

AGRICULTURE IN THE NETHERLANDS AND IN EUROPE



**Address for the
"Tribune Européenne d'Agriculture" at Paris,
5th March 1954**

by

**S. L. MANSHOLT,
MINISTER OF AGRICULTURE, FISHERIES AND FOOD
IN THE NETHERLANDS**

2170095

AGRICULTURE IN THE NETHERLANDS AND IN EUROPE

"Les vrais intérêts de la France ne sont jamais en opposition avec les vrais intérêts de l'Europe".

Talleyrand.

Mr. President, Ladies and Gentlemen,

First of all, Mr. President, I wish to thank you for the kind words with which you have introduced me and to tell you that I am happy to be among you to-night.

There is a well-known saying : "Everybody has two countries first his own country and then France" ; for me this saying has a very real significance, as in my youth - which, Mr. President, is unfortunately past, just like the festive days to which another of your sayings refers, - France became my "second country". In my youth I learnt how to cultivate the good French soil, as my father then had his farm in your country. This still lingers in my memory and being with you is like being at home.

All this came to my mind this afternoon, when I had the great honour of accompanying the President of the Republic and yourself, my dear colleague, during the official visit to the Salon de la Machine Agricole and du Concours Agricole. During this visit I had an opportunity to admire the genius of France, which manifests itself not only in its culture, but also in its agriculture. I said to myself that it is fortunate that France is situated in Europe. We Europeans can learn a good deal from your country.

It is, Mr. President, a great pleasure for me to be with you to-night, and to have an opportunity of speaking to you of the agriculture of my own country and the place it occupies in Europe.

The agricultural depression in Europe from 1870 to 1890.

As a starting point I have taken the agricultural depression in the period from 1870 to 1890, which has considerably affected the agricultural policy of nearly all the countries of western Europe. You know that particularly the growing of cereal crops in western Europe was severely affected by this depression and you are sure to remember that this depression was caused by the opening up of extensive areas in America and in Eastern Europe. This opening up had been made possible by the rapid commercial expansion, which resulted mainly from the development of the railways, but also from the progressive replacement of the sailing vessel by the steamer. In these new areas, at first still thinly populated, particularly very extensive farming, including cereal growing developed in an unprecedented way, because the products of these areas could be easily transported by the new means of conveyance and readily sold at relatively low prices. In this way the European market was flooded with cereals at prices defying any European competition. Thus the problem arose how to face the new situation. In the countries of western Europe the solution of this problem differed from country to country. In France, and Germany, countries which were then, much more than they are now, agricultural countries, it was decided, at the initiative of the large landowners, to protect the national agriculture from foreign competition. In England, however, the country which had at the time

already become an industrial power, the principle of free trade was retained, which course was due to the necessity of exporting industrial products at high prices and importing foodstuffs at low prices. Thus, the importance of agriculture, which in this period had already declined in the English economy, further diminished.

The evolution of Dutch agriculture.

The Netherlands, which at the time already carried on an appreciable international trade, particularly in livestock and dairy products, maintained the principle of free trade and did not decide upon protecting the culture of grains. No doubt, you will wonder how Dutch agriculture managed not only to maintain her position, in the circumstances, but also eventually to attain great prosperity. The answer is that the Netherlands Government has not exposed its farmers to the action of free competition without guidance. A government Committee set up in 1886 conducted an enquiry on agricultural conditions and in its report recommended that the government should improve advice, education and research with the purpose of creating conditions which could raise the agricultural level and result in more rational production methods in order to lower the cost price, thus enabling the industry to carry on. Further, the Committee advised farmers to organize and to form purchasing, selling, credit and processing cooperatives. Both farmers and Governments followed up the Committee's advice and from that time dates the considerable development of agricultural education, extension, scientific research and agricultural cooperatives. This development raised the technical level of Dutch agriculture to such an extent that it gradually surmounted the great difficulties with which it was faced in this period.

In addition, the structure of Dutch agriculture was considerably changed. As a result of the grain crisis on the one hand, and a sufficiency of labour on the other, the Dutch farmers changed over from extensive cultivation to intensive cultivation, such as horticulture.

The enormous industrial development in the neighbouring countries after 1870, also largely affected this structural change, as the densely populated industrial centres became important markets for the products of this intensive agriculture.

There are other factors that have affected the intensification of agriculture in my country, namely the increase and density of the population, and the fragmentation of cultivated land at the beginning of the century as a result of the succession system, which has increased the number of mixed smallholdings. The last-named type of holding is largely dependent on the importation of coarse grains. The type of farm that is sometimes called "store holding" has also greatly contributed towards the intensification of agriculture. On these farms the number of animals is very high in proportion to the area of the land under feeding stuffs, so these holdings also largely depend on the importation of coarse grains.

This, however, does not mean that, owing to the activities of the Government in the field of extension, education and research, the specialization of Dutch agriculture in the intensive selective cultures and vegetable and fruit cultures have passed off without difficulties. On the contrary. In my country, however, we were, and still are convinced that agriculture can only thrive if the national market is allowed to respond to the trends in the world market. In consequence, Dutch farmers firmly believe in the advantages of international specialization.

A new world crisis.

You know that towards the close of the third decade of this century the first symptoms of a new crisis in the world economy presented themselves. The favourable crops in nearly all grain exporting countries caused a considerable fall in prices in the world market, while the world passed through an unprecedented crisis, not only in the industrial sector, but in the whole economic sphere. In the first few years of this crisis the livestock section was less affected than the arable section. This was partly due to the fact that Dutch livestock farming is heavily dependent on the imports of feeding stuffs, especially coarse grains and oil cakes; the fall in the prices of these products in the international market meant a considerable reduction in the production costs of livestock farming, which, of course, was a great advantage. A few years afterwards, however, when, through the same crisis, all countries began to limit their imports, the livestock section suffered most.

At the same time a second influence made itself felt, an influence which had little to do with the above-mentioned crisis. It was the advent of new overseas competitors in the international market for livestock products. It appeared that the great difficulties of Dutch agriculture were not of a transitory nature only, but also rooted in the structure of the world market. In the twenties of this century competition in the European market of dairy products had gradually increased mainly as a result of imports from Australia and New Zealand. An important fall in the world prices of dairy products and increased import duties in the major importing countries considerably weakened the position of the dairy industry in respect of that of the new exporting countries. As I have already said, this gave a structural character to the depression.

From the moment at which the competition of overseas exporting countries was extended from the cereal section to the dairy and meat sections, the possibilities of ultimate adaptation had become very small. The difficulties manifested themselves in the whole livestock section, which had been so important after the period from 1870 to 1990 for solving the problems of the small family holding, the type of farm that prevails in my country.

In nearly all importing countries all this resulted in increased agricultural protection to an unprecedented extent.

How did the Netherlands react to this crisis?

The Dutch agricultural policy since 1933.

I have already said that Dutch agriculture developed after 1870 with an increasing tendency towards exportation. So it was clear that protection was not the obvious policy, the primary aim being to maintain our position as agricultural exporters, which was the more difficult as the interests of arable farming should not be sacrificed to those of livestock farming, and inversely.

In planning the measures for maintaining agricultural production in this period, the Dutch Government made a distinction between the products that had necessarily to be imported on the one hand, and the products of which there were exportable surpluses on the other. Assuming that the depression, though serious, was of a transitory nature, the Netherlands Government at first confined itself to taking provisional measures. When it was realized that the depression was of a permanent nature, the Agricultural

Crisis Act, 1933, was passed, which provided for more systematic action. Under this Act production and prices were regulated by the Government, and, in consequence, strict Government interference in agriculture became necessary. This group of measures has saved Dutch agriculture from ruin and, though agricultural exports decreased considerably in that period, the Netherlands has succeeded in holding its own in the world market.

Hardly had the most serious symptoms of the depression passed, when dark clouds gathered on the political horizon. In consequence of the outbreak of war in September 1939 the plans for gradually freeing agricultural holdings from overrigid measures, were not realized. On the contrary, government interference increased more and more during the war. In my country the existing organization for Government intervention, based on the Agricultural Act 1933, proved suitable machinery also during the war.

By the close of the second world war the Netherlands were in a deplorable condition. The industry was nearly paralysed as a result of the destruction and the lack of raw materials, and also the agricultural production had fallen to a very low level. Large areas of cultivated land were inundated, and the crops of non-inundated areas were very low on account of the exhaustion of the soil. The livestock numbers, especially those of pigs and poultry, had fallen off tremendously. There was an alarming lack of fertilizers, agricultural machinery and implements.

Also after the liberation, the aim of the agricultural policy of my country from the start was the largest possible production increase through intensive utilization of the soil. The first thing to do was to feed our population and appear as soon as possible in the world market to resume old relations and establish new ones, and, further, improve our foreign exchange position, which was at the time very precarious. On account of the discrepancy between supply and demand, government control of prices and sales of agricultural products continued during the first years after the liberation. When, by 1948, conditions had fairly returned to normal, the above-mentioned regulation of maximum prices and selling-restrictions was gradually withdrawn.

The new Dutch market and price policy.

By the end of 1948 the regulations respecting the agricultural markets, which had operated since the beginning of the depression of 1930, were abolished and a new agricultural policy, particularly in the field of markets and prices, was announced.

Rationalization of the production and the adaptation to the possibilities of exportation were again the essential problems.

The following figures may give you an idea of the results attained by the policy of increasing the production per acre and per animal. Since 1870 the yield per acre has been more than doubled for most grains; the average yield of wheat, which amounted to 25 bushels in the period from 1871 to 1880, rose to 54 bushels in the period from 1949 to 1952 and to 59 bushels in the season 1952-1953. Also the production of potatoes and sugar beet shows an enormous rise from averages of 4,8 and 10,4 tons per acre to averages of 11,2 and 17,2 tons. The milk yield per cow, which in the period from 1871 to 1880 amounted to some 2,500 kilos with a butter-fat content of 2,7 per cent rose to approximately 3,750 kilos with a butter-fat content of 3,7 per cent.

The new policy of markets and prices was aimed at guaranteeing security to farmers on socially justified and economically managed holdings, leaving a maximum of freedom to the farmer.

To this end has been established a system of prices, by which this security is guaranteed for the usual types of farms. For arable farms security is given in the form of a guaranteed price or a basic price for grains and sugar; for mixed farms on sandy soils this security is given in the form of a guaranteed price for milk and bacon.

All these measures aim at diminishing the risks of price fluctuations, risks which the farmer himself can neither control nor influence. It is, however, indispensable that such an agricultural policy should be flexible. It is undeniable that this policy, being a national policy, would not be able to face a critical situation should an economic decline develop in the world.

Therefore, it will always be necessary to improve the social security and raise the standard of living of the farmers through rationalization of farm management. For this purpose the Netherlands Government votes large amounts for research, extension and education. Every year more than 25.000 acres of land are improved, for instance by reallocation and drainage.

Taking into account the increase in wages and other factors determining the cost price, a proportional rise in prices of the Dutch product might be expected. This, however, is not the case; on the contrary, the cost price has risen to a lesser extent in consequence of the measures referred to above

Yet there is a very important factor, beyond our control however, to be taken into account when determining an agricultural policy, namely marketing abroad. At present European countries can at any moment restrict, and even stop altogether, imports by protective measures. That this danger is not imaginary, is shown by the barriers which to-day hamper international trade. National production is being more and more protected. The experience between 1930 and 1940, when the countries, one by one, increased their import duties and when the international movement of commodities fell off gradually, has taught that such a policy pursued as an accepted system will lead to disas-

Since 1945, however, it appeared that the serious dangers, which threaten our continent both politically and economically if the countries do not integrate, were understood, I mean the dangers resulting from a nationalistic policy.

Europe : political conception.

This phenomenon of post-war political development is of great importance in Western Europe. It should first be recognized that it is a political, rather than an economic conception that has given rise to the movement for close cooperation between the countries of the free world and, particularly, between those of Western Europe. It should here be added that a political union has no value whatever, if it is not accompanied by an economic and a social unification to strengthen the political idea.

The new way aimed at since 1948 has been and still is, the way of European cooperation and unification. In dealing further with this subject, I shall for a moment leave the agricultural field and enter the domain of economic and political history.

During and after the first world war a system of economic nationalism had developed, not only in Western Europe, but in the whole world in such a way as to forbid any country to adopt a free trade policy in social and economic life. The national Governments were compelled to occupy themselves actively with such problems as social security, labour policy, unemployment etc. In consequence, the Government had to interfere on a national basis, which resulted in economic nationalism aiming at the protection of the national market. The countries were compelled to shift their difficulties in the field of agriculture, industry and commerce, on to other countries. It was tried to protect the national market and social life by imposing or raising tariffs, by quotas and by taking certain monetary and financial measures. But, as we have seen since 1930, this led to an increasing process of defensive reactions of one country against another.

It is remarkable that with the development of protectionism - which was simply adopted because there was no other way out of the national difficulties - the international conferences for fighting this protectionism have become more and more numerous. It clearly shows that the Governments felt that the wrong way was being taken. It is not superfluous to mention this fact again. Protectionism is often thought to be an intentional policy, but it is rather the inevitable consequence of the fact that in the international sphere there are no means, no organs, as there are in the national sphere, to pursue a policy covering all political factors. For this reason I do not believe that the political and economic problems of Europe can be solved on a consultative basis which implies that any member of the organization could place his veto in the way of necessary progress.

Let us first examine why progress is so necessary in view of the present situation of this continent. Politically, the situation of Europe is altogether different from what it was before the war. Then Europe was still the political centre of the world which at present no country may claim to be. In fact, political power has gone into two directions : to North America and to the U.S.S.R. This implies that it is of vital importance to strengthen the position of Europe in the world.

The fact that Europe is economically lagging more and more behind the New World is in itself already a very grave phenomenon. But it is even more serious to see that the considerable economic start we had over the U.S.S.R. is being speedily reduced. Considering the rapidity of this evolution - even after the Russian losses in the second world war - experts are of the opinion that in the near future the standard of living of the large masses of the Soviet bloc will increase considerably.

Already to-day there are indications of a rise in Russian consumption levels and, of course, this evolution increases the danger of an expansion of communism. If it should one day happen that the western civilization, in particular in Europe, had nothing to offer but poverty in a free world, the state of affairs would become extremely precarious.

A communist occupation of Europe might well begin in the bosom of her peoples. And I doubt whether such a movement of soviet power will stop at the frontiers of the countries which at present assure their people a high standard of living and a well-balanced economy.

The economic problem in Europe.

So what, then, for Europe is the pith of her economic problem? I have sometimes wondered if the countries of our continent, which as a whole have become out-of-date from political, economic and social viewpoints, in spite of the fact that some of them have attained a high social and economic level, can continue to solve their serious tensions and national crises separately and often as antagonists. But, since 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 by which they put restrictions on foreign trade in order to save their domestic economies. This is the essential reason for protectionism, but also the PRINCIPAL CAUSE OF EUROPE'S ECONOMIC STANDSTILL. Apart from the particular importance of this problem, I would like to emphasize this point in order to show you that its solution, also in the political field, is only possible by restricting national sovereignty. Besides, it is my opinion that a restriction of sovereignty should not in the first place be considered a sacrifice, but rather a guarantee.

I have already said that in the last few decades the Governments have assumed great responsibilities as far as the economic and social events in their countries are concerned. Until recently it was tried to solve the problems in the national sphere, as it was believed that the interests to be defended were of a special national nature. It has, however, been realized that these interests have aspects that lie beyond the national sphere, so that a constructive solution on the national plane will not suffice. These problems constitute not only a national, but also a common international interest. Therefore, to defend these common interests, a policy on the basis of collective responsibility should be adopted.

It is conceivable that countries will not be prepared to sacrifice part of their responsibility and their protective policy without having the assurance that this responsibility will be assumed by the community of countries. Collective responsibility, however, necessarily implies a restriction of the sovereignty of the participating countries.

Now my thesis will be clear to you: restriction of sovereignty should not be primarily considered a sacrifice, but a guarantee.

So, to each country renouncing part of its responsibility, there is the assurance that its interests shall not suffer, but be cared for by the community. The importance of this fact should not be underestimated, for it implies that, in order to achieve integration, the countries should not first and foremost demand sacrifices from other countries, but declare themselves to be equally responsible for the problems of others, and in this light remove the economic barriers according to fixed plans. The barriers are then the visible consequence of problems for which common responsibility is assumed and which are solved in concerted action. 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 realised without adversely affecting interests that have hitherto been protected.

It is to be understood that there is in Europe a good deal of hesitation in respect of economic integration; this is not surprising as, in fact, the economic integration of Europe is nothing else but the transferring of a political concept to the economic sphere or, in other words, the creation of a community between the peoples that have hitherto been separated by bloody conflicts. Apart from this, the economic aspect has already in itself a great importance. As I have already said, the threat of communism is not solely, and for that matter not even particularly, of a political or military order. It also originates from the economic and social conditions of this continent, which are no doubt alarming.

Therefore, it may be said that the political community is the stepping-stone to the economic community. I am convinced that a political community will only contribute towards a solution of the problems with which we are faced, if it aims at what the Luxemburg resolution calls "the establishment of common economic bases of development and a fusion of the essential interests of the member countries".

It would, therefore, appear to me that the crucial point is the question of the competence of the political community in the economic sphere in general; the problem is how to determine the way in which to realize "the fusion of economic interests" and the common market. It seems essential that the community should for this purpose have organs with a certain dynamism of their own in the economic sphere. In the event of any economic decline these organs of the community could take prompt action without returning to such purely nationalistic systems as we have had since 1929. It may, therefore, be said that the Coal and Steel Community in conjunction with the Defence Community and the Political Community, which are provided with dynamic organs, could contribute considerably towards the establishment of the common market, if the right form could be found for this.

Further, there is another reason for the great hesitation in respect of economic integration. It would seem that this hesitation results largely from the fact that in the debates on this problem the progressive removal of the protective barriers is urged rather than the collective responsibility with regard to the non-solved problems which are hidden in these barriers. When I say that these economic barriers are visible consequences of non-resolved problems, this does not mean that all the problems embodied in these barriers could not be economically and technically solved on a national basis. It has often been seen that powerfully organized groups of interests have urged protection in cases where a solution on the national basis might well have been economically and technically possible, but could not be realized for reasons of interior policy.

With regard to agriculture two very important problems present themselves :

1. The problem of the agricultural community integrated as a separate sector of economic life.
2. The problem of common responsibilities and its repercussions on agriculture.

Integration according to sector.

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 realise 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 existing in the economic and social fields. At best such procedure could lead to a stabilization for instance, during a period of a high level of economic activity, but would neither permanently nor essentially reinforce Europe.

Logically speaking, it might be asked whether it is a wise course 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 world. Economists are of the opinion that this would cause considerable tensions that would certainly not be restricted to the economic sphere. On the contrary, such a structure would seriously imperil the democratic system. To deal with these tensions, the Governments would, contrary to the principle of integration, have to interfere more intensely in the non-integrated economic sectors; also in the integrated sectors interference would hardly be reduced, so that, in fact, it may be doubtful whether the disadvantages would not surpass the eventual advantages.

There is another weighty argument against limited integration also directly connected with the fact that it does not take into account the very close interdependence of the various economic sectors. If this interrelation is neglected, the realization of one of the main objectives: the increase of productivity by a better division of labour, will be seriously delayed.

So economic unification according to sector is not desirable. 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. This type of partial integration may provide a stimulus for total integration. This was the case with the coal and steel sector. In addition, this example has shown the interdependence of the various branches of the national economy and, also, that the integration of coal and steel does not halt at the boundaries of the sectors. It makes itself felt in other sections, such as transport and housing, and the Governments are no longer complete masters in these sectors.

It has been tried to proceed likewise in the agricultural sector.

I have always held the view that the creation of an agricultural community should form part of a general economic integration and that any other approach is bound to fail. This means that the discussions on agricultural integration should be held in the widest possible sphere, and not be confined to the agricultural section.

I would now deal with the collective responsibility in the agricultural field.

Collective responsibility

For this purpose we must first examine the principal causes of the development of agricultural protection in a large number of countries, and particularly for which factors collective responsibility should be accepted. We may here distinguish:

1. The vulnerable economic 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 factors such as soil and climate. Besides, most farms are smallholdings, which 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 farm labour is steadily declining in agriculture. Experience shows that there is a permanent migration from the agricultural sector to other economic activities. In many areas this migration is insufficient, and this is one of the principal causes of the large number of unremunerative smallholdings and of extreme fragmentation of holdings. This fragmentation is also the 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. It is true that farmers are individually very vulnerable, both economically and socially, but as they belong to the most important class of the population which is most closely organized, their collective power 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 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 conclusions 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, 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 smallholdings, should also be included in the collective responsibility.

2. How is the situation with regard to the elimination of economic barriers? Certain groups of holdings - the small ones and those of small remuneration, the so-called marginal holdings - would be placed in a difficult position. However, instead of safeguarding their economic position by means of national protection, it is necessary, from the moment the problem of the removal of economic barriers is tackled, to adopt another policy of support within the frame work of a policy of collective responsibility. This policy is only possible by taking measures enabling these holdings to employ more rational farming methods through extension

of holdings, better parcelling out and better equipment. First of all, professional training and 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.

When the problems relating to rationalization of production and better international division of labour are tackled previously to removing the tariff walls, there is a danger of rationalization and specialization being based on a system of artificial prices, which, in themselves, are deceptive indications.

Therefore, it is essential to include from the very start all products in the integration. 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; by this I mean divergencies in prices between countries resulting 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 and to what extent.

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. Before all things, I have in mind the necessity to encourage the industrialization of over-populated agricultural areas.

Conclusion.

Mr. President, you are quite right in reproaching me for carrying too far from the point. The subject of my lecture for this evening has been announced as "Agriculture in the Netherlands and in Europe", and for half an hour we have dealt with Europe's future. I have intentionally emphasized two important points. First, I have tried to explain that if economic and agricultural integration in Europe may offer considerable advantages for the agricultural economy of my country in the long run, it will certainly not offer very great advantages in the short run. In this train of thought I have set forth what I understand by common responsibility of and guarantee by the community. These concepts imply that the development of agriculture within the European community requires considerable investments and organs of the community to lead the agricultural policy, which has so far been run along national lines. In my opinion, this will not yield immediate advantages for agriculture in my country.

There is another point to which I would draw your attention. I believe that in the agricultural circles of our six countries it is seen more and more clearly that integration is an unavoidable necessity. The Governments of these countries desire to prepare agriculture for a common market, which will sooner or later be established. Several countries are developing projects, for which I have great admiration. Nevertheless, in drafting their national plans for reshaping their agriculture on international lines, they should be mindful of the form of collective guarantee, and not lose sight of the necessity of coordinating national policies. Therefore, I believe that preferably the organs of the community should control the economic and technical development of agriculture within the framework of the community.

Mr. President, some days ago a foreign paper did me the honour of publishing an article about me, an article entitled: "Mr. Mansholt est orfèvre". This paper took much pains to show that it is particularly the marketing of the agricultural products of my country that interests me. I do not know this expression, but I do not believe that it is very flattering. I think it corresponds to the English expression: "He has only an eye to the main chance". This paper, however, is right in another sense. What interests me most, is the future of Europe, for European agriculture can only subsist in a stable and sound Europe.

It is France, Mr. President, who has given Europe this political conception of her unity.

In conclusion, I would make the following remarks. Since the end of the war it has been repeatedly attempted to coordinate the policies of our countries, but it has been clearly shown that on the consultative basis, on the principle of unanimity, the end in view will not be attained.

A certain degree of liberalisation may be reached, but national considerations are in the way of progressive liberalization. This is

especially the case in the agricultural section. Besides, in theory, it is generally agreed that a common market is necessary, that it should be realized as soon as possible, that especially the common market of agricultural produce may contribute towards European prosperity and towards raising the standard of living of our peoples.

It is understandable that in present circumstances protectionism still prevails, for no common institutions have as yet been set up to deal with such problems as production, the standard of living of all who are employed in agriculture, etc. and therefore, we still try to solve these problems on a national basis. In this way we shall not succeed, or only a little.

The only reasonable response to all this, Mr. President, is a common policy for problems relating to production, increase of productivity and rationalization. It is the genius of France which has grasped this historic moment. It is the French genius which has invented the form of common responsibility. It is France, this France, so dear to all of us, which has also conceived the Coal and Steel Community, the Defence Community, the Political Community. It is again France which has desired to apply this form to agriculture.

With this form, Mr. President, agriculture would have possibilities which it has not yet known in Europe. These ideas may have an influence comparable to that of the French Revolution. History will show.

In fact, the aim is not for one of us to reap advantages at the expense of the others.

On the contrary, a real rise in the standard of living of the farmer in Europe can only be achieved by a real promotion of interests of all farmers in Europe. This means that the common responsibility implies responsibility for such groups of farmers as are in an economically weak position.

For the future of Europe the following months will probably be decisive. On the political development depends the fate of the agricultural workers of Europe. It is up to agriculture to understand what is at stake and to inform the governments.

