricultural sector of the EEC would certainly not be easy; in this connection the general rapporteur hoped that the multilateral negotiations which were soon to open in GATT and in which the developing countries would participate for the first time, would permit a fairer organization of world trade.

Without wishing to enter into a discussion on the merits of a system of generalized preferences, the speaker gave voice to the concern of the AASM which, after losing their exclusive preferential access to the Community market, did not benefit either from preferential access to the other markets of the industrialized countries.

As primary products accounted for 9/10ths of exports from the countries of the Third World, the AASM welcomed the conclusion of an international agreement on cocoa, although they were aware that the effectiveness of any economic instrument depended essentially on the goodwill of its user. Was it not fitting that a community which had been the first in the world to set up common market organizations should let other nations profit from their formula? The creation of a European body for regularizing trade in basic products, along the lines, for example, of the mechanisms at present in force in the United Kingdom for sugar, could become one of the main demands of the new and old Associated States.

The Associated States regretted the decline in their exports to the Community.

As far as beef and veal were concerned, efforts should be intensified, in the interests both of the European consumer and of the African producer, at a time when the European market was showing a growing shortage. In these fields, the contribution of the EDF could be decisive.

Financial and technical cooperation did not pose any major difficulties. The AASM recognized the need to give priority to directly productive sectors and reaffirmed the need to speed up the execution of such projects. In fact, in 18 months, the expenditure of the third EDF had amounted to only about 12% of its commitments.

The rapporteur dwelt on a number of specific points. Among the most ticklish of these was the allocation of the resources of the Fund. In allocating these, he felt that more account ought to be taken of the level of development of each beneficiary country.

It was the Joint Committee's wish that steps should be taken by the Community to prevent the EDF's overall capacity for intervention from being affected by monetary measures. The European Parliament was preparing a report on the activities of the second EDF.

Finally, the EEC should attach considerable importance to the industrialization of the AASM. It was in Europe's interest that this should be carried out in such a way as to permit the Associated States to make up lost ground.

In conclusion, the rapporteur spoke of the future of the Association.

The previous year, during discussion on Mr Armengaud's report, it had been observed that the preferential margins were losing some of their value and that the Association should move towards an organizational approach.

The rapporteur expressed his concern at a tendency to tamper with the present structures and bases of the Association and transform it into a mere aid contract. The Yaoundé Convention could not be called into question but should serve as a starting point. The Associated States, therefore, were calling for a reinforcement of the present structure and the maintenance of specific ties between the enlarged Community and Africa, in accordance with the solemn commitment entered into at the Paris Summit Conference.

Events of importance for the Association lay immediately ahead: the opening, before the end of 1973, of new negotiations in GATT on the reform of world trade; the overhaul of the international monetary system, in which the developing countries would be participating for the first time; and the negotiations next August on the renewal and enlargement of the Association. The associated countries hoped that Europe would on this occasion make an imaginative attempt to increase even further the effectiveness of cooperation.

(Applause)

IN THE CHAIR: Mr BERSANI

Vice-President

Mr GISHENGA, President-in-Office of the Association Council, delivered the following address:

Mr President, Members of Parliament, your Excellencies, Ladies and Gentlemen, I have great pleasure in representing the Association Council at your Conference today in Kinshasa. For the whole Association, Kinshasa represents that place in which, a few years ago, in July 1968, the Community and the Associated States together launched the negotiations which were to lead a year later to the final drafting and signing of the Yaoundé Convention, under the terms of which we are now living. This year we have once again reached the crossroads, since the negotiations for the new Yaoundé Convention, which is to follow the one at present in force, will be starting on 1 August. I am sure that the important work you are going to do here, not this time at ministerial level but within the no less important framework of a session of the Parliamentary Conference, will help to show the path we should follow in tackling the future negotiations and in bringing them to a successful conclusion, and will give all of us food for thought and for action which, when the time comes, we shall use in a way that best serves our common interests.

It is my job today to present to you the Annual Report on the activities of the Association Council to the Parliamentary Conference. You will already have acquainted yourselves with this report, if not directly, at least through reading the excellent report prepared by your general rapporteur, Mr PERRET from Niger, following the meeting of the Joint Committee held at Ouagadougou last October and the meeting held here a few days ago. I feel sure that your general rapporteur correctly assessed the activities of the Association Council and Committee during the period under review. However, as a few thorns remain among the roses, I should like straight away to try to clear up any possible misunderstandings by going over the principal questions dealt with by the Association Council and Committee.

You were perhaps surprised that the report stopped short as at 29 September 1972, although an important session of the Association Council was held on 10 October. This was because it was thought better, for special reasons connected with the timetable, for the Association Council itself to approve the report, and this it could do only during the session starting on 10 October. This is yet another sign, if one were needed, of the importance the Council attaches to maintaining the closest possible relations with the Parliamentary Conference - an interest reflected in particular by the now customary attendance of the President of the Association Council at sessions of your Conference as well as at those of the Joint Committee. This places the report, which is essentially factual, in its proper overall perspective which, as concerns the principal problems

dealt with, is that of the Association Council. For the time being, I shall try to fill in any gaps in the principal elements of the Eighth Report and give you some idea of the discussions held since October within the framework of the Association.

The session of the Association Council held on 10 October 1972 and chaired by Mr Harouna BEMBELLO, Minister of Cooperation and Development of Niger, enabled us to settle to everybody's satisfaction all questions of immediate interest to our Association - with the exception of one problem to which I shall refer briefly in a moment, namely the regulations governing the import of fruit and vegetables originating in the AASM States.

The Council first decided to admit the representatives of Mauritius as observers to its sessions, to meetings of the Association Committee and to working parties. As you know, the Mauritius Association agreement, which was signed at Port-Louis on 12 May 1972 and which provides for the accession of Mauritius to the Yaoundé Convention, is awaiting parliamentary ratification, the procedure for which has already been completed not only in Mauritius but also in a number of Member States. We all hope that these procedures will soon be completed so that this country will be able to benefit from the advantages it has a right to expect from its accession to the Yaoundé Convention. A number of appeals have already been launched at the suit of Member States with a view to completing these procedures, but I feel it my duty to raise the matter again, particularly with the European members of your Conference, so that this appeal may be heeded in Germany, Belgium and Italy as it has been in the other Member States.

The Associated Council, like the Association Committee during its meeting of 2 February 1973, devoted part of their proceedings to the external relations of the Community in so far as these had a bearing on the Association. It was thus that the purely commercial character of the negotiations between the Community and EFTA members that either would not or could not join the Community was brought up. These negotiations ended in the signing of agreements, most of which have since come into force, with Austria, Finland, Iceland, Portugal, Sweden and Switzerland. The Community stressed the main objective of these agreements, namely the avoidance of renewed customs barriers between acceding States and non-acceding States. It also stressed its desire to take careful account of AASM interests in respect of products which directly concerned them. For their part, the Associated States have welcomed the provision of a special clause in respect of plywood and similar laminated wood products with a view to safeguarding the interests of their States. However, as far as Portugal is concerned, the Associated States have noted that, despite the political anxiety they expressed in drawing attention to the resolution of the OUA Heads of State at Rabat, the Community has concluded an agreement

with that country, granting it sizeable agricultural concessions which may harm the AASM trade in fruit and vegetables within the Community. However, this is a slightly different problem to which I shall be returning in a few moments.

Still on the subject of external relations, the Community has provided information on its negotiations with the Mediterranean countries, and has defined the scope of the agreements recently signed with Egypt, Lebanon and Cyprus. It has also given details about the additional protocols to the agreements with the Mediterranean countries following the enlargement of the Community. Finally, it has outlined the prospects of the overall approach it plans to adopt in its relations with all the Mediterranean countries. At this stage the Associated States have contented themselves with taking note of the declarations of the Community - reserving the right to return to them later - on the understanding that the Community will keep them informed of developments in these negotiations which should, whatever happens, guard the interests of the Associated States.

There has also been an exchange of views within the Association Committee on the trade negotiations planned between the Community and Brazil. These negotiations are particularly likely to affect the Associated States in respect of two sensitive products, namely instant coffee and cocoa butter, of which Brazil, together with certain Associated States, are major producers. The Associated States have felt concern about a possible reduction, in one form or other, in the CCT duties, a reduction that could further erode the margin of preferences granted to these countries on the markets of the Community.

As you know, as far as raw coffee and cocoa beans are concerned, the Associated States have several times expressed their regret that the tariff autonomy which the parties enjoy within the Association and which constitutes one of the pillars of the Association, always works to the detriment of the Associated States. As a result of this, and taking into the account the de facto suspension of the International Agreement on Coffee, they have urged that the Community should for the moment do nothing with regard to Brazil as regards these products. In their opinion, the Community should not consider any modification of the system of generalized preferences on this point or, still less, of the tariff concessions applicable without distinction to all producer States, some of which have reached a very advanced stage of economic development. Moreover, the Associated States have asked to be consulted on the negotiating directives and that the dossier should remain open throughout the negotiations with Brazil. The Community, after taking note of these statements, indicated that it would add them to the dossier submitted to the Council of the Communities and that the Associated States would be kept informed of the progress of the

negotiations so that they could ask for consultations to be opened as soon as tangible facts came to light that might have a bearing on their trade. For the sake of completeness, I should add that the Association Council has just been informed that during its session of 4/5 March 1973 the Council of the Communities issued negotiating directives concerning Brazil which actually provide for consultations with the Associated States on the two products in question once Brazil has defined the scope of its application in respect thereof.

Of the problems relating to trade discussed within the Association Council, I should like to single out that of generalized preferences which, although no longer as acute as in 1970/71 - the period during which the Community system was worked out and implemented - nonetheless remains a source of continuing concern to the Associated States. The Associated States are still of the opinion that this system should be revised, since the abstention of major industrialized countries creates an imbalance to the detriment of the AASM. The countries in question can scarcely be expected, at the present juncture, to open up their markets more widely to the products of the developing countries. Moreover, the anti-inflationary measures at present planned within the Community, might further reduce the margin of preference enjoyed by the AASM if they took the form of lower tariffs.

Thus it is easy to understand why the Associated States wish to follow closely the development of the system. The information and consultation procedure provided for under the Yaoundé Convention - which, with one recent chance exception, has generally worked satisfactorily - has largely permitted the Associated States to air their views in this field and, in some instances, to win acceptance for them. In this connection, I would simply point out that, as far as plywood and similar laminated wood products are concerned, the Associated States succeeded in getting the buffer on imports from each of the exporting developing countries lowered from 50 to 20%.

Furthermore, the size of the tariff quota applicable to these products during 1973 has not increased over that of last year; this is in contrast with the general rule for the determination of these quotas. Finally, the application of the Community system has not been extended to countries other than those belonging to the 'Group of 77'.

I come now to the dispute over the treatment accorded to imports of certain fruits and vegetables originating in the AASM which has arisen between the Community and the Associated States and which was particularly in evidence during the session of the Association Council held on 10 October 1972. As you know, until June 1971 these products had benefited from a system of complete exemption from duty for an unlimited period. Subsequently, under Protocol No. 1 to the Yaoundé Convention, the Community introduced a new import system

which was less favourable since, as far as these products or categories of products were concerned, it limited exemption from duty in terms of a marketing timetable. Now, the Associated States have pointed out that the new system might hamper their exports just at a time when a number of them had developed their fruit and vegetable production, in some cases with the aid of the European Development Fund.

In all honesty, I should add that the Community expressed its understanding of the concern shown by the Associated States. It confirmed its intention to carry out, between now and 1 May 1973, a review of the system in question with a view to introducing amendments in favour of AASM exports. However, this declaration of goodwill did not satisfy the Associated States and did not settle the problem of the principle of exemption, to which the Associated States, as in the past, attach great value. Thus, in an attempt to find an acceptable solution to this difference of opinion, the Community and the Associated States have decided to implement the 'good offices' procedure provided for in Annex VIII to the Final Act of the Yaoundé Convention. Under the terms of this, 'Any Contracting Parties that are party to a dispute within the meaning of Article 53 of the Convention, are prepared, if circumstances permit, to have recourse ... before bringing the dispute before the Association Council, to a good offices procedure'. Under this provision, Mr Jean REY, a former president of the Commission of the Communities and a man of the highest calibre whose impartiality and devotion to the work of the Association are beyond doubt, was asked to use his good offices. The procedure was completed on 31 December 1972.

In the conclusions he submitted to the two parties, Mr Rey recommended, as a first solution, that the Community should grant unrestricted exemption from duty for the products in question. However, there would have to be a safeguard clause against the risk of market disturbances. As an alternative, Mr Rey recommended modifying the timetable for duty-free imports by extending the periods during which fruit and vegetables from the AASM were exempt from customs duties. After examining these recommendations, the Community informed the Associated States that, with a view to settling the dispute, it had accepted, and suggested that the Associated States should accept, the second of the two proposals put forward by Mr Jean Rey, i.e. modification of the timetable included in the regulation of the Council of the Communities of 25 April 1972. The modified regulation would apply until the expiry of the Yaoundé Convention. The Associated States, however, should make known their agreement on such a formula in time for the Community to take all the necessary steps, before 1 March 1973, the date of the re-establishment of customs duties on the majority of these products, to introduce the required amendments to the regulations in force.

At the meeting of the Association Committee on 2 February 1973, the AASM announced that they found it impossible, at ambassador level, to come to a decision with regard to the position taken by the Community, of which they had taken note. Finally, since the good offices procedure had been initiated by the Association Council, they thought that the Council itself should intervene directly.

Believing that this situation should not be allowed to harm the interests of the Associated States from 1 March 1973, the Community pointed out that it had wanted to make a gesture while waiting for the Associated States to express their opinion. It had therefore examined the possibility of applying the new timetable provisionally from 1 March, on the understanding that it was waiting for the AASM to reach a decision, at the latest during the next session of the Association Council, so that the question could be finally settled.

Following this exchange of views, the Council of the Communities adopted a regulation temporarily suspending customs duties on certain fruit and vegetables originating in the Associated States. This regulation, which came into force on 1 March 1973, suspended, as from that date and for periods varying with the products involved but not going beyond 31 May 1973, the common customs tariff duties on the products in question. It was made clear that this suspension was being introduced temporarily and independently to bridge the gap until the Associated States were in a position to give their opinion as to the final settlement of the dispute.

The Associated States also brought before the Association Council a request that the Community should grant them, from 1 January 1973, an import quota at a preferential price for 50,000 tonnes of sugar. The Community replied that it would look favourably on the possibility of providing for a quota at a preferential price for a smaller quantity of sugar originating in the AASM. It added that the question of sugar would form an integral part of the negotiations for the renewal of the Convention, and that the solution which would have to be found by the enlarged Community for the benefit of the potential Associated States of the Commonwealth would apply, on the same grounds and under the same conditions, to sugar producers in the AASM. The Associated States, while welcoming this step forward on the part of the Community, observed that the development of the situation was so rapid that reference to the small quantity of sugar mentioned several years earlier, i.e. 8,000 tonnes, would sap the vitality of the Association. Nonetheless, if my information is correct, it is this quantity which was adopted in the proposed regulation which the Commission of the Communities recently submitted to the Council and on which the Associated States should of course be consulted, under the terms of Protocol No. 1, before arrangements can be adopted in favour of this product. As you know, this product concerns in

the main two Associated States which, unlike their counterparts in the Commonwealth which benefit from the Commonwealth Agreement on Sugar do not at present enjoy any advantages with respect to the export of this product to the Community market.

I now come to the general problem of the sales promotion of AASM products which has been on the Association Council's agenda for many years. At the request of the AASM made within the Association Council, the Commission of the Communities instructed independent experts to conduct a study on the sales promotion of these products. The study was started in 1968 and published in 1971. Like your general rapporteur, who broaches this question in the part of his report dealing with the activity of the organs of the Association, we regret that neither the Joint EEC-AASM Group of Experts set up by the Association Committee to examine this problem, nor the Committee or the Association Council itself, have so far begun examining this study.

You will nevertheless realize that, taking into account the length of this document and its importance for the authorities and business circles concerned both in the Associated States and in the Member States, such an examination requires careful preparation on both sides. It also necessitates the presence of highly qualified experts, and it is difficult to bring such people together in a relatively short period of time. The first meetings of experts planned to take place in Brussels last January had to be cancelled, but the preparatory work has now reached such a stage that it has been possible to consider convening these meetings for the beginning of next May. When the Association Council is informed of the conclusions of these experts, it will be able, if necessary, to embody them into a resolution. This would serve in the future as a guide to the financial and technical co-operation of the Community in a field in which neither the Community nor the AASM, although they have so far not been inactive, have until now had an overall view permitting them to determine which projects to finance in the best interests of the Associated States concerned.

Before leaving the subject of trade, I should like to draw your attention to the fact that, according to the statistics in the Annex to the Report, 1971 was not a very good year for AASM exports to the Community. In the meantime, however, trade has received a considerable boost from an increase in the price of numerous primary products. As a result, the long-term growth of trade between the 'Eighteen' and the 'Six' has not in any other way been affected by the fluctuations of 1971. In this context, it should be noted that the International Agreement on Cocoa negotiated last year will shortly come into force and that this agreement, in the opinion of the AASM which attach considerable political and psychological importance

to it, should encourage the Governments to conclude other agreements on primary products within the framework of UNCTAD. I should like today to express once again the Associated States' satisfaction at the signing of this Agreement and at the crucial role played in its conclusion by the Community at a time when the largest importer of cocoa refused to participate in it. It was partly the dynamism displayed by the Association during the negotiating conference that made possible an agreement on this product which would permit the stabilization of the revenue which the producer States, mostly African, received from it by preventing excessive fluctuations in the price of cocoa.

The Association Council did not neglect financial and technical cooperation. During the session held on 10 October 1972, it adopted a resolution defining, for the first time under the Second Yaoundé Convention, the general pattern for this cooperation. The resolution covers training, the maintenance and operation of investments financed by the EDF, and industrialization. Training will have to be adapted not only to the needs of development but also to local requirements, the object being to enable the Associated States to have at their disposal a sufficient number of executive and supervisory grades. The maintenance and operation of investments financed by the EDF sometimes causes difficulties for the beneficiary States upon which these responsibilities devolve. For this reason the Community declared that it was prepared to come to their aid with certain special intervention procedures in cases where particular difficulties prevented these investments from being maintained. Finally, the resolution provides for certain steps the Community will be ready to take in the light of the priority needs and the demands of the Associated States with a view to promoting their industrialization.

Before I finish, I must broach two problems of capital importance for the future of our Association, namely, the place of the Association in the general development aid policy of the Community, and the prospects of an enlargement of the Association - as an indirect result of the enlargement of the Community itself - at the end of the negotiations which are due to start soon with the present Associated States and with the associable States of the Commonwealth.

Until now, the Association has always preserved its distinctive character and role in the general context of development aid. As you know, a continuous dialogue was maintained between the Community and the Associated States during UNCTAD-3 at Santiago and during the preparations for it. The existing links between the Community and the group of industrialized countries and between the AASM and the other members of the 'Group of 77', made it possible for the Association to play a key role to clarify the points of view of the developed and the developing countries, and even to

facilitate the search for positive solutions in certain sectors, notably in favour of the less advanced countries.

The Associated States certainly regretted that, in this world context, no clear-cut commitment was entered into for an action programme in the very important field of basic products. However, the lack of concrete results in a whole series of fields has at least proved the necessity for strengthening the ties of the Association. In this spirit, the Associated States asked the Community for regular consultations at Brussels with regard to the preparation and the holding of the multilateral trade negotiations due to open this year, so that these negotiations will not detract from the advantages these States enjoy on the markets of the Community. The Associated States also pointed out that as the Association is expected to preserve a priority character in Community policy, the Community should consider concrete measures not only in the field of financial aid but also with respect to the markets and prices of their export products, notably by concluding regional agreements on the stabilization of the prices of primary products. Finally, the Associated States have felt it desirable that the Community should keep them regularly informed on the findings of studies undertaken to promote a Community policy of development aid. These studies are at present being carried out by a highly qualified group of experts from the Community. The need for prompt action is also recognized, since certain events with an important bearing on the future are due to take place shortly: the multilateral trade negotiations in GATT, the reform of the international monetary system, the work in UNCTAD on basic products and, most important of all as far as we are concerned, the negotiations for the renewal of the Yaoundé Convention. For their part, the AASM have made a formal request to be consulted before any decision is taken likely to water down the advantages they at present derive from their association and which they expect to continue enjoying in the future.

Moreover, the Associated States have been informed of the outcome of the Conference of the Heads of State or Government held in Paris on 19-21 October 1972. Strengthened by their contractual ties and above all by their overlapping interests, the Associated States have become convinced that the forces released by this conference as far as development aid policy is concerned will be harnessed to the attainments of the Association which, because of their exemplary nature, should be consolidated further.

In their final declaration, the Heads of State or Government of the Member States of the enlarged Community emphasized the importance the Community attaches to the policy of association as confirmed in the Treaty of Accession. Conscious of the problem of continuing under-

development in the world, the Community, in the same vein, affirmed its desire to increase, within the framework of an overall policy towards the developing countries, its aid and cooperation with respect to the least developed countries. Particular account would be taken of the anxieties of those countries towards which the Community had specific responsibilities by virtue of their geography, their history and the commitments the Community had entered into. There is no doubt that the AASM should be classed among them.

The founder Member States of the Community and those States which joined them on 1 January 1973 found themselves in agreement on the basic policy lines I have just described. This fact is of paramount importance for the negotiations due to start on 1 August 1973 with the Associated States and the associable Associated States concerned, pursuant to Protocol No. 22 annexed to the Act of Accession. I am in no position to forecast the outcome of these negotiations. However, you will have noticed that although, with the exception of the special case of Mauritius, the Association has not yet been enlarged, the Community has, and the presence at your conference of parliamentarians from the new Member States brings the fact before our eyes. Similarly, the meeting of the Association Committee held on 2 February 1973 was attended by representatives from Denmark, Ireland and the United Kingdom - this was the first time they had attended a meeting of an Association body. It should be remembered that this was the case despite the fact that the association system based on the Yaoundé Convention will not be applicable to the new Member States until the expiry of the Convention on 31 January 1975, and that representatives of the new Member States are not entitled to participate in the definition of the Community's policy within the framework of an association which, by definition, does not concern them. It is my belief that these principles which have already been applied within the Association Committee, will also be applied within the Association Council when it meets.

It is clear that these institutional changes, which are already more or less complete, foreshadow the more fundamental changes which will take place in our Association at the end of the coming negotiations. I very much hope that these changes will strengthen the Association and bring to the Associated States, more than in the past, assistance in their often desperate struggle against underdevelopment. However, for this to happen, it is important that, as pointed out by Mr DENIAU on behalf of the Community, fundamental principles and what has been achieved to date should be preserved, and that the accession to the Community of new Member States and the possible extension of Association policy should not weaken the Community's relations with the AASM in the three main fields of the Association, namely trade, financial and technical cooperation, and joint institutions. Any changes in the area of trade should be based on the advantages which the AASM enjoy from

the existing situation and not represent a step backwards in relations between the Community and the AASM. Similarly, as regards financial and technical cooperation, care should be taken to ensure that the present Associated States retain the advantages they derive from the Association and suffer no setback to their interests. Finally, as regards the institutions, which represent one of the cornerstones of the Association, great care should be taken to maintain, within the framework of association policy, the ties which at present exist. If these three conditions are fulfilled, the continuance and improvement of the association policy will allow both the Community and the Associated States to reap the full benefits, i.e. to achieve harmony in their relations in the interest of the peoples of each of the participant States.

(Applause)