

Dr. Hans-Broder Krohn, Director Agricultural Economics Common Market Commission, Brussels, Belgium. Given before Regional Common Market Conference at Kansas State University, Manhattan, April 24, 1964, 2:45 p. m., CST.

Agricultural trade and the Common Market

As the theme of this second lecture you have proposed "Agricultural trade and the Common Market". I feel that there is something of a challenge in this subject, for behind it lurks the idea of Agricultural protectionism of the Common Market. Well, I accept the challenge. If I had been unwilling to do so I would not have accepted your invitation to the American Middle West; for all agricultural exporting countries in the world fear that EEC - even if its importance in partnership of the Atlantic World is not disputed - is developing an agricultural policy aimed at autarky, at complete self-sufficiency in foodstuffs, and that the result will be profound changes in the pattern of world agricultural markets.

I will first adduce four arguments which can help to dispel these fears:

- (1) In its own economic interest EEC cannot afford agricultural autarky. Its economic structure is more strongly attuned to exports than that of any other economic block.

The share of exports in the gross national product is:

4.0% in USA

3.4% in USSR

11.2% in EEC

He who wishes to export must also import. The EEC's farm imports have an important place both in the framework of its own imports and especially also in the setting of world agricultural markets.

\$22.3 billion (Total EEC imports exclusive of intra-Community trade 1962 of which
(more)

\$6.1 billion consisted of Imports of farm products and of foodstuffs, or 27.2%)

The Community is the world's leading importer of agricultural products, with the United Kingdom its only close competitor. It absorbs almost one-third of all world imports of these commodities, the United Kingdom about one-fifth. These two leading buyers each account for a quarter of world imports of foodstuffs and animal feeding-stuffs. As an importer of agricultural raw materials such as cotton, jute, rubber, and tobacco, the EEC is far ahead of all others with 40%. It also takes almost half the world's imports of fats and more than a quarter of the world's imports of grain.

The origin of EEC's agricultural imports is also of interest.

The value of agricultural imports by the EEC countries from non-member countries in 1959 was about \$5.5 billion. Of this sum, imports from the United States, from the British Commonwealth Countries, from the overseas territories associated with the Community, and from Central and South America each accounted for about \$1 billion.

One half (51%) of EEC's total imports of farm products and foodstuffs from non-member countries come from exporters in the temperate areas, which include the advanced countries (North America, Australia, New Zealand, Western Europe). The high share of this group in livestock products and grain (75%) is noteworthy. The non-member countries of