

ADDRESS BY MR. S.L. MANSHOLT, MINISTER OF AGRICULTURE, FISHERIES AND
FOOD TO THE AMERICAN ASSOCIATION OF THE HAGUE, JANUARY 20, 1955.

Mr. Chairman, Gentlemen,

It is both a pleasure and an honour to me to be with you to-day and to address your meeting. Your association does certainly fulfill a need that has long been felt in this city, for it offers an opportunity for a free and informal exchange of views between citizens of the United States who live and work in this city and those Dutchmen who in their daily work and activities are faced with many problems which involve both the United States and the Netherlands. I am therefore, Mr. Chairman, extremely grateful to you for your invitation. I take it, that you have invited me because you look upon me as a good friend of the United States and that, indeed, I am. And between good friends criticism is freely allowed. Against this background then, I would like to speak to-day on a few problems of common interest to both you and ourselves.

When I visited the United States last November it struck me very forcibly to what a great extent the leadership of the affairs of the free world has come to rest upon American shoulders. Washington is becoming more and more one of the capitals of the world, a picture indeed very different from that of pre-war years. One has only to glance at the Washington Post to find that the Prime Minister of such country, The Minister of Foreign Affairs of another country, the Minister of Economic Affairs or of Agriculture of a third country has arrived for consultations in your Capital. I do admire the patience and goodwill with which they are received by the members of your Cabinet and by the various officials in the Departments. But I do also believe that the Administration can only hope to discharge its international leadership by frequent consultations with the statesmen of the free countries of the world. It is often said by those who regret and begrudge the shift of political power that has taken place since the outbreak of the second world war, that leadership in world affairs has come to the United States at too early a stage and that therefore the United States

cannot yet effectively discharge her international responsibilities. I do not belong to those people and I do not believe that there is a great deal in their reproach towards the United States. On other occasions I have defended the view that the Marshall Plan has been a perfect example of the willingness of the United States' people to accept the responsibility that has come to rest upon their shoulders and I need not repeat this here.

The interdependence of the political and the economic situation of the free world is such and the dangers that threaten the free world are so great, that we can only hope to survive if we stand united. One might even ask whether the form co-operation between the free nations of the world now has, is efficient enough to meet the dangers of the situation. But we cannot hope to force the hand of history and we shall therefore have to accept for the present moment the fact that international co-operation between the free countries of the world can only be achieved by co-operation between sovereign nations. Here in Europe we know only too well how difficult it is to replace the idea of the sovereign state by that of the formula of common responsibility as expressed in the supra-national principle. It would therefore be senseless to try to apply such a principle on a much wider scale.

This, however, does not mean that one should not attempt to arrive at solutions that would bind nations of the world on such matters of a political and economic nature as for instance the surplus problem. The problem of the surplusses of agricultural commodities that exist in various countries, is, I believe, both a political and an economic problem of the first order. It involves the relationship between on the one hand the countries possessing such surplus stocks themselves, for they watch each other nervously and anxiously to see whether what the one might do would not harmfully interfere with the trade of another; it involves on the other hand the relationship between the exporting countries as a whole and individually and the potential importing countries again as a whole and

individually. It touches upon the relationship between countries with a high standard of living, anxious to maintain this high standard, and the under-developed nations of the free world. And further the surplus problem is politically a very touchy problem internally in any of the exporting countries and in particular I would think in the United States.

I am quite willing to deduce from these facts the logical conclusions that for the moment it is politically impossible to arrive at a solution under which both exporting and importing countries would enter into a binding agreement on the surplus problem. That conclusion in fact was already arrived at in the autumn of 1953 at the F.A.O. Conference in Rome. And it was in particular at the request of the United States themselves that we then decided to go for the solution which was second-best, that is to say, consultations between exporting and importing countries under auspices of F.A.O. It was for that purpose that we agreed to set up a Working Party in Washington which very successfully drafted a set of principles on surplus disposal to be applied by a Permanent Consultative subcommittee of F.A.O. which since last spring has been working in Washington. And again in the June Session of the Council of F.A.O. the attitude of the United States delegation was entirely positive and constructive when it was suggested that governments should be asked to accept the principles on surplus disposal as a set of rules to be applied by governments.

Unfortunately the picture has become less bright during the last month of 1954. When I was in Washington I found that there still was great willingness to enter into consultations on the disposal of surpluses, but I was rather dismayed to see that there was a tendency not to use the Subcommittee which had been set up by the United States Government and by the other governments interested in this problem.

In view of what I have said before you will understand, Mr. Chairman, that I have an open mind as to the difficulties that face the U.S. Government in this matter of surplus disposal and I would be the last one to advocate

that under all circumstances consultations can be held. What is involved here however, is more than the problem of holding consultations or not. The problem involved here is whether now and in the future we are going to drop the principle of multilateralism or not. At this stage I would like to sound a warning note: It is the firm belief of my Government that in international problems affecting the political and the economic structure of the free world, we must continue to discuss these problems on a multilateral basis. It would be disastrous to return to bilateralism. As far as the surplus problem is concerned the U.S. Government is going to be showered by protests from exporting countries unless it makes it clear that it is going to stand by the attitude it has taken on these matters in F.A.O. and on other occasions. Let me quote as an example the announcement that was recently made by the United States Government on the disposal of surplus butter. The Government of New Zealand has immediately reacted by protesting sharply to the Secretary of State; the Prime Minister of New Zealand is going to call on President Eisenhower on the 21st of this month; the Australian Government has made it known in London, together with New Zealand, that they would consider it an unfriendly act if the United Kingdom Government were to import surplus butter from the U.S. I myself have already been asked why I had not followed suit and why the Netherlands Government has not yet protested in Washington.

Frankly, Mr. Chairman, I am very disturbed by these developments and the only reason why we have not followed the New Zealand example is, that we want to use and strengthen the instrument that by common consent was created for these purposes: the Subcommittee in Washington. We want to pursue the line of multilateral consultations which we feel are in the interest both of the United States and other exporting countries and of potential importers. If the U.S. Administration would make serious efforts to use this Subcommittee, it would contribute to taking away the anxieties that are now again being felt everywhere, anxiety that the world-market for agricultural commodities may yet be disturbed and that the consequences of such disturbances might be fatal to the world economy.

If the Administration however would follow the opposite course and not use the instrument that has been set up with her own co-operation the

Netherlands Government too will have to come back on the policy that so far has been followed and as a consequence the Netherlands Ambassador too would have to join in the chorus of diplomatic protests. Far more serious however would be the fact that multilateralism as a principle would have suffered another serious blow.

The surplus problem of course is as we all know a long-term problem and we cannot hope to solve it by a few manipulations on the world market. Neither would a solution be to decrease production. On a long-term basis this problem can only be solved through an increase in consumption in the underdeveloped areas of the world. The standard of living must be raised in those areas where there is underconsumption and it is here that the surplus problem links together with the political problem of the underdeveloped countries.

It has been rightly argued that the defence of the free world is as much a matter of economic policy as it is a matter of military defence. The Western world is a relatively small group of nations that wish to maintain a high standard of living on the basis of democracy. In particular in the Far East however there is a group of young nations that have hardly emerged from the era of colonialism. If the Western world does not succeed in assisting those nations in developing their economies and their political system, without interfering politically in those countries, the Western world will have lost the struggle with Russia and her satellites. The present programs of multilateral technical assistance under the auspices of the United Nations and its Specialized Agencies are not sufficient to create in South Eastern Asia the conditions under which these countries can develop a better standard of living. There also are bilateral aid programs and though what has been achieved under these programs certainly is laudable, we should not forget that from the point of view of the underdeveloped countries bilateral programs are suspected of being a kind of neo-colonialism or neo-imperialism.

From the point of view of the underdeveloped countries only a program set up and organised under the auspices of the United Nations would seem to be politically acceptable. It therefore is highly regrettable that the

SUNFED proposals that were discussed in the General Assembly of the United Nations, did not carry the support of the United States Government. Yet we cannot afford to make this into a point of doctrine. What we must develop now and at an early stage is a multilateral plan for economic aid to underdeveloped countries without strings attached. If it is politically impossible to develop such a plan under the auspices of the U.N. through Sunfed, that is regrettable indeed. The second-best substitute, I think, would be to set up a multilateral project to which the Western countries would contribute and through which they would offer their assistance. But I want, Mr. Chairman, to emphasize the multilateral aspect and that for reasons I have quoted before.

I do very much hope that such a plan will come to see the light within the next three or four months and I hope that the State of the Union message of President Eisenhower and the Economic Program he has presented to Congress are rightly interpreted in the sense that the United States will take the initiative in this field. I think I may say that the Netherlands Government would welcome such an initiative and that it would be willing to contribute to and participate in it.

In concluding then, Mr. Chairman, a final word about the situation in Europe. In Europe too, I think, the Soviet Union has secured considerable success in 1954. I am thinking in particular of the fact that E.D.C. has not come into existence. The whole problem of European political and economic integration had become dependent on the ratification of E.D.C. It would be wholly illusory to hope that Western European Union, that is the London Agreements would offer a new framework for European integration. The London Agreements are nothing but a military alliance and that was the only alternative that was open after the failure of E.D.C.

We do however have one focussing point for further attempts towards European political and economic integration that is the Coal and Steel Community. And I would like to say, Mr. Chairman, how very much I hope that the U.S. Government will continue to take an active interest in supporting efforts towards European integration. That can be done in many ways and Luxemburg certainly is a point which in this respect is of very fundamental

importance. After the London Agreements have been ratified it will be necessary to take up again those threads that have been temporarily cut off. I do hope that the U.S. will stimulate and support such efforts and that I have been mistaken in Washington when I was under the impression that many people there were rather tired and frustrated by developments in Europe. Though we must use organisations like O.E.E.C. that are non-supranational, to the fullest possible advantage Europe's fundamental problems can only be solved through political and economic integration.

Mr. Chairman, I have taken too much of your time. Let me say again how very much I have appreciated being here today. I wish your Association every success in its work and I hope that it will be a forum where problems of the kind I have attempted to evoke, will often be discussed.

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