

**SOME PROBLEMS OF EUROPEAN INTEGRATION WITH SPECIAL  
REFERENCE TO AGRICULTURE**



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**by**

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WITH SPECIAL REFERENCE TO AGRICULTURE

Mr. President, Ladies and Gentlemen,

With great pleasure I have accepted your invitation to come to Switzerland and speak to you about the problems in European agriculture and I am very grateful to you for the kind reception you have given me. I consider it a great honor for my country and myself that you, Mr. President of the Swiss Confederation have accepted the presidency of this meeting and I assure you that my Government is much aware of this.

It has repeatedly been said that our two countries, yours, where the Rhine originates, and ours, where it debouches into the sea, have much in common. We feel at ease with one another because there are so many things that bind us. The mentality of our peoples shows a great resemblance. All this contributes towards creating favorable conditions for the exchange of views and for a good understanding. In fact, in many respects we fundamentally "speak the same language", even though our opinions often differ. It is precisely this difference of opinion, especially regarding the subject of my address, that may lead to a fruitful exchange of views. Of all the views held on this subject in European countries those of Switzerland and the Netherlands represent the extremes, for I believe that the theses of our countries about the problem of agricultural integration are very different.

You asked me to deal with the problems of agricultural organization in Europe and you will expect me to speak first about the numerous and serious questions in the technical-economic field of agriculture which are involved. I believe, however, that the details of the present problem, however important they may be, only form part of our problem. Indeed, the organization of the agricultural market has been approached within the framework of efforts directed at closer cooperation among the countries of Europe. These efforts are being made in various fields and should be considered one of the most important elements of the present political and economic development of our Continent. Consequently the problem of an agricultural community is not exclusively, or for that matter, even largely, an agricultural problem. It primarily forms part of the whole problem of European integration. As a matter of fact, if I am to speak about integration in agriculture in a constructive way, to justify this, my arguments should reach farther than agriculture alone and cover the entire European unification in general. Therefore, I shall first deal with this general statement because it is deciding for taking our stand in the various activities that are the task of every day.

I believe that the moment for taking stock of European political development is the more opportune because the Berlin Conference has clearly shown that the only way that remains open for Europe is, on the one hand, the way to inter-European cooperation and integration and, on the other, to federalization. I fully understand why Switzerland still hesitates in taking a stand concerning European integration. Nevertheless I hope that gradually she will join the group of countries aiming at integration and that she will do everything possible to promote this movement. even if she will not yet be able to participate in it.

I speak frankly here. I am much in favour of any form of cooperation on a consultative basis, such as, for instance, the O.E.E.C., but I do think these efforts will contribute to the solution of the European problem. This problem

is, on the one hand, of a political, and, on the other, of an economic and social nature. Before considering this problem from the political and economic view-point, it may be desirable to find out what the background of the problem is and to recall previous events. For this purpose, the best plan would be to review what has happened in Europe during the last fifty years and try to answer such questions as: Why has the movement for unification suddenly come to the fore in the last few years? Has not Europe been for centuries the centre of political and cultural power without being unified?

It is generally felt that the attempts at integration are mainly generated by the fact that there exists an increasing realisation of the fatal condition of the present Europe. Half a century ago Europe was at the peak of its economic power and prosperity; to-day she finds herself in a condition where the maintenance of her political existence is, more than ever before, dependent on foreign, economic and military aid. In these circumstances it could happen that the voice of some of our modern prophets, - I have in mind, Spengler and Toynbee - is not the voice of one crying in the wilderness. You know the view of the historian Toynbee. He holds that in the course of the ages all civilizations are confronted with serious crises, that constitute an actual threat to their existence. The degree to which leading circles succeed in finding a constructive solution for the problems that have arisen, determines the future of every civilized community. If each challenge is not met with the appropriate response, the community loses in power and its authority weakens at home and abroad. New threats which are more and more difficult to face, present themselves inside and outside its boundaries. Without being a historian, everyone will have to admit that the present Western civilization is characterized by the fact that numerous and serious problems arose in the course of the last century. For many of these problems only rather unsatisfactory solutions or none of all have been found, and such interventions have led to an increasingly graver crisis in authority at home, and abroad, to a decrease of Western influence in other parts of the world, that is to say, on other civilizations. This decrease in influence was noticeable after 1914-18 and continued at first slowly and later, after the second world war, at a quicker rate. Communism, a spiritual trend which, in its principle, is hostile to all real intellectual values of the West, could considerably strengthen its influence without the West being able to defend itself against this most serious of all threats.

This unfavorable development has brought a number of statesmen to the recognition that the civilized Western community, and especially old Europe, should change its policies. Though they could not solve the numerous serious problems either, they now realise that it is of overwhelming importance for the countries of our continent - which are out of date as political, economic and social units - to seek the solution for domestic tensions and crises no longer individually and often as antagonists, because they otherwise would have to abandon their political and national ambitions. This, in my opinion, is the crucial point of the problem.

After this brief exposition of the general aspect, I would now like to come to the study of the problem from the political point of view. No doubt, you will agree with me that it is precisely the political aspect of the European movement that has now come into a particularly interesting, if not decisive stage. For a long time already important negotiations have been going on between the governments of the countries which are members of the Community for Coal and Steel with the purpose of drafting a statute of a

European Community of these six countries. These negotiations and the point which they have now reached, will in my opinion, be decisive for the future of the peoples of Europe.

No doubt, you have followed the attempts at the unification of Europe in the course of the last few years and therefore, it will suffice to recall only the most important facts. You know that the drafting of a Constitution for a European Community is closely related to the establishment of the European Community for Coal and Steel, on the one hand, and to the mooted of a European Defense Community, on the other hand. The difficulties obstructing the establishment of the Defense Community are great and, in my opinion the question of ratification or non-ratification is the crucial point which will determine the political development of Europe in the months to come. It is easy to understand that the concept of a Defense Community in itself has only slight attraction for the peoples. It would have been preferable by far first to build the European house, both politically and economically, and organize the defense of this house in the last instance. But in the political field developments do not follow the logical pattern which the human spirit would prefer.

It should be admitted, that the Community for Coal and Steel and the Defense Community have both been proposed because they were, politically speaking, urgently required. It has been the aim to remove for ever precisely in this fields - heavy industry, mines and in the military field - the Franco-German antagonism and eliminate the thoughts of revenge.

What I would also like to emphasize is that the French statesmen who have proposed these two treaties, that for Coal and Steel and that for the Defense, have had the broad political vision to envisage that the movement for unification in these fields must necessarily lead to the ultimate political unification of the participating countries. Under section 38 of the Treaty for the Defense Community the Assembly of this Community will have to draw up the political constitution for "the Europe of the six countries". The new authority - that of the Defense - is aimed at being a General political Authority. And thus the six Governments have been able to accept the slightly illogical policy of first organizing the Defense of the house, which has not yet been built.

You are right in asking me in what way an Assembly that will owe its existence only to the ratification of the Defense Treaty, would be able to perform such a task. That is why, in September 1952 the six Ministers of Foreign Affairs decided to instruct the only European Assembly with a supra-national Character, that for Coal and Steel, to draw up this constitution under section 38 of the Defense Treaty. For this purpose the composition of the Assembly for Coal and Steel was so changed as to become equal to the composition of the Assembly for the Defense Community.

As you know this "Ad hoc Assembly" fulfilled its task within the 6 months allotted. On the 9th of March 1953, its chairman, Mr. Spaak, laid the draft constitution before the governments of the six countries.

I must apologize for troubling you with all these details, but I must emphasize their great importance. For it is this procedure that has put the initiative into the hands of the parliaments. From the moment when the ad hoc Assembly was charged with the task of drawing up the European constitution, the initiative was put into the hands of the parliaments of our six countries. I personally think there is much to be said in favor of this development, because a government pushed by its parliament will have a stronger tendency to

pursue the desired end than a government which works alone or in cooperation with the other governments pursuing the same object.

So it may be said that the final object - which is in the first place a political object - the establishment of the European Community - is pursued both by the six governments and their Parliaments.

Under the present political conditions it depends on the ratification of the Treaty for the European Defense Community whether this object will be attained or not. For this reason it is quite natural and conceivable that all those who are against the establishment of the European Community work under the guise of opposing the Defense Community.

According to the decision of the six Ministers of Foreign Affairs of September 1952 "the Constitution of a political European Community of a federal or confederate nature is tied up with the establishment of common bases of economic development and with the fusion of the essential interests of the member-countries", that is to say, the establishment of a common market.

Only in the form of common responsibility - and I shall revert to this form in more detail - Europe will be able to achieve the structural framework which will have to serve as a basis for this economic development, which, in fact, is so essential, particularly in the underdeveloped areas of our continent. Taking this into consideration, it may be better understood that all who hope to be able to prevent the subsistence of the European democracy, will do everything in their power to torpedo the Defense Community and, consequently, the Political Community. This is of interest to Moscow and all communist parties in Europe. Before the Berlin Conference they did their utmost to hinder the progress in European integration. And now they still do everything to strengthen the forces which wish to put off the ratification of the E.D.C. till after the Geneva Conference. Let us be on our guard and know that the results of the Berlin Conference clearly show that it would be dangerous to wait again. Let us not be rocked asleep by the sweet voice of the charmer in Moscow.

It is regrettable that especially in France the difficulties connected with the ratification of the Defense Community have become so great. The genius of France has conceived the idea of a unified Europe, which has now taken root in the hearts of the younger generation of our countries. Nevertheless, I am not too pessimistic on this point. I sincerely believe that common sense, which has always been one of the main traits of the French character will conquer and that France will understand that her prestige is for ever at stake. It would be intolerable if the future of Europe should be sacrificed by hiding behind the ratification of the Defense Community. Therefore, I believe that a heavy responsibility rests not only on France, but also on the other European countries, on those who are members of the Community as well as on those who are not.

Do not misunderstand me. I do not pass judgment on the neutrality of Switzerland, because I believe that every country should choose its own policy. But I am entirely convinced that the neutrality of Switzerland can only be maintained within the framework of a free and strong Europe. I, therefore insist that the establishment of the European Community is in the interest of Switzerland, and that it should be supported and stimulated by her.

Ways and means should be sought to promote the ratification of the E.D.C. and the establishment of a Political Community which complies with

the provisions of the Decision of Luxemburg of September 1952, and which will have such organs as are acceptable to those who need the Political Community in order to accept the Defense Community.

The socialist party in France has already stated that it can only accept the Defense Community if a Political Community is established at the same time. So the problem is how to ratify the E.D.C. and to create the Political Community at the same time or immediately afterwards. As I have already said, we are here faced with problems relating to the competence and power of the Political Community apart from the powers conferred upon it under the E.D.C. and E.C.C.S. It seems to me that the crucial point is the question in what way "the fusion of economic interests" can be realized and in what way the common market will be progressively established. Personally I think it is essential that the Community be provided with organs that will automatically provide a dynamic force in the economic field. In the event of an economic recession these organs of the Community would immediately find their task, and a return to the purely nationalistic systems prevailing after 1929, can be avoided. Consequently, it may be said that the existence of the Community for Coal and Steel plus the Defense Community, plus the Political Community provided with dynamic organs, may considerably contribute towards the establishment of the common market, if only the appropriate formula could be found. And in the event of an economic recession, a return to economic nationalism could be avoided, which latter would destroy both the Community for Coal and Steel and that for Defense.

We are now already discussing the economic aspect of the problem and you may have the impression that I consider it of secondary importance. This is, however, not the case. I have always held the view that in countries like the Netherlands a Political Community is of no importance, if it does not comprise a common economy. It is true that the Treaty for the Community for Coal and Steel envisages the creation of a common market for coal and steel. The Preamble to the Treaty clearly states that it aims at stimulating the recovery of Europe by establishing common bases for economic development. But do not be mistaken. However urgently needed it may be, a common market is not the primary aim. It is the transposition of a political concept into the economic sphere, the creation of a wider community among peoples which have hitherto been divided by bloody conflicts. This, however, does not alter the fact that though the economic aspect results from a political conception, it is, nevertheless, of great importance. For, in fact, the threat constituted by communism is not merely, or even particularly, of a political or military nature, but it is also fostered by some very disquieting economic and social phenomena on this continent.

The fact that Europe is economically lagging more and more behind the new world is in itself already a very serious phenomenon, but it is far more disquieting that the considerable economic start we had over the U.S.S.R. is being speedily reduced. In view of the rapidity of this development, even after the Russian losses in the second world war, experts are of the opinion that it will shortly be possible to raise the standard of living of broad masses of the Soviet block considerably. There are several indications that recently special attention is given to consumption levels in Russia. There is no need to explain that this development increases the danger of an extension of communism. If it should one day appear that the western civilization, particularly in Europe, can only offer poverty in liberty, the fate of our civilization would become extremely precarious. A communistic occupation of Europe might well begin within the bosom of the peoples themselves. And I doubt whether such a movement of soviet power will halt at the frontiers of countries which now can assure

their population a high standard of living and a well-balanced economy, countries such as yours and mine. Let us bear in mind that a chain is always only as strong as its weakest link. It is not difficult to find the weak links in the European chain.

So what is for Europe the pith of the economic problem? I have already said that the states of our continent, which, as a whole, have become out-of-date from political, economic and social viewpoint, in spite of the fact that some of them have attained a very high social and economic level, can continue to solve their serious tensions and national crises separately and often as antagonists. But, after the first world war the countries of Europe have constantly been faced with serious economic and social difficulties, which the national Governments could not solve. Therefore, most of these Governments have had to resort to a policy which put restrictions on foreign trade in order to save their domestic economies. This is the essential reason for protectionism, but also the principle cause of Europe's economic backwardness. I would like to emphasize this point, not only because the problem in itself is already of particular importance, but also because I hope to be able to show you that its solution - also in the political field - is only possible by restricting national sovereignty. In addition it is my opinion that a restriction of sovereignty should not in the first place be considered a sacrifice, but rather a guarantee. But permit me first to speak about the problem of protectionism or economic nationalism.

Protectionism and economic nationalism are ideas which have bad reputation and there is a tendency to lay the fault of this at the door of the Governments which pursue this policy - that is to say virtually all Governments - except of course one's own Government.

Are they right in doing so? I think not. What happens, in fact? For many years forces have been at work, which have made this economic nationalism virtually unavoidable. I here distinguish three essential factors:

1. increasing interdependence of the countries;
2. dynamic evolution of the business cycle;
3. closer organization of various business interests.

On the one hand, the two first factors have made the national economy very vulnerable, on the other, the third factor has strongly promoted the stabilization of national economic activity. Under these circumstances the Governments began to attribute a much bigger importance to the social and economic policy than they used to do. Moreover, since 1930 new employment had to be created for their manforce. In other words, the Governments of the Western countries think they are in duty bound to pursue in their countries an active economic and social policy and it is their peoples themselves who urged this course. Consequently the Governments are not to blame, for they acted in the capacity of mandataries of their peoples and they have done even more. They have taken numerous useful initiatives towards applying as efficiently as possible a policy of economic prosperity on a national level. We must conclude however that they did not succeed. What did they do then? In many respects nothing but simply transfer on to the foreign sphere the problems they could not solve domestically as a result of technical obstructions or the unfavorable internal political trend. The keen competition from abroad and the unemployment in some industries are suppressed through import restrictions and higher tariffs. Inflationary pressures are eased by manipulating the exchange rate and by restricting the

movement of foreign currency and of capital. But it is clear that such problems do not just disappear by transferring them to the international sphere, because they will finally arise afresh in the country where they originally emerged. What are the results of this "displacement policy"? In the first place an unbalanced development of the national economic structure. Behind their economic barriers all nations have developed or maintained industries whose establishment elsewhere might have been more advantageous. The existence of numerous small national markets has seriously hampered the development of an economically more efficient farm and the advantages of standardization. In the second place, a "policy of displacement" generates more and more defensive measures, for whenever any country takes such a measure, the other countries are compelled to follow the same policy and every measure elicits counter-measures. Especially during a depression such measures are extended and such actions aggravate the depression even more. Consequently, a policy of displacement will result in stagnation and ineffectiveness of the national economy, which will damage rather than stimulate the so much desired domestic stability.

The great danger of a growing stagnation in the European economy has been emphasized in the annual reports for 1953 of the O.E.E.C. and of the European Economic Commission, residing at Geneva. Both emphasize that the ever increasing disequilibrium must be eliminated by efficacious measures aiming at the institution of a common European market.

I think I may say that everybody is agreed upon these conclusions. Ways and means should be found to follow a policy by which problems are solved jointly, instead of displacing them. There is no agreement on the method to be followed to arrive at this common policy; in any case this agreement is lacking among the numerous members of the O.E.E.C. This agreement has been found by the Six. Allow me, therefore, to explain why the joint solution of problems which nations cannot solve individually, is only possible at the expense of some limitation of domestic sovereignty.

I have already said that in the course of the last scores of years the Governments have assumed great responsibility as far as the economic and social events in their countries are concerned. Until recently it was believed, however, that interests of a purely national nature were at stake and therefore the responsibilities were solely taken on the national level. The result was that the solution of the problems was only sought from the national point of view. It appeared, however, that the interests defended by the Governments have many important aspects that cannot be considered on the national level and need a broader framework for constructive solution. These aspects constitute not only a national interest, but also a common interest. If, however, common interests are to be defended, for which no solution can be found by employing national means and by considering them only from a national standpoint, a common policy on the basis of collective responsibility will have to be applied. So it stands to reason that a country is only prepared to cede part of its national responsibility in behalf of interests which it has hitherto defended through protectionism, if it is certain that this responsibility will be assumed by the community of countries. A collective responsibility, however, implies automatically a restriction of the sovereignty of the participating countries.

You will now understand what I meant when I said that the limitation of sovereignty should not be primarily regarded as a sacrifice, but as a guarantee. So it is for each participating country a guarantee that, if it renounces part of its national responsibility, the safeguarding of its interests will not suffer from this, but will be taken over by the community. This matter should



not be underrated, for it implies that, in order to achieve integration, the countries should not before all things demand sacrifices from other countries, but declare themselves to be equally responsible for the problems of others. It is evident that each country should be asked to remove its economic barriers according to well-determined plans, but it should be borne in mind that these barriers are the visible results of problems, for which responsibility is assumed and which still call for a solution. So the conclusion is that the creation of a common market can only be realized on the basis of a common policy which aims not only at the removal of economic barriers, but also at creating the situation in which such a European plan can be realized without adversely affecting interests that have hitherto been protected.

I have above referred to the great hesitation shown in Europe with regard to economic integration. I think this is largely due to the fact that in the relevant discussions the countries insist too much on the progressive removal of protective barriers and are too little interested in the collective responsibility in respect to the unsolved problems hidden by these barriers.

Do not think, however, that, in saying that the economic barriers are the visible results of unsolved problems, I mean to say that all the problems they hide could not have been solved technically or economically on the national level. What has actually happened is that well-organized groups of interests have insisted, most often successfully, on being protected in cases where a solution on the national level would have been possible economically and technically. Such a solution could, however, not always be applied for reasons of domestic policy.

We have now arrived at the question what this problem means for agriculture. In my opinion, two points are of major importance:

1. The problem of the agricultural community considered from the angle of the integration of a single sector of economic life.
2. The problem of common responsibilities and its repercussions on agriculture.

First a few words should be said about integration according to sector. I shall be brief. From what I have said it follows that it is useless to restrict the unification of Europe to the political sphere. Moreover, it would be illusory to believe that it would be possible to realize a certain political unity, that is to say a unity in military foreign policy, without finding a solution for the serious tensions and pressures that are now existing in the economic and social fields. At best, such procedure could lead, for instance - during a period of a high level of economic activity - to a stabilization, but would neither permanently nor essentially, reinforce Europe.

In the field of logic the question arises whether it is opportune to apply economic integration to only some sectors of economic life. It is impossible to separate one or more branches of activity from the total structure of a national economy and make it or them into an independent little word. Economists are of the opinion that this would cause considerable tensions that would certainly not be restricted to the economic sphere. Also from the point of view of public law, this structure would give rise to definite dangers, particularly as regards the democratic system. It is only practicable if such a number of measures is taken for intervention in the integrated sectors themselves as well as in the rest of the national

economies, that it becomes very doubtful whether the disadvantages will not surpass the eventual advantages. This will practically mean that the freedom gained in the integrated sectors will be paid for by more rigid restrictions in the other sectors where thenceforward all forces tending to disturb the equilibrium and all other tensions will accumulate.

There is another weighty argument against limited integration, also directly connected with the fact that it does not take into account the very close ties between the various economic branches. If these interrelations are neglected the realization of one of the main objectives; the increase of productivity by a better division of labor will be seriously delayed.

So we have answered the question whether it is desirable to proceed to economic unification sector by sector. The fundamental objections which I have mentioned also apply to a system by which integration is started in one or more sectors of economic life, even if it is ultimately intended to extend this integration to the whole field. Is it, however, conceivable that, in order to encourage general economic integration, a start is made in some sectors? This has, for instance been done in the coal and steel sector, but, as already stated, there was an essentially political reason for this. And it can now already be seen that the integration of the coal and steel sectors cannot be halted at the boundaries of the sectors. Its influence makes itself felt in other sectors, such as transport and housing, and the Governments can no longer perfectly control these fields. It has been tried to proceed along the same lines in the agricultural field. I have always insisted that the establishment of an agricultural community must form part of a general economic integration and that it could only succeed in this framework. Furthermore, this means that the discussions on agricultural integration should be held on the widest possible basis, instead of restricting them to the agricultural sector alone. But I shall later revert to the development of the work of the Paris Conference.

I would now speak of what, in my opinion, the idea of collective responsibility in the agricultural field comprises.

For this purpose we should first accurately determine which are the principal factors that have caused the marked success of protectionism in agriculture in a large number of countries and also which of those factors must be considered to come under collective responsibility. I distinguish:

1. the economically vulnerable situation of the agricultural enterprise;
2. sociological factors;
3. political factors.

First a few words about the economically vulnerable situation.

Unfortunately, it is impossible for the farmer to adapt his production rapidly to the changes in the market conditions, as his production plan is closely tied up with soil and climate. Besides, agriculture is largely practised by small producers who cannot in the least affect price fluctuations in the market. On the contrary, it is very often seen that they increase their production in periods of declining prices in order to maintain their income.

In the second place the sociological aspect. It is a well-known fact that the demand for labor is steadily declining in agriculture.

Experience shows that there is a permanent migration from the agricultural section to other economic activities. It is also known that in numerous areas this migration is insufficient and that this is one of the principal causes of the large number of unremunerative small holdings, of extreme fragmentation of holdings, as a result of the division of land among various heirs, which has certainly contributed to the poor allotment of vast areas.

Let us finally discuss the political factors.

These are of a varied nature and I have to be brief here. It is true that farmers are individually very vulnerable, both economically and socially for the above mentioned reasons, but as they belong to the most important class of the population, which is most closely organized, their collective influence is considerable. If the necessity of protecting farmers economically and socially, justifies an active policy of the Government, it is undeniable that this very influence of the farmers often leads to an unreasonably extended degree of protection. Nor can it be denied that a too vigorous protection is likely to retard migration, and render already existing problems more acute.

What conclusion may provisionally be drawn from this all too brief exposition of the principal agricultural problems?

1. For an industry like agriculture, which is both economically and socially very vulnerable it will be necessary - also in an integrated Europe - to pursue an active policy. From the start, that is to say, from the beginning of the transitory stage, the governments should be prepared to assume relatively ample collective responsibility. This means that national responsibility which all governments now bear for the numerous small holdings, should also be included in the collective responsibility.
2. How is the situation with regard to the elimination of economic barriers? Certain groups of enterprises - the small ones and those of small remuneration, the so-called marginal enterprises - for which the Governments undertake national responsibility as far as possible by means of protection, would be placed in a difficult position. So the only solution would be a policy by which the economic position of this class of enterprises is supported by other methods. This policy is only possible by taking measures enabling these enterprises to employ more rational farming methods through better parcelling out and better equipment. First of all professional training extension should be improved. I am finally convinced that from the first stage of integration, special attention should be given to the rationalization of agriculture.

For such areas where the natural conditions do not permit a reasonable solution by means of rationalization alone, it will no doubt be necessary to consent to supplementary measures for support.

In my opinion, however, technical measures, however important they may be, should not always precede the progressive removal of tariff walls. These two operations should be executed simultaneously for the following reasons:

Any delay in the removal of tariff walls may prevent a proper rationalization and an improved international division of labor, because the artificial price structure resulting from national protectionism, will have to be altered first; these artificial prices are deceptive indicators in the process of rationalization of the production. Therefore, it is essential, to include all products in the integration from the very start. If the protection of some products is reduced and that of others is not, the distortion of the price structure will be increased.

In this connection another important correction in prices would be highly desirable: divergencies in prices between countries result from unrealistic exchange rates. The advantage of this correction is that it would take much less time than the removal of the tariff walls, which will no doubt require a long time to be realized. After elimination of artificial exchange rates it will be possible to get clear indications on the proper

direction of international specialization. Another advantage is that it will undoubtedly reduce the great price differentials existing between the various countries.

At this conference I have only been able to talk briefly on collective responsibility in agriculture. I believe, however, I may draw the following conclusions:

1. Collective responsibility must in any case be extended to economically and socially weak groups of farms for which the Governments now assume responsibility on the national level.
2. Rationalization of agriculture and particularly the development of backward areas should be broadly conceived and should be accompanied by measures for the correction of artificial elements in price relationships. It may be said that the carrying out of the rationalization scheme is of great importance for the control of cyclical fluctuations in the European economy.
3. It should be investigated where the problem of rationalization in agriculture is related with other economic sectors.

It would take too much time to elaborate these points. In regard to the third point, however, I would emphasize that, for several reasons, it is not desirable to envisage a separate plan for agriculture. As all agricultural development is largely carried out by measures embracing other areas than agriculture alone, a separate plan for agriculture would be less opportune. Before all things I have in mind the necessity to encourage the industrialization of over-populated agricultural areas.

Finally a word or two about the Agricultural Conference. Frankly speaking, I am of the opinion that the course of the agricultural discussions in Paris in the Palais de Chaillot is far from satisfactory.

If I have been well informed the report prepared by the Interim Committee during its final session from 16th to 19th February makes no real contribution at all towards the Ministerial Conference. There is neither agreement on the institutional problem nor on the framework within which the activities should, or should not, be pursued. No agreement has been reached on such problems as relate to preference, compensation, etc. This is the result of two years of work and this strengthens my conviction that agriculture should not be placed outside the other economic sectors. It seems to me that in the discussions in the Palais de Chaillot no account was taken of the political or the economic development in the world and in Europe. It was the aim to isolate agriculture. Who are responsible for this? The Governments of our 17 countries, but also the agricultural organizations and the farmers.

Taking this report also in consideration I would make the following conclusions:

1. Agriculture should not be separated from other sectors, neither in a full economic integration, nor in an intergovernmental cooperation on a consultative basis.
2. In the concept of agricultural integration the element of collective responsibility should play a bigger role than previously - thus the restrictions of sovereignty are seen in another light, namely that of a guarantee.

Particularly the second conclusion - collective responsibility, based on certain restriction of sovereignty - has met with little response in Paris. At the two Ministerial Conferences a decision on the institutional level was avoided. I think it is mainly due to these two circumstances that the discussions have not fully succeeded. When each of the countries hesitates to assume responsibility for the problems of the other countries, it can not be expected

of course that these other countries will make concessions. There will be no willingness to abolish part of the protective measures serving to defend the national interests, as long as these interests are not considered to be common interests. Some of our Paris friends have recommended to make draft agreements for individual products, especially on wheat. It is easy to understand that I am not enthusiastic at all about such a solution. Such agreements would be illusive, both politically and economically. Therefore the Netherlands Government is firmly opposed to these propositions.

Mr. President, Ladies, Gentlemen. I have spoken too long and I apologize. I have attempted to place agriculture, which is so dear to all of us, in the framework where it belongs, namely in the framework of international politics and the international economy. I have laid much stress on the development within the framework of the Six, and there may be some among you who reproach me for having done so in Switzerland. I have done so however, because the Six are not, and will not be, a closed community and because I fervently hope that one day Switzerland will also join this community. She belongs to it. But it is for you to decide on this point. Allow me to say in conclusion that I sincerely hope that as long as you cannot join the Six, you will do everything possible to stimulate its development. Do not distrust this European Community. The future of Europe, our survival, is at stake. All of us are concerned.

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