

SPEECH BY SIR CHRISTOPHER SCAMES INAUGURATING THE ASEAN JOINT STUDY GROUP

It is a great pleasure for me to welcome you to Brussels for the first meeting of our Joint Study Group. It does not seem long since our first discussions of this project in Jakarta last September, and I am delighted that it has now come into being.

The work that we propose to do together is important for both of us, and the first meeting of our Joint Study Group is a small but significant step towards closer links between Europe and the nations of South East Asia.

I should like, if I may, Sir, to begin by saying a few words about the Community's evolving policy of aid for development. Over the past two years the Community has been widening its horizons and moving steadily towards a new world-wide approach to development. You will remember that in the period before the enlargement of the Community at the beginning of 1973 the main thrust of its development policies was directed towards those countries in Africa with which the original Six member states had historical ties. There were natural, political and geographical reasons for this. But subsequent events, and notably the enlargement of the Community to include Britain with her links throughout the Commonwealth, have changed the scale of the requirements of the Community's development policy. Enlargement not only marked a quantitative change but also a qualitative change.

The Community signalled its recognition of this fact in two ways. In the Joint Declaration of Intent which accompanied

Britain's Treaty of Accession it committed itself to consult with Asian countries, mentioning the Commonwealth countries of Asia specifically by name. The purpose was both to ensure that the enlargement of the Community did not damage their trade interests, and to develop a new relationship with them. Another important step was taken at the Paris Summit of October 1972 when the Community undertook to move towards a "global and consistent cooperation and development policy on a world scale".

And so, while in the past two years we have developed the previous Association arrangements into the new structure of the Lomé Convention which joins the Community with 46 African, Caribbean and Pacific countries, we have also begun to carry out the wider commitments of the Joint Declaration of Intent and the 1972 Paris Summit.

The main instrument which the Community has so far been using to fulfil its responsibilities in this respect has been its Generalised Scheme of Preferences. We have revised this scheme every year, and in the last two years we have broadened and adapted it so as to benefit particularly products from Asia. But we have also put to good use two new instruments for technical and financial assistance to non-associated developing countries created by resolutions last summer of the Council of Ministers: action in favour of regional integration between developing countries; and aid with trade and export promotion.

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We are also trying to establish new fields for Community activity. Several proposals from the Commission are now being considered by the Community's Council of Ministers. One set of these proposals suggests that direct financial and technological aid should be extended to the neediest countries in the Third World. Here we are calling for a selective approach. Food aid should go where people are hungry, financial assistance should go where balance of payments problems are severe and where the countries concerned have exhausted their borrowing capacity. And, generally speaking, cooperation of various kinds should be promoted where it is justified by the situation of the different countries concerned.

Another set of these proposals being made by the Commission relates to the current international discussions on raw materials. We are suggesting that the Community should take the initiative in proposing to the rich countries, both old and new, a system for the stabilisation on a world scale of the receipts from exports of those poorer developing countries whose economy is affected by the fluctuations of Commodity prices. And we are also suggesting that the Community should be prepared to negotiate commodity agreements in addition to those in which it already participates and to those for temperate agricultural products which we are proposing in the Multilateral Trade Negotiations.

How does ASEAN fit into this picture? The answer must be that it fits in at almost every point. In the first place, the Joint Declaration of Intent mentions two of your member states by name, and they are all covered by the Declaration. Quite

apart from that, your needs and your great potential must obviously feature prominently in the Community's new world-wide strategy. You have the human skills and the natural resources to benefit particularly from the Generalised Scheme of Preferences and from our joint efforts to promote trade - where, incidentally, following the Brussels International Fair, we are looking forward very much to your participation in the other European trade fairs this autumn; and to the forthcoming 'ASEAN month' in Brussels. So, as great potential exporters of processed goods and as a regional grouping, you stand to benefit from the two new instruments I have just mentioned.

Furthermore, we have recently introduced a new device into the administration of the GSP, specifically designed to help ASEAN. By applying the principle of cumulative origin we have arranged that the normal concept of an originating product under the scheme should be extended to make it possible to give preference to products whose process of manufacture is started in one of the countries of the region but is continued in a second country.

For perhaps in the long run one of the most important features of our relationship is that you in ASEAN and we in the Community are both regional groupings determined to secure the economic and indeed the political advantages of joint action and economic integration. ASEAN is an endeavour which we in the Community are bound to support.

This is why we were so pleased when at the end of last year we were able to arrange a fact-finding mission to Europe for senior officials from each of the ASEAN countries to give

them the opportunity to make a first-hand study of the institutions of the European Community, the European Free Trade Area, and the Nordic Council. We hope that this experience will prove useful in your planning for the establishment of a permanent Secretariat for ASEAN.

This, in a sense, is where we came in and the background against which this Joint Study Group has come into existence. I must confess to a great personal satisfaction about this. I remember well our first discussions of this idea during my visit to South East Asia last year. One of our main purposes then was to begin work together on a suitable institutional framework through which to develop our relations. The Commission had thought of various lines of action, including the possibility of a Commercial Cooperation Agreement. But you had also clearly given much thought to the question, and the Joint Study Group was your idea which we welcomed unreservedly. We thought of it as a means "of exploring together all possible areas where our cooperation could be broadened, intensified and diversified".

We will have a great deal to discuss together. Take trade for instance. The progress of trade liberalisation is crucial for countries, like those of the Community and of ASEAN, which depend on their exports for economic survival. In the past strong trading links have joined the countries of the European Community and of ASEAN. We look forward to the continued growth of this trade.

But over the course of time we expect that its pattern will change and questions of other kinds of cooperation will

come into increasing prominence. Traditionally you supplied Europe with raw materials and primary products, while we sent you manufactured products of all kinds. But we in the Community have long recognised the capacity of developing countries to develop industries which enable them to win for themselves some of the value added in the processing of their raw materials. We have acknowledged this in our trade preferences through the GSP and this is clearly one of the main issues to which we and the other industrialised countries will need to apply ourselves in the Multilateral Trade Negotiations.

I believe that an institution like the new Joint Study Group will prove to be a very useful forum in which to discuss these and other questions, such as those relating to the transfer of technology or to the relations between the producers and the consumers of raw materials. The Study Group will enable us to consider a very wide range of subjects calmly and reflectively, without the fear of being forced into premature commitments, and without the pressure to adopt rigid negotiating positions such as is so often felt in wider international discussions. It will I hope play some part in building up that new concensus between developing and developed countries to which we in the Community are firmly committed.

In the end, of course, it is not merely by setting up a framework for discussion that we will make progress. Much depends upon the will and the determination of those who take part in the discussions. There are of course limits, both

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organisational and financial, to what the Community can do at present and it would be wrong to expect too many concrete results too quickly. But, personally, I am confident that in the Joint Study Group we have found a fruitful device backed by much good-will on both sides. Now we need to show that we also have the ideas and the resolve to put it to good purpose.