

Embargoed for
11 a.m.
26 January 1968

ADDRESS

by

M. Jean REY

President of the Commission
of the European Communities

at the opening of the
"INTERNATIONALE GRÜNE WOCHE 1968"

Berlin

26 January 1968

It was a pleasure to accept the invitation from the Senate of the City of Berlin to speak at the opening meeting of the "Internationale Grüne Woche 1968", and I take this opportunity of conveying to you the greetings and best wishes of the Commission of the European Communities.

I am glad that the tradition by which the Commission of the European Economic Community used to participate in this ceremony can be carried on by the new joint Commission of the three European Communities, for although the merger of the Executives into one body has considerably enlarged our field of activity, agricultural policy will receive undiminished attention.

At this point I would like to extend a cordial greeting to my predecessor, President Hallstein, who has so often conveyed to you the greetings of the Commission on these occasions; his achievements for the Community are such that I need do no more than mention them again with gratitude.

But my thoughts also go out to the city of Berlin, that part of our Community which lies furthest to the East, the city which for us is an embodiment of the painful division of Europe. Itself the chief victim of this division, Berlin is a permanent reminder to us that we must overcome everything that divides us on our continent and be mindful in all our doings of our task as builders of bridges, provided - and here again Berlin serves as a warning - our freedom of thought and action is safeguarded and not sacrificed to a misconceived striving after unity or uniformity.

I welcome this opportunity of telling you that as a token of its solidarity with the city of Berlin, a solidarity, which as you know, found expression in the Treaties of Rome, the Commission has decided to set up an Information Office in your city.

It will not surprise you if in this connection I refer to the subject of membership of the Community for Great Britain, Denmark, Ireland and Norway; this is a problem which is making and will doubtless continue to make severe demands on our ability to overcome

divisions. We can only hope and do everything in our power to ensure that the Community, while fully maintaining its internal cohesion, will advance along the road to greater strength and the widening of its frontiers; these two objectives are sure to be complementary, and they cannot be incompatible.

Before dealing briefly with some points which touch more particularly on questions of agricultural policy, I want to convey to you the best wishes of Vice-President Mansholt, who to his great regret was unable to accept your invitation this year. It is largely due to his unrelenting efforts that in the ten years of the existence of the European Economic Community the common agricultural policy has proved to be a major factor in the process of integration.

It is not without satisfaction that we look on 1 July 1967 as a significant milestone for our Community; even earlier than for industrial products, freedom of movement has been secured in the Community for the most important agricultural products. Six months later it is already possible to state with satisfaction that this venture has so far worked out as we foresaw; there have, in other words, been no exceptional difficulties - indeed, intra-Community trade has even expanded appreciably.

It is not only in these halls that you will find tangible evidence of this progress; I believe that every housewife, too, has benefited from it, and carried something of it home, in the form of considerably more varied provisions.

It has sometimes been said that our agricultural policy is not comprehensive enough, that no overall concept is visible in it. To this we must reply that in the beginning the Community's most urgent task was to create conditions which would make it possible gradually to free the movement of goods in the Community and to develop a common system of external protection against non-member countries, that is, to create a common market which alone can be the basis for all further political effort.

Inevitably, then, priority was given to a policy aimed at the establishment of a common market. Despite the immense amount of high-level work involved, the required machinery was soon developed and applied in practice.

The politically decisive achievements, however, are not the mechanisms of the market organizations but two elements which have been of outstanding value in promoting and supporting agricultural integration and, consequently, the overall integration of the Community: I refer to the joint financing of agricultural policy and the fixing of common prices.

All of you who have followed the development of this policy know the political and practical difficulties with which it has been, and in part still is, beset. Particularly affected - and here I address my hosts - was Germany, which not only had to accept the lowering of important agricultural prices but also contributes in specially large measure to the financing of the common agricultural policy. On the other hand, the solidarity and the sense of responsibility shown by the Community find visible expression in the provision that those farmers, not only in Germany but also in Italy and Luxembourg, for whom the common cereals prices have meant a reduction in income should be given compensation from the agricultural fund of the Community; by 1970 this will have had to pay out a total of DM 1 655 million. Nobody will deny that the financial cost of the common agricultural market is considerable; we shall therefore have to look for ways and means of adjusting supply and demand, particularly for some major products, in such a way that this also results in a reduction of the financial burden.

Our policy of establishing common organizations for the various markets has not always met with the approval of the non-member countries, which are following our efforts closely; they have frequently objected that we were pursuing a policy of agricultural protectionism. To this we can only reply in terms of figures, which prove that imports of agricultural products into the Community

have risen faster than world trade in these products as a whole. From 1962 to 1966, the Community's imports developed as follows:

\$'000 million

	1962	1963	1964	1965	1966
Intra-Community trade	2.2	2.5	2.8	3.3	3.6
Imports from all non-member countries	8.9	9.4	10.1	10.6	11.2

The contribution made by the Community to the results of the Kennedy Round should also have convinced any sceptic how seriously we are endeavouring to fulfil the obligation under which Article 110 of the Treaty puts the Community, the obligation to contribute to the development of world trade. So will our contribution to the second meeting of the United Nations Conference on Trade and Development, which opens in New Delhi on 1 February.

Despite all these undoubted achievements, it has become apparent that agriculture in our Community is not in a position to follow the general economic and social development in every respect. Here I am thinking mainly of the problem of how we can establish the conditions in which our farmers could improve their earnings and their standard of living sufficiently to keep up with the other sectors of the economy. It is also becoming clear that this cannot be achieved by market and price policy alone - however important these may be. In agriculture, as in other spheres, a fresh start must be made if structures are to be adjusted; in particular, there will have to be production units of adequate size. The problems that face the owners of farms are the same everywhere in Europe; they lie mainly in the unsatisfactory relationship between production capacity and labour employed. The consequence is that income per head is too low and that, in addition, living and working conditions are often unsatisfactory too.

The Commission has already started a preliminary examination of this subject, and we hope that before the year is out we shall be able to put forward for the common agricultural policy an overall concept which makes special allowance for the aspects to which I have just referred. It is little help to our farmers, and even less to their sons and daughters, if we tackle the symptoms but fail to deal with the real problems. We shall have instead to do everything in our power to create an agricultural industry that will fit into the economic and social conditions of 20 or 30 years hence.

This does not, however, mean that we need assume that the agricultural policy of the future will mean a change-over to agricultural factories.

Considerations of social policy alone should suffice to ensure that we try to keep the family as the basis of agriculture in the Community. The task is, however, to bring this policy into line with the economic and technological requirements which no amount of argument will eliminate.

Obviously, it will not be easy to follow this course. There is no way of avoiding the individual difficulties of adjustment which will arise. We shall certainly not achieve success unless we ignore the taboos and look for new forms of co-operation between production units, in agriculture as in other sectors.

The Commission will welcome any suggestions you may wish to put forward in this connection, just as it has always sought to keep up a running exchange of ideas with the agricultural associations. It is not only your democratic right - I should even say your duty - to air your views and opinions forcefully; your contribution will also be valuable in providing information on which the Commission can base its views.

The Commission will therefore continue to examine with the greatest attention any opinion put forward by those concerned.

On the other hand it is the Commission's duty to determine its policy by conscientiously weighing up all facts and interests, however conflicting they may be. The Commission certainly has every facility for doing this, since it has at its disposal overall information on the problems not only of an agricultural but also of a general economic and political nature which arise inside and outside the Community.

The Commission can and must therefore expect that its proposals and initiatives will be received and judged by the public, including those who have a direct interest, as the result of such an objective examination of all pertinent data.

It is, at any rate, only such an objectively guided common agricultural policy which will in the long run be able to preserve the strong and healthy agricultural industry which is so urgently and compellingly needed.

When I see how impressively you have demonstrated, in the limited space offered by these halls, what the farmer as a free entrepreneur can do, I am full of confidence in the future. It is with this in mind that I wish the Grüne Woche 1968 every success.
