

Debates in the Consultative Assembly of the Council of Europe (November-December 1951)

Caption: On 1 December 1951, the Members of the Consultative Assembly of the Council of Europe examine the reports presented on 5 May 1951 by René Charpentier and by David Eccles on the organisation of Europe's agricultural markets. The plan put forward by Eccles, the British delegate, is considered too intergovernmental and is, therefore, rejected by a majority of the Assembly.

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Debate at the Assembly of the Council of Europe on the Unification of Agricultural Markets and Creation of a European Authority for Agriculture (November-December 1951)

(Report submitted by the Special Committee on Agriculture) (AS (3) 4 and addendum)

THE PRESIDENT (Translation). — Before the Sitting is closed, the Assembly would, I take it, like to hear M. Charpentier's report on the unification of European agriculture. (*Agreed*)

I call upon M. Charpentier to present his report.

M. CHARPENTIER (France) Translation. —

[...]

What are the main lines of this report? On what points does the opinion of the majority of your Special Committee differ from that of the minority? That is what I should like to explain to the Assembly.

The first part of the Report deals with the aims of a European Authority for agriculture — that is to say, with the possibility of establishing one of the basic institutions of a European Federation and of gaining thereby a number of advantages in the social, economic and moral spheres.

Your Committee was unanimous as to the desirability of the social advantages which the organization of agricultural markets would provide for the farmer, who would have guaranteed markets; for the agricultural labourer, for workers in industry and trade, because a prosperous agriculture can contribute to the maintenance of full employment — and for the consumer, who would benefit by more stable prices.

Such an organization would be of valuable assistance in eliminating the differences which at present exist in the level of food consumption within individual countries and between the different countries, owing to shortages which affect the health of the public in many ways, — to some of which I have drawn attention in my report by quoting certain striking examples.

The agricultural pool must not be used to give undue protection to the interests of the farmers. It must be a progressive institution, serving the best interests of producers and consumers alike. Your Committee is unanimous, too, as to the desirability of the economic advantages which would be reflected in the accumulation of a considerable store of assets — nearly four thousand million dollars in the space of a few years — and in the improvement of our European balance of trade.

From the moral point of view, too, your Committee considers the establishment of normal trading to be desirable.

In concluding my remarks on this first part of the report, I should like to emphasize, on behalf of the Committee, the gravity of the problem and the extent of our responsibilities. If nothing is done, we shall be faced with an inevitable fall in the level of food consumption, if only because of the increase in the population — of 825 million inhabitants between 1900 and 1950, of which 300 million have been added in the last ten years or so — and the decrease or cessation of imports from certain countries, owing to political, economic, social or financial causes.

The world situation is in process of being reversed. In the recent past there were countries which, although poor and undernourished, were still selling surplus food products at low prices. In the near future, Europe will have to look to its security in this respect. We must give the agricultural workers of Europe a means of increasing their output by providing them with an organization of this kind. That, in itself, will enable them to make a valuable contribution to the defence of our liberties, because, by improving the standard of living of the population, we shall be giving them fresh grounds for hope.

But, Mr. President, though all the members of the Special Committee on Agriculture were agreed as to the aims to be pursued and the necessity of achieving them, there was a profound cleavage of opinion between the minority and the majority of the Committee as to the methods to be adopted to this end — that is, as to the task and structure of the High Authority.

Let us first of all consider the tasks. In the opinion of the majority of the Committee the ultimate goal of the High Authority should be the unification of markets — this goal being attained, of course, only by very gradual stages. The restricted but genuine powers of decision to be conferred upon the Executive Committee must be counterbalanced by a number of other factors, namely an initial restriction of the field of action open to the High Authority; the prudent and gradual extension of that field; the flexible application of any measures adopted; and the exercise of effective supervision by a European Parliamentary Assembly.

The first stage contemplated by the report is to establish a balance between supply and demand.

The report deals in turn with the various situations that may arise : national surpluses insufficient to meet European deficits, permanent surpluses, temporary surpluses, permanent or temporary deficits.

In view of these different possibilities, the High Authority must be empowered to build up stocks, to import, to export, and even to give assistance to under-nourished countries, in accordance with Point IV of President Truman's speech. It will also be necessary to resolve the delicate problem of sureties for that aid and that of foreign exchange.

The counter-proposal sponsored by Mr. Eccles calls for the stabilization of prices, but does not indicate how this is to be attained. Unless preferential treatment is given to European products — while maintaining the flow of trade between European countries and their overseas territories — how can there be any European co-operation worthy of the name? Despite such preferential treatment, imports from other countries will still be indispensable, and there will be a risk that this will raise difficult financial problems and to very complicated problems in the related industrial fields.

For, on the one hand, we are called upon to meet the requirements of rearmament, and, on the other hand, to increase the capital investments necessary to the prosperity of our European countries and their overseas territories. Furthermore, because of their high degree of industrialisation and the improvement in their standard of living, third countries are likely to show a decrease in their food surpluses; and as, at the same time, our requirements will be tending to increase, there is liable to be a steep rise in prices.

The second task of the High Authority will be to establish a scale of European prices, including a ceiling price and a minimum price, for every product exported from one country to another. Once this step has been taken, and a balance thus attained between production and consumption, the High Authority must do away with national quotas, while, at the outset, protecting those countries whose prices are high by compensatory taxes based on the difference existing between the European price and the domestic price — in the case of both the importing and exporting countries. The report provides that the High Authority shall itself fix and collect the total of these taxes. The counter-proposal opposes both the introduction of these compensatory taxes and the establishment of a European price — even if it were to be confined to products exported from one Member State to another — unless that price were lower than, or equal to, the world price.

It ought to be permissible for the European price to be fixed at a level higher than, equal to, or lower than, the world rate. So far as possible it should be independent — as should most of our domestic prices — of the law of supply and demand, since the expansion of output depends upon stability. Once European prices have been stabilised, a gradually extending policy of long-term contracts will assist in stabilising world prices.

At a third stage a European agricultural policy must be defined. Though it may be necessary to take into account the element of security, and the economic value of a varied production, it is desirable that each country should be directed more especially towards the type of production for which it is most suited. This guidance should not be given in a dictatorial manner, but should be based on extensive propaganda, in close collaboration with the technical organisations directly concerned, and also upon the raising and lowering of

prices. The High Authority, at this stage, should give vigorous encouragement to technical progress based on a policy of intensified capital investment.

The counter-proposal sponsored by Mr. Eccles is opposed to this third stage and is still more hostile to the fourth stage, which calls for the organisation of agricultural production and the unification of agricultural markets; in other words, the progressive bringing into harmony of production costs and social and fiscal charges.

Only when this had been achieved would it become possible for products to circulate freely between Member States, without quotas or compensatory taxes. This is, indeed, the recommendation put forward in the light of experience by the different international organisations (O.E.E.C.; E.C.A.). Why should it be impossible to envisage a unified price system for Europe?

To quote the interesting report on European agricultural policy, presented by Dr. Homan, President of the I.C.A.P. :

" It is very instructive to note the extent to which the agricultural policy of the United States, which has to take into account such great variations in soil, exposure, and climate, continues, in practice, to regard that immense continent as one single unit ".

Further on. Dr. Homan adds :

"But, despite its great, regional differences, the United States has no regional prices."

— These are the four stages described in the report. In practice, they will be more flexible, less artificial and less strictly divided than appears. Each will require careful preparation.

Before going on to speak of the structure of the High Authority, to which the third and last section of the report is devoted, I should like to inform the Assembly of the objections put forward by Mr. Eccles, in his counter-proposal, against the idea of a High Authority for agriculture.

1) According to him, agricultural producers are so numerous as to preclude the establishment of a High Authority for agriculture. Is this objection valid? I do not think so. The problems of each type of agricultural product will be dealt with in turn. The interests of the producers are closely related, and when they are studying problems connected with the same product, there will be no great divergence of opinion among them.

2) Mr. Eccles lays great stress on the point of fertility of the soil. But, surely, this notion is respected by all European agricultural producers, who regard the soil as a form of living capital, and to whom the scourge of erosion is unknown?

3) Mr. Eccles draws attention to the difficulties arising from variations in harvest yields. Surely, this is an implicit admission of the necessity for stockpiling?

4) Mr. Eccles considers that the idea of specialisation is incompatible with the idea of security on the one hand, and of proper balance between stock-farming and crop-raising on the other hand. But, surely, the rotation of crops offers such a wide variety of possibilities that a certain degree of specialisation could be attained without neglecting these considerations?

What form is the High Authority to take?

We are forced to the conclusion that any Authority which is to accomplish these tasks and to achieve these aims must have real powers which will be strictly limited at first, and then gradually extended. It was with these facts in mind that your Assembly instructed its special Committee to submit a proposal for the establishment of a High Authority for agriculture.

The High Authority would be directed by an Executive Committee. The members of this Executive Committee would be ordinary politicians. It would be for them, and not for the Committee of Ministers, to take decisions, based on the advice of technical experts.

The task of the Ministers would be different — it would be to define their domestic agricultural policy and, at the European level, to ensure the co-ordination of the policy of their respective countries with that of Europe; and, then, in co-operation with the Assembly, to supervise the Executive Committee. Moreover, they would not have time to outline and apply a European agricultural policy; they would be less united on policy, their own particular policy being always, perforce, whether they wished it or no, one of their foremost concerns.

The counter-proposal suggests that the agricultural producers should be represented on the Executive Committee. It is fully understandable that they should be present on a Committee whose sole task is to transmit recommendations that have been unanimously adopted. It is unthinkable, however, that they should be admitted to a body with practical responsibilities.

Such a measure would give the impression that the High Authority existed to defend the interests of the farming community to the detriment of those of the consumer.

The agricultural producers, like the processing firms and the consumers, would be represented on an Advisory Committee, whose opinions should receive close attention from the Executive Committee. The producers, too, would be in direct touch with the specialised technical sections.

As I have just said, the Executive Committee will be required to pay the greatest attention to the opinions of the advisory body. This Executive Committee will be assisted by specialised technical sections for each product; for every agricultural or alimentary product, from wheat to fish — to which one of the first sections might be devoted — ranging from sugar, milk and dairy produce, to fruit and vegetables, etc.

These sections will compile statistics and information. They will lay down the standard quality of agricultural produce, and enforce respect for trade marks. They will examine, for each product separately, the problems of production, protection against disease, consumption, stockpiling, imports and exports.

The Committee will then be able : 1) to take, within the limits of its authority, decisions of an executive character; 2) to give advice to the various Governments, such advice having no binding effect; 3) to submit Bills to the Parliamentary Assembly.

In this respect, the Report goes much further than the counter-proposal. The latter merely authorises the members of the Executive Committee to veto recommendations with no binding effect. Does the present plan go too far in giving real powers to the Executive Committee? Not in our opinion.

To counterbalance the powers granted to the Executive Committee, certain precautions are envisaged : a two-thirds majority would be required, at any rate during the first few years; the range of activity would at first be restricted, and would be extended gradually, subject to the approval of the majority of the Executive Committee and of the Assembly; that range of activity would be divided between the executive and legislative spheres; the Committee of Ministers would be entitled to suspend Executive Committee decisions, and the Assembly to reverse them; the politicians on the Executive Committee would be obliged, by the very fact of their being responsible to an Assembly, to weigh their decisions carefully: the steadily increasing influence of public opinion in our democratic countries tends, after all, to act as a restraining rather than as driving force.

It will be seen from this that the Executive Committee would be required to display adaptability and prudence. In the view of the majority of your Committee, it would be impossible to reach the same results by means of long-term contracts, which are of limited duration and cannot provide a sufficient basis for the establishment of a European agricultural policy. Long-term contracts will never enable us to achieve the

suppression of quotas and the free movement of agricultural produce throughout Europe.

In addition to the Executive Committee, the report provides for a parliamentary body, consisting of the Committee of Ministers and of an Assembly elected by our Assembly. These two Houses would have power to discuss and amend the Bills submitted by the Executive Committee, to pass legislation, and to refuse their confidence to the Executive Committee.

The different Member States would thus see the extension to the whole of Europe of the ideas applied within their own country.

The report also provides for a Court of Justice.

Finally, your Committee is only too anxious to find a common ground between two conflicting concepts. For it hopes that those countries which do not wish to join the High Authority may find some way of being associated with it. This might be done in the sphere of international trade by the conclusion of long-term contracts; and in the sphere of ideas by the establishment of a consultative organisation with wide ramifications — such as is suggested in Mr. Eccles' counter-proposal — which would enable contact to be maintained among all the European Countries.

In any case, the convening of a Conference to give thorough consideration to these ideas is regarded as desirable by all members of the Special Committee. In addition to the Government experts, this Conference might be attended by representatives of the producers, processing firms, and consumers.

May I, in conclusion, make an urgent appeal to all the members of this Assembly to set aside their differences, so far as may be, for the sake of this great undertaking, through which our countries, now in grave danger, may be enabled to reach a better understanding and to improve the lot of their peoples. An agricultural organisation, such as this plan describes, would enable us to play that humane part which is our foremost duty — to assist the least-favoured classes in our respective countries and, so far as lies in our power, to assist the more unfortunate of the undernourished countries. Stabilised prices and increased production will no doubt also enable us to achieve a real degree of prosperity and to preserve the family basis of our agricultural enterprises. But, in addition to that natural wealth which is produced by the agricultural worker, and in which we shall all have our share, we shall build up a great store of moral wealth based on that social, economic, and political harmony which alone can protect those values we regard as essential : the love of home, the love of the soil, the love of freedom.

A free agricultural community, faithful to its basic traditions, but advancing resolutely along the path of progress, will be a staunch defender of those spiritual values which are the essential condition of a durable peace. (*Applause*).

[...]

M. Federspiel

[...]

The position is very clearly stated in what I consider to be the most interesting part of the majority Report, which is really the part where M. Charpentier very clearly sets out the elements of an agricultural policy for Europe. How does he set about it? That Report does not begin with the fundamental problem, the problem of stimulating production, the problem of tempting the producer to produce more and thereby contribute to eliminating a very large part of the dollar gap and to achieving a good many other of the objectives to which I referred at the beginning of my statement.

No, this policy begins in another way. A good many of vote may have been to India. I have never been there, but have heard stories of how fakirs will throw up a rope into the air and climb up that rope, to the bewilderment of the spectators. Curiously enough, I have never heard anybody tell the story of how the man

climbs down again, so the thing may be an optical illusion. The Report, as it is before us today, seems to me to be very much that kind of rope-climbing trick.

A High Authority is thrown up, and from that High Authority there begins to build up a policy. But how are we to invest that High Authority with what, in the Note of the French Government inviting the Member States of the Council of Europe to a conference, is described as the confidence of the agricultural producers?

M. Pflimlin points to one great obstacle which lies in the way — the mistrust shown by agricultural producers. How is the agricultural producer of Europe going to trust a High Authority which is trying to solve problems with which his Government, the Governments of Europe, the agricultural producers' organisations, and the United Nations Food and Agriculture Organisation, have been unable to deal effectively? I think that very assumption at the start of a policy for Europe shows that the policy is impracticable.

Another assumption from which the Report starts is that the High Authority may be faced with a permanent deficit. That is probably one of the keys to understanding why the majority Report is so unpractical. There is no risk of a dangerous deficit in European agriculture. The requirement of the European market is ever-increasing production. What we require is more production, not the distribution of a deficit.

These questions have been solved piecemeal, I admit, and unsatisfactorily, in a number of ways. One of the ways which has been effective is that of long-term agreements. Why is a long-term agreement effective? It is effective because it gives the producer a guarantee that over a long period he will be able to get rid of his product at a fixed price. It is not difficult normally to expand or contract the production of an agricultural product. In fact, it is one of the important points that we have to consider. The farmer may be very much better off if he limits his production to what he knows for certain he can sell.

There lies the first task of the High Authority, or of any Authority that we may have to build up. It is to make sure that the farmer is encouraged to increase his production, so that the manufacturer and anybody who deals with the agricultural product at any one of its stages, can have a secure market. There may be a whole range of prices. It should not be just the producer who has no risk; but, roughly speaking, what we want is to ensure that the product can be distributed, and at a reasonable price.

Is that really going to be achieved by a High Authority when the logical conclusion — and I admit that, from the point of view of the majority, it is a logical conclusion — is that at a certain stage one must finance increased production by compensation taxes?

I should like to call attention to that very important element in the policy for agriculture which is proposed by the majority Report. It is undoubtedly a solution which I do not hesitate to call immoral. What it means is that before the stage where one can hope to arrive at a unified market, one must tempt the producer by fixing a certain price; but in order to enable the market to absorb the product and at the same time enable the producer with high costs to get his product marketed, one takes away the difference between the agreed price and the production price from the producer who produces economically and rationally and passes it on to the producer who has not put his house in order but who produces irrationally and at far too high costs.

I should like to look back seven or eight years, when Europe was united under the heel of the Nazis, under the Swastika. At that time, a unified market for Europe was seriously discussed. Certain production was allotted to certain countries. We have to thank Providence that these plans never came into effect. They were carefully examined, and no doubt if they had been put into effect the Low Countries and the Scandinavian countries would have had to concentrate on agricultural production and keep their hands off industry.

If plans of that kind had to be contemplated in setting up a High Authority, then I very much doubt whether we should get any efficient agricultural production at all.

Let me take the example of my own country. It is a country with anything but a very favourable climate; in fact, it has a beastly climate. The soil is not particularly good. Originally the land was covered with forests.

A hundred and fifty years ago, owing to the pressure of population, we simply had to expand our agricultural production. We found a way of doing so, and today we are probably working with the lowest cost of any agricultural producers on the world. But I have no doubt that if we could use the energies of the Danish farmers for a short time in a country with a very much better climate, with a longer period of growth for the crops and with better transport facilities, we should be able to lower the costs very much more for a short time — until we became accustomed to those conditions and found that, after all, it was not necessary to work so hard.

This shows, Mr. President, that these things must grow naturally — that it is the challenge of the environment which creates the industry, and that an official institution is not likely to find the best method of distribution of agricultural products.

That is an essential part of the policy which the High Authority would have to pursue. For that reason alone, if for no other reason, I am afraid I shall not be able to support the setting up of a High Authority in the form that is proposed. That does not mean that I am not of the opinion that this Assembly could make a very important contribution to the solution of our agricultural problem. We could point to our Recommendation of 26th August, 1950, in which we clearly put before the Committee of Ministers the essentials of the agricultural problem of Europe. We have never heard of this Recommendation again. It has been put to the Committee of Ministers, and I suppose that the response to it was the French Government's invitation to a conference. I do not know what is happening about that. The then French Minister of Agriculture, M. Pflimlin, took a very great interest in this question. Now he is no longer in charge of the Department of Agriculture in Paris.

But what the minority of the Committee has proposed — and what in fact the whole Committee has agreed to — is that these matters are of such importance that the Governments must take them up quickly. Why, then, should not a High Authority take them up? I have already given the technical reasons. I should like also to give the psychological reasons.

In the Note of the French Government which I quoted earlier great importance is attached to the confidence of the agricultural producer. That leads to another most important consideration. When you set up a plan for coal and steel, you are dealing with a small body of companies, owners and trade unions in a limited field of limited political importance. If you put a plan before the whole farming and food-producing community of Europe, you may very likely be up against a dominant minority which is a decisive political factor. Therefore, you have to gain their confidence, and win their will to co-operate in a plan to improve not only the conditions of the agricultural producer in Europe but the conditions of Europe as a whole.

I believe that the agricultural producers can be won, not by a High Authority, but by the method to which they are accustomed — the method which has brought them wealth and which they trust. That is the method of co-operative effort. For this reason, I can support the plan to set up a European institution — one may call it a High Authority : I do not mind — but without all the paraphernalia of a Court of Justice, controls and ministerial interference. All that is needed is an advisory body. Once you have the essential element of an agricultural policy — the confidence of the growers — the thing will work in its own way.

If we can set up a body — and I have no doubt that it could be set up with the co-operation of the Governments and of the agricultural producers themselves — it would be able to deal with these questions. I have no objection to the consumers being represented if we can find a suitable body to represent them. It would be able to take up the solutions which have been offered — the long-term agreements and price arrangements — piece by piece, and finally to build up that unified market — without perhaps all the difficulties which O.E.E.C. necessarily must encounter in its efforts and in the face of which it has given up.

A body of this kind, as Mr. Eccles proposed it, composed of representatives of the Governments and of the producers, would be able to command the confidence, the good will and the spirit of co-operation of the producers of Europe in order to improve these conditions, which no doubt could be improved very considerably in a practical way and which we need to improve as soon as possible.

That explains the reasons why I have been unable to support the idea of setting up this High Authority. I have come to that conclusion with great regret, because the agricultural market, vast as it may be, is still the market or the field of industry which could be so divided up that an Authority of some kind, not with controlling powers or the powers of a planned economy but with powers to get the producers to co-operate, could really be most effective.

I strongly urge my fellow-Representatives to think twice before advising the Committee of Ministers to set up a body which would never — and of that I can assure you — win the confidence of the producers, and which might do much harm to the cause of a united Europe by being a failure. We should take as the basis of our discussion the realization that the tried way, the way in which European agriculture has made such progress, is the way which we should also advise the Governments, the producers and the peoples of Europe to follow, so that, by using our experience, we could take an important step forward in building up united European agricultural community.

[...]

THE PRESIDENT (Translation). — I call Mr. Hollis.

Mr. HOLLIS (United Kingdom). — The Assembly did me the honour a couple of days ago of listening to my observations about the problem at large at some length, so I do not want to impose myself upon the Assembly for a long time this morning. Nor is it necessary for me to do so, because my point of view was so clearly expressed by my friend M. Federspiel that I need not delay you by repeating many of the things that he has said.

Nevertheless, as I have had the honour to succeed Mr. Eccles as the British Representative on the Special Committee since he went to other work, it would, I think, be discourteous if I did not say a few words. In saying them, naturally enough I speak solely for myself. Mr. Brown, who was the Parliamentary Secretary to the Ministry of Agriculture in the last British Government, will express his point of view in a few moments.

It is no pleasure for me, of course, any more than it is for M. Federspiel, if we are not able to see eye to eye on every point with M. Charpentier. Naturally, I join M. Federspiel in paying tribute to the courtesy and single-mindedness with which M. Charpentier has done his work. There is, of course, no disagreement between us about the desirability, and indeed the necessity, of increasing the production of food both in Europe and in the world at large. The only issue that we are debating is whether the policies outlined in the Report are likely to result in increased food production or not.

M. Federspiel said that he never heard what happens to the Indian who has climbed the rope, when it is time for him to come down; but my understanding of the Indian rope trick is that he does not come down again — he vanishes ! I should indeed be sorry if such a fate were to await M. Charpentier, but I feel that there is great danger of him and his ambitions vanishing unless we study this problem very carefully. Therefore, I will make five or six general observations on the problems which this Report throws up.

First, as regards supranational authorities at large, my own point of view about them is far from doctrinaire. I do not believe in supporting every suggestion for a supranational authority simply because it is so suggested; nor do I believe in opposing every suggestion for it simply because it is so suggested. I approach the matter in very much the same way as Lord Layton, if I remember rightly, told us that he approached it when we were debating the Schuman Plan last May. We must approach the problem on its particular merits. From that point of view, there seems to me to be very little analogy indeed between the solution which may be suitable for iron and steel and that which may be suitable for agriculture.

I am one of those who regretted that the British Government did not see their way to play a rather larger part in the shaping of the Schuman Plan than they were able to play, but I think that has little bearing on the subject we are discussing at the present moment. A policy which may be suitable for dealing with an industry in which, in the nature of things, the producing units are very few and in which there are units which have had traditionally a large number of international contacts with one another for many years, is

quite a different thing from a policy which may be suitable for dealing with an industry which has millions of independent producers scattered throughout the countries of the world.

Surely the common sense formula that we should bear in mind is this. What we are discussing at the moment is whether we shall establish a supranational authority in a Europe in which there is not, for better or for worse, a supranational Government. General Koenig would say that the first thing is to set up the supranational government, and then we would see what powers should be given to it. But, for better or for worse, that is not the situation with which we are faced.

We have to decide whether we shall set up a supranational authority in a world in which its decrees would, in the nature of things, have to be enforced by national Governments, and it is surely common sense to say that it is not probable that the national Governments will meet with more success in enforcing the decrees of the supranational authority than they meet with in enforcing their own decrees.

We must face the fact that it is not every country in Europe which has been wholly successful in planning its own national agriculture, and that seems to me to be one reason why we should have a certain hesitation in believing too easily that we shall solve all our problems simply by imposing another imperfect organisation on top of a number of organisations which have already proved themselves to be imperfect. That is the first reflection which occurs to my mind.

The second point is one which I need not develop at length, because M. Federspiel has dealt with it so admirably. It is that the problem of the day is not primarily a problem of surpluses. It seems to me to be a certain curiosity in the majority Report that the majority appear to be so greatly dominated by that problem when in this world of eroding soil and growing populations the great problem is obviously that of increasing production.

The third point, again, is one that I need not dwell upon at too great length, because I myself spoke about it in more general terms two days ago. I am very doubtful to what extent Western Europe is really an economic unit at all. I said that as a generalisation two days ago. I said that in most commodities the trade between Europe and the rest of the world is far greater than the intra-European trade. If there be a commodity of which that is true, it is most certainly true of food.

I very much doubt whether even the ideal of the single market is the correct ideal for the solution of this problem. That is a question which, naturally, an Englishman cannot help but face. We talk of a single market for Europe, but an Englishman must reflect that his country is by far the greatest importer of food of all the countries of Western Europe, and that by far the greater part of the food which it imports comes, of course, from outside Europe altogether. Therefore, we must look with some concern on any suggestion which may be made as to our relations with countries outside Europe. In the Report we read :

“This distribution of surpluses should not, however, have priority over normal and traditional exchanges with overseas territories, which, in fact, represent an overseas extension of certain European countries.

It should, on the other hand have priority over imports of products coming from ' third-party ' countries, even though such products may be offered at lower prices.”

Those are a couple of sentences which cannot but leave us with some concern, because the countries with which we do the greater part of our trade in food are countries which cannot be described as countries that are overseas extensions of Great Britain. Nor can they be described as third-party countries. Commonwealth countries such as Australia and New Zealand clearly do not fall into one category or the other, and we should have to know a great deal more clearly what relations we are to be allowed to have with such countries before we could assent to the demand of the Report that the High Authority "should proceed to allocate such surplus production."

It is the feeling of our French friends, which I understand very well, that in this world of austerity it is not easy for them to find markets for the luxury goods which they exported in happier days. They therefore hope

to build up a surplus of food for export, and they are anxious that that food should find its markets.

That is an ambition which is entirely worthy, and which is intelligible to me, and I cannot think that it will not be possible to find a market, once that surplus has been produced. This is a sad world threatened with destruction for many reasons, but I cannot think it is likely to go down to destruction simply because the French have produced a great deal of food and cannot find anybody to eat it. Whatever other problems may be insoluble, I do not think I that one will prove to be insoluble.

I, too, share with M. Federspiel a certain anxiety about the suggestion for a compensatory tax for the single European price. I cannot see how that tax can possibly work in such a way that it will not put a premium on inefficiency, which is the one thing we cannot afford at such a time as this. M. Charpentier told us yesterday that, though Mr. Eccles agreed with the desirability of having a certain stability of price, he did not say how that stability was to be achieved. Whatever was said in Mr. Eccles' Report, we have at any rate gone some way towards achieving, by commodity agreements, a certain stability in the real world that does exist, and it would seem to me a very dangerous policy to scrap those agreements, which are to a large extent working satisfactorily, until we are very much clearer than we are at present about what is the alternative to them.

Nor am I at all sure that it is even a desirable ambition that there should be a single price. If different countries produce the same commodities at different prices, there is a variety of reasons why they may be doing so. It may be because in one country the workers have a very much lower standard of living than in another. On the other hand, it may be because one country is more efficient than another. Or it may be because one country has natural advantages over another.

In this world, with the modern resources of science, you could, if you wanted to do so merely as a demonstration, produce almost anything almost anywhere. You could produce bananas in Iceland, if you wanted to, by laying on the appropriate hot-houses, and so on, but it would not be a very sensible thing to do. The more sensible thing is to produce articles in the places which are best suited for their production. The more we are moving out of the world where the primary producer is exploited, the more does it seem likely that the price mechanism has an important function to perform in ensuring that the right goods are produced in the right place, and I am not at all sure that it is even a desirable ambition to get rid of it.

Then there is the fifth point which Mr. Eccles raised, about the conservation of the soil. In his reply to Mr. Eccles on that point, M. Charpentier said that there is no erosion problem in respect of the land under cultivation in our various countries; that is to say, in the countries of Western Europe. He also spoke elsewhere about American experience and said that there was, in America, a single market and a single price in the sense in which he was using those phrases. It seems to me that one the reasons we have no problem of erosion in Western Europe is precisely that we have not got a single market. The fact that we have not got a single market has been one of the factors which has prevented over-specialisation of our agricultural production. And over-specialisation is one of the dangers which I fear might be imposed upon us if a High Authority of non-producers were to be established for the whole of European production.

In the same way I do not think that it would be possible to solve the marketing problem by means of a High Authority in which the producers were not allowed to play any part. I entirely agree with M. Charpentier that it is not possible to include the producers in a mandatory Authority, and I entirely agree with M. Federspiel that it is not possible to make any Authority work in which the producers are not represented. That is one of the reasons I think it would be a great mistake to establish a mandatory Authority at the present time.

The great problem is, indeed, as we have all agreed, the problem of increasing the production of food. The food situation in Western Europe is far from satisfactory. I turn to the paragraph in the O.E.E.C. Report which precedes the paragraph quoted by M. Federspiel, and I read there that in many countries the food intake of the lower income groups is by no means satisfactory. A simpler age would have said that the poor are not getting enough to eat, and in that respect, I must say that I prefer a simpler age to the age which indulges in such barbaric jargon. Still, that is what it says, and there it is, and it is certainly true! We must therefore give our minds to every means that we can find for increasing the production of food in Western Europe and elsewhere in the world.

On that matter, I am very happy to agree most enthusiastically with M. Federspiel that an organisation, institution, authority, call it what you will, might usefully be set up for the exchange of information and for research with a view to increasing production and advising on methods of increasing production.

There are three conditions, however. The first is that the producers must be included. I do not think we can get any further unless the producers are there. Secondly, there must be neither overlapping nor conflict with other authorities that already exist, such as O.E.E.C. There is a certain danger that we should duplicate or perhaps conflict with the work of O.E.E.C. There is also the danger, I agree with M. Federspiel, that the O.E.E.C. and everybody else will stand around and do nothing in the belief that someone else is doing it. We must take great care to avoid that difficulty.

Thirdly, this organisation must act in co-operation with the countries of the Commonwealth and with other countries outside Western Europe. Whether we like it or not, the fact of the matter is that more trade in food is done between countries in different continents — and it is done by means of commodity agreements which we may denounce in speeches but which there is, in point of fact, no chance of abolishing, even if it were desirable to abolish them — than is done between the countries of Europe. An organisation that discussed a somewhat mythical intra-European trade, when in point of fact the greatest trade in food is done by means of commodity agreements between continents, would be apt to be a very futile organisation.

Since trade is done by means of commodity agreements, and since these are made between countries in different continents, the High Authority, if it is to be an effective organisation, must in one form or another provide facilities for consultation between the countries in different continents.

With these observations, and with my thanks for the courtesy shown by the Assembly, I should like to make it quite clear that I support M. Federspiel, and I express once again my gratitude to M. Charpentier for the work that he has done. I should like also to express my regret that we are not able to see entirely eye to eye on every point.

[...]

M. Margue

[...]

From this point of view I was rather astonished to read in M. Charpentier's Report that he was not interested in the protection of agriculture and wished to avoid the protection of agriculture even appearing to be one of the aims of the High Authority. On the contrary, this should be its starting-point. I believe that this is the first aim to be achieved, without, of course, neglecting the others.

Agricultural producers of all countries must be assured priority on their domestic markets. After that, a preference system should be established, under which all the countries participating in the organisation would give priority to commodities imported from the affiliated countries over those imported from other countries.

Naturally, the protection given to agricultural producers must be counterbalanced by an all-out effort on the part of the producers themselves to modernize their methods, reduce costs, and thus improve food supplies and general national standards.

The Report speaks of establishing a balance between supply and demand. This smacks a little of "autarky", no longer fashionable in our countries. Nevertheless, this formula may be accepted if it implies increasing both consumption and production. We could not, however, agree if it were a matter of reducing production or imposing an excessive specialisation contrary to the customs of the different countries and unsuited to our national agricultural systems in Europe. Planned economy in agriculture, if applied, that is, to domestic agricultural production, will inevitably give bad results.

Naturally, if we succeed, through the creation of an organisation for European agriculture, in reducing the adverse balance of trade, nobody will object. But I do not see how this can be achieved straightaway. That is what we should aim at, however. That each affiliated country should endeavour to buy what it needs from other member countries of the association, under a preferential system, is a most laudable aim.

I also approve of what the Rapporteur called the moral advantage of eliminating the dumping of certain commodities, which is nothing but unfair competition.

I shall be less categorical than he was in the matter of subsidies. Of course there may be, and there are such in certain countries, a type of subsidy which has the social purpose of making certain foodstuffs available in the domestic market at prices which are not too high for the consumer, while at the same time ensuring a just price to the producer. Naturally, such subsidies should not be granted to products for export.

M. Charpentier also mentioned Malthusianism. I entirely approve of what he said. We shall never create a strong Europe by reducing the number of Europeans or by eliminating them.

The difficult chapter is obviously the one that deals with the fixing of prices. According to the Report, there would be a certain difference in prices : domestic prices would be left to the competent authorities, while prices within the agricultural organisation would be fixed at an average rate based on costs.

Here, obviously, the first complication arises. Cost prices are not in fact the same in all countries or in all regions of the same country. It is all very well to quote the example of the United States of America, where no account is taken of the difference between regions, and there are no differences in regional prices. That is quite understandable in that American agriculture is a vast industry, quite different from the traditionally European style of farming. Furthermore, to refer back to the argument I used a few moments ago, it might be a matter of complete indifference in the United States whether agriculture is practised in one region rather than another of that vast continent. For the small European States, however, this is not the case.

In this respect, therefore, we shall have to consider quite complicated measures : a system of compensatory taxes, abolition of quotas, regulations at all levels. It will be rather complicated but not, I think quite impossible.

Now, the danger, the real danger, arises when it is a question of providing a policy for European agriculture, and especially, to quote the terms of the Report, "of organising European production."

The Report bases its proposals on the existence of national production programmes, which some might consider a heresy. It would *a fortiori* be very difficult, to any mind indeed impossible, to establish at a high level a European production programme based on the various national production programmes. The effects on national agriculture would certainly be most unpleasant, and incompatible with M. Charpentier's own aim of first and foremost ensuring the security of agriculture and the agricultural population. I wonder what would become of their security then!

As for co-ordinating costs of production, I think that this would prove beyond the powers of any Authority, as natural conditions are so extremely varied, that the best measures of orientation and adaptation, and the use of the latest technical methods will never enable these variations to be entirely overcome.

To permit the free circulation of surplus produce would result in the flooding of domestic markets and the ruin of national agricultural systems; which is precisely what we wish to avoid.

I therefore consider it pointless to go on discussing the methods, the working, and the composition of what the Report calls "the High Authority". We must first of all know what we want.

Let me sum up by saying that I am not opposed to the convocation of a European Conference on Agriculture, which might be more broadly based than the present Council of Europe. From this point of

view, I should be prepared to vote for the Recommendation appended to the Report of the Special Committee, subject, however, to the deletion of the first paragraph, which requests the Assembly to approve the principles formulated in the Report, for there are some, I think, on which we are not agreed. I also approve all measures to overcome, or at least to reduce, the European deficit in foodstuffs and assure better distribution of existing stocks in order to provide better food standards for the people.

On the other hand, I am against anything that may threaten the freedom of the agricultural producer or the existence of national agricultural systems.

The Rapporteur finished his oral report by saying that a free agricultural population was the best defence of spiritual values, an essential condition of lasting peace in Europe. We quite agree, but I cannot see how the application of all the measures he proposes would achieve this result.

I think, nevertheless, that it will be possible to do a great deal of good through the creation of an Authority for agriculture, provided we avoid those evils that result from excessive zeal. (*Applause*).

THE PRESIDENT (Translation). — I call Mr. Brown.

Mr. BROWN (United Kingdom). — I find myself in agreement with a good deal of what has been said by M. Margue, M. Federspiel and Mr. Hollis, but I am unable to agree with any of them in their final conclusions. There are strong reasons, some of which are contained in the aims set out by M. Charpentier, for deciding that a supranational High Authority would not be very useful or suitable. I also feel that there are good reasons for considering that a Europe-wide conference, especially the wider it became, would not at this stage be useful.

Mr. Hollis said that he would accept enthusiastically M. Federspiel's suggestion, on certain conditions, the second of which was that there should be no overlapping with the O.E.E.C. or the F.A.O. Frankly, as I shall try to show, I do not think that we could get a conference sufficiently wide to avoid overlapping, unless it were so wide that it would do nothing except make the sort of speeches that we are making this morning and then refer the whole problem to somebody else. It would probably refer it back to the very agency which exists at the moment. Mr. Hollis made a third condition along the same lines.

I therefore feel that one really would be doing both European agriculture and the interests of food consumption in Europe a very good service, even though it may be slightly awkward and seem to be unco-operative, if one opposed both M. Charpentier's Report and the alternative of Mr. Eccles and M. Federspiel.

I am not dealing with either the federal or the functional argument, which seem to be the King Charles's head or the bee in the bonnet of this Assembly. Nor am I arguing the supranational question as such. I am in fact discussing the purely practical issue of what it is we want to achieve in European agriculture and how best to do it. I can hardly think of any field of our national economies in which a supranational authority would seem to be less happy a solution than in agriculture.

M. Charpentier says somewhere in his Report, referring to a comment by Mr. Eccles, that all food producers are agriculturalists, that their very ideas are the same. Mr. President, I doubt whether that is a conclusion that anybody who has ever held office in a Department of Agriculture in Europe would in fact endorse. I held such an office myself for four years, and I believe my four years to be many times the national average. I see that the present Minister of Agriculture in England is already in trouble, both with the farmers and with the housewives, in four weeks!

I accept unreservedly, as indeed we all must, that in Europe we can do with a very large increase in our food production, although one is bound to make a qualification. Merely to talk about a 25 per cent — or any other figure — increase in food production is partially to beg the question. If Europe is to make its proper contribution to a good agriculture and a good standard of life for Europeans, then such an increase in food production has got to come in a certain order of priority.

I accept that we need to increase our total output and that we must also very considerably have that increase in the required order of priority, both in crops and in animal products. That, again, is subject to a qualification. The Representative from Luxembourg referred, I thought very properly, to a consideration which he put forward especially in regard to small countries, but which is true of any country — that there are social and strategic reasons why no one country can ever subordinate the whole of its agricultural policy to some international or supranational authority.

It is probably easy for an Englishman to say this, but I hope it is not immodest, and I certainly think it is not untrue to say it. Britain has done, particularly since the war, as much as most countries both to raise its agricultural output and to change the pattern of that output. The fact that we have been trying to do this with some degree of success perhaps gives us an opportunity of saying to our colleagues here how much we accept that this needs to be done.

There are not many of the things outlined by M. Charpentier as the aims that are necessary that I would reject. The Representative from Luxembourg spoke about the members of the European Agricultural Authority not importing goods from third-party countries until they had imported whatever other European countries had to sell; whereas Mr. Hollis said that in Great Britain that would, of course, raise a very considerable problem. We do not want to go back over the discussions that we had earlier this week, but it is a fact that not only have we obligations in other parts of the world but we have ties with our Commonwealth, to which we feel we have particular obligations, and we obviously could not undertake to be tied in the buying of our produce not to trade with those countries until the European surpluses had been exhausted.

In this connection, I recall a phrase of my colleague from England, Mr. de Freitas, when he warned us the other day — I thought very rightly — how very dangerous it would be for Europe if we were, in fact, to leave out of our consideration — and this applies particularly in regard to food — places like South-East Asia merely in order to introduce a tighter European food organisation.

The most important objective that M. Charpentier has is one which I think I accept. The main question this morning is merely the practical one of what is the best method by which to achieve those aims. Have we everything we need or do we need something else? I am sure the older Representatives in the Assembly will not mind a new Representative saying that one must avoid the temptation, which is present in every organisation that one ever joins, to think that one makes progress only so long as one is setting up something quite new. I believe that we have at present a method which can be made to do the job.

I support one of the things that was said by Mr. Hollis this morning. Whatever authority we choose to set up, whatever the powers with which we choose to endow it, it will in fact be no stronger in any one country than the national authority already is in that country. I discussed this some two and a half years ago with M. Charpentier in London; at that time he was kind enough to invite me to stay on his farm, an invitation which I hope he will repeat before this Session is over.

It is no use deluding ourselves that all over Europe we have at this very moment the sort of national control over our agricultural policies, the sort of means of persuading and moulding the efforts of agriculturalists, which would enable us to put through whatever any supranational authority chose to say. I believe that the powers in this respect are required very much more strongly at the national level than they are required for the moment at the supranational level. Any politician who has had anything to do with agriculture will say with me, feelingly, that one needs an enormous amount of courage, quite apart from a skin as thick as a rhinoceros, to be able to push through this sort of thing in the field of agricultural production.

I do not know that I agree with M. Federspiel in the interpretation he has placed on the progress outlined in the O.E.E.C. Report, but if there is any weakness about what is now being done by O.E.E.C. in this matter, I am quite sure it is due much more to the difficulty or inability of national authorities to push through their policy among food producers than it is to the powers which O.E.E.C. does or does not possess.

I believe that we need a real study of the consumption needs of Europe. We need a real study of the actual

production and the potential capacity of Europe in the particular categories in which we should like our food production to be concentrated. We need to see the changes that ideally would be needed in the agricultural economy of each of our countries. When we see what we would need ideally, we shall then be able more practically to decide how to bring about those changes. We need very urgently to know rather more about the extent to which technical advice needs to be made available to the primary producers on a wider scale in many of the countries of Europe.

Here, again, we have tried to do something about that in Britain with, I think, a good deal of success. It may well be that what is happening there would be of service to others, but at any rate we ought to know to what extent a full service of technical advice is available to all primary producers in Europe.

We want to know, to a greater extent than perhaps we already know, the position with regard to animal and crop diseases, and the sanitary precautions that are being taken. We need to know more about machinery, supplies and distribution — whether we are producing the right machines or whether we ought to produce different machines.

We need all these things, but, quite frankly, I do not think we need any kind of supranational organisation to find them out, and I am quite certain that I do not agree with M. Federspiel — for whom I have the greatest respect — that we could find them out through a Europe-wide conference in which all those sorts of bodies were represented. That is a factual, practical job which a very different sort of body can do and, to some extent, is doing.

The Report says that one of the things that this High Authority would do would be to get to grips with the disease problem. I would remind agriculturalists in the Assembly that, without any supranational authority, we have already had the Colorado beetle campaign, which has given rise to a very good organisation on a practical basis, and which has done an enormous amount in the last two or three years to bring this dreaded pest under control. That came about through the sort of agencies which exist at the moment. It came, first, out of inter-country discussion, but the O.E.E.C. and the F.A.O. have played a part in it, and I believe there is no need, so far as these disease problems are concerned, to bring a High Authority into the field. It would add nothing to our knowledge of the problems or to our chances of solving them.

If we know clearly what our problems are and get the factual matters set out, if we are willing to deal with this on a national basis, if national Governments are prepared to get down to it, if agricultural producers are represented, we might get it done. In the field of agricultural producers, I have heard many say that they ought to be in on this. I would only remind the Assembly that the agricultural workers' organisations, who do not normally get invited when we are talking about agricultural produce, have every bit as much right as I.F.A.P. or anybody else to be present, because they have a great deal of information about this. But I do not think that we necessarily want a conference that includes even them on this subject. If we can put pressure on national Governments, I think we can deal with everything at that stage.

For those reasons, I believe that the setting up of a High Authority would merely be setting up an Authority for the sake of being able to say that in this Assembly we have voted in favour of one. In the present stage of agricultural organisation, and of the national determination of these things, it would not be able to do any more than we are now doing.

[...]

M. RIP (Netherlands). — I have the honour to be a member of the Special Committee on Agriculture. The Report that is before this Assembly is, in some ways, a strange Report. It is a sort of duet. M. Charpentier says, in effect, "Yes, there must be a High Authority of a supranational character". On the other hand, Mr. Eccles says, "No, there must be no High Authority of a supranational character." Again, M. Charpentier says, "Yes, notwithstanding the proposals of Mr. Eccles, a High Authority, as I see it, is the best solution for the agricultural problems of Europe."

Mr. President, I am one of the supporters of the majority Report. In general, I agree with its contents,

although I have opinions of my own about some of the details. For instance, I will have some remarks to make about the products enumerated in the Report. However, I shall not go into details, and I do not think it necessary to go into the substance of the Report. The Report sets out the position very clearly.

To my mind, the important question is what we are to do now, and I shall try to answer this question.

It is stated in that section of the Report which compares the alternative proposals with the proposals of the Committee :

"But although the alternative proposals may correspond to the Report in so far as the aims to be achieved are concerned, there are wide differences between the two in respect of the methods to be employed."

The principal difference is that the majority wants a High Authority on agriculture with limited but real powers, while Mr. Eccles proposes that the Authority should make recommendations to the Governments. These two opinions will no doubt also be held in the Assembly. How can we reconcile them?

I do not despair of a satisfactory solution, for I regard it as dangerous for the Member States to suppose that national Governments can provide the necessary stability by means of national guarantees and national protective measures. National Governments are bound to fail, because the various European economies are so linked up with one another that only a joint effort would have any likelihood of succeeding.

This is all the more important now that the Western European countries are putting such effort into their defence. Rearmament implies considerably increased food requirements. Agricultural production is now a fundamental question in Western Europe as a whole. The same is true about the shortage of dollars in Western Europe. I regret that during the last few weeks measures have been taken to retreat from the liberalisation of trade in agricultural products. I refer to the measures of the Government of the United Kingdom regarding the import of some food products.

Therefore, we must do our utmost to find a compromise. My friends and I would be very sorry if the United Kingdom should not take part in the organisation of European agricultural markets. The exclusion of the United Kingdom might have serious consequences for the United Kingdom's agricultural producers and consumers, as well as for some continental exporting countries with vital interests in the United Kingdom market.

It is not very easy to give a satisfactory answer to the question of how Britain's special position could be reconciled with what are undoubtedly, in the long run, the far-reaching aims of an integration of European agricultural production and marketing. The solution of this problem requires the most serious consideration and study.

When considering the problems of the continental countries, we should bear in mind Britain's special links with the non-European world. We from the Continent ask our British colleagues to bear in mind the fact that their national economy is so inter-woven with the economy of the continental countries that the exclusion of their country from any continental arrangement would undoubtedly be detrimental both to the United Kingdom and to the Continent.

The establishment of a single Western European market cannot be demanded at once. An important step towards improving the situation would be taken, however, if people were prepared to place the permissible maximum of national protection under the control of a European organ and gradually to reduce this maximum. If this were done, the first condition would be fulfilled for the contribution of agriculture towards the restoration of the European economy, namely, the exchange of agricultural products between the countries of Western Europe.

In order to fulfil the second condition — the stabilisation of prices — it will be necessary to take measures with regard to prices. On the one hand, to further production where this can best be achieved and, on the other, to ensure for farmers the certainty which is indispensable for continued rationalisation, it will have to

be decided at what price, or between what price limits, products can be exchanged between the countries of Western Europe. These intra-European prices would not serve to fix the national level of prices, but would provide a basis for the exchange of commodities between those countries.

The fixing of the level of these intra-European prices is a difficult task, not only in view of the interests of agriculture but also in view of the other objectives toward the attainment of which these prices must assist. I refer to the balancing of payments in Western Europe, increasing prosperity, stimulating production so that no sources of production are left unused, and ensuring that the maximum production shall be achieved.

It is obvious that these proposals cannot be put into effect if at the same time the institution of a European organ is not proceeded with. This organ should have as its object the task of putting into practice the principles we have set out. In this case, a constructive co-operation, aiming at the interests of Western Europe as a whole, cannot go together with the unrestricted maintenance of the formal sovereignty of each of the countries of Western Europe. In the composition of the organ, and in the regulations which lay down its responsibilities, guarantees must be furnished for the efficient performance in a democratic way of the task to be imposed on the organ.

The Governments will have to go into further details. There is the French Plan for European agriculture, and there is the Mansholt Plan of the Minister of Agriculture of the Netherlands. Also, the O.E.E.C. has made special studies in the field of agriculture. Lastly, our Special Committee on Agriculture has tried to make proposals for a European Agricultural Authority. I believe that we have now sufficient plans and enough advisory bodies. It is time to do something practical.

It is necessary to co-ordinate the plans and to try to come to a solution acceptable to all Western European countries. It is possible perhaps that representatives of these groups may come together in a conference with representatives of the various organisations of agricultural producers and workers.

Finally, if some countries wish to remain outside the High Authority, we must try to find some rules which would permit their association with the Authority and enable them to enter into long-term contracts, and so on, with it. The countries which wish to set up a High Authority with limited but real powers must go further on the way towards the realisation of the proposals in this Report. Therefore, we must submit this Report, recommending the setting up of a High Authority for agriculture of a supranational character, to the Committee of Ministers.

[...]

PRESIDENT (Translation). — I call Mr. Wells.

Mr. WELLS (United Kingdom). — A phrase which I feel has been too often used during this and previous Sessions of this Assembly — namely, that Britain is dragging her feet in European affairs — is one that I feel should be repudiated. It may appear to Representatives that on this question of a European Agricultural Authority we are laying ourselves open to a repetition of that charge — the more so in that those who were responsible for this Report have obviously undertaken and performed a very difficult task very efficiently, although in my opinion, they have arrived at a number of wrong conclusions.

My colleagues Mr. Brown and Mr. Hollis, have already explained many of the difficulties which prevent United Kingdom Representatives from accepting this Report or giving it their full blessing. I have intervened in this debate at a late stage because I am anxious to remove any idea that may exist in the minds of Representatives that we are reluctant to agree with them on many items contained in the Report. In particular, on the main proposal for setting up a High Authority for agriculture, our attitude is not at all frivolous or unreasonable or — as may perhaps be in the minds of some — intentionally obstructive. Nothing could be further from the truth.

A few months ago this Assembly listened to my friend Mr. Blyton opposing the Schuman Plan for steel, because he feared it would depress the standard of living of the British miners. He spoke of the years of

depression which the workers in that industry had suffered. He said that nothing would persuade them to risk a return to those conditions. "We will not agree to hand our industry over to a supranational body," he said. I heard and read many comments on Mr. Blyton's speech, but in no instance did I find him criticized for lack of sincerity. We are equally sincere now.

It is a strange fact that the conditions regarding wages in these two very important industries of mining and agriculture in Britain have often run parallel, and both were in fact almost at the bottom of the wages list at the commencement of the war. In the case of mining, Mr. Blyton had in mind only the workers directly concerned, but in the case in agriculture the fear is shared equally by the farmers, as we have already heard from one farmer this afternoon. They fear that a supranational authority, however well intentioned, would not be responsive or able to react to abnormal circumstances as quickly as their own Government would.

Although some deny it, there is comparative prosperity in our countryside today. The earnings of the workers are more than three times what they were at the outbreak of hostilities and there is full employment — more jobs than there are men to fill them. No efficient farmers go bankrupt these days, as hundreds did between the wars, when three out of every ten of their employees were driven off the land and millions of acres went out of cultivation. They enjoy, by Act of Parliament, guaranteed markets and minimum prices for much of their produce.

I have discussed this Report with many of them, and I am certain that if any British Member of Parliament representing an agricultural constituency were to fight an election upon this Report, no matter what his party label might be, he would be committing political suicide. No party incorporating this Report in its election programme could hope to secure a majority in the House of Commons. Therefore, for us it simply is not practical politics, and we members of the Labour Party must be honest and say so, now that we are in opposition, even as it would be our duty to do so if we were in office.

But, as my colleagues stated so ably this morning, that does not mean that there is not much in this Report that we can support. Voluntary co-operation in securing regulated and guaranteed markets, pest control, diseases in animals, storage, processing facilities, grading, etc. — all these are matters in which the suggestions in the Report are possible. Indeed, in these matters there is already much co-operation, in which the late British Government took part, and which I am sure the present Government are anxious to extend.

The phrase "a unified market for Europe" sounds well. A unified market for the Commonwealth would probably sound better. A unified market for the world would probably sound better still. But what does it all mean in practical application? Certainly a uniform price would be one thing, and of that we have already been informed. The importance of that to Britain, the largest importer of food in the world, is tremendous, as Mr. Hollis explained this morning. Although we have increased our production by nearly half as much again as before the war, our costs of production are unfortunately still the highest in Europe, in spite of the fact that we have the most highly mechanised agricultural industry in the world. The reason for this is that the standard of living of our workers is also very high.

Does a unified market also mean, as some of my horticultural constituents believe, greater imports of fruit and vegetables, to the detriment of British growers? It might well be so. There is no sound basis for expecting that these proposals would make food available in Europe at lower prices. Indeed, it might well mean that for Britain the contrary would be the case. To drag one's feet when one knows that one is on dangerous ground is wiser than to dash forward.

Representatives may read a deal of nationalism into what I have said. I do not apologise, for I have never accepted the view that you can raise the standard of living of the workers in another country by depressing the standard of the workers in your own country. We have proved in Britain and in the Commonwealth that food production can be stepped up tremendously by agreement. This process is a continuing one, as you have heard. I cannot believe that in Europe there is needed more than a carefully organised voluntary system, together with the will to make it work, to give equally good results.

THE PRESIDENT (Translation). — I call M. de Felice.

M. DE FELICE (France) (Translation). Mr. President, Gentlemen, it is indeed a dangerous ambition to want to organise on a European scale an agricultural economy with such varied products and a rate of production so variable owing to differences in climate.

I therefore listened with great interest to speakers who are experts on these matters. They are divided into two camps, the one side recommending the immediate establishment of a supranational authority for agriculture, and the other, apparently, more cautious, inclining towards a General Conference — this seems to be the latest craze — and a purely advisory committee.

Listening to them, I wondered, on the very reasonable assumption, in my view, that the Schuman Plan will be adopted, whether we were entirely free at this juncture to come to a decision. The question is one which we cannot yet answer, because some economic counterweight and political equilibrium would then become essential. For it is true that since our prosperity has always depended on the maintenance of a certain balance between agriculture and industry, the existence of a European organisation for industry leads us to think that a European organisation for agriculture is essential as a counterbalancing factor.

We have endeavoured to achieve this balance between agriculture and industry in our own countries. We are tempted to transpose it to the European plane, but it seems to me that it would be unwise, for the whole agricultural world, to establish a European industrial organisation that is not counter-balanced by some a European agricultural organisation. As well as this economic reason, there is, in my view, a political reason. Assuming that the European industrial organisation is set up, its supplier countries will inevitably, through the coal-steel pool, exert an influence on European policy. Consequently, it seems to me that the agricultural world as a whole must be given a comparable influence which can provide a proper balance in European policy. I think that this aspect of the question has been entirely ignored, and I would ask M. Federspiel to examine this view which goes beyond the considerations he has put forward, and which, in my opinion, merits his attention.

I do not deny the difficulties of such an undertaking. The greatest seems to me to lie in the differences in production costs between the various countries, resulting from the different standards of living in the producing countries. As compensatory customs duties are not likely to be abolished overnight, I think that, instead of benefiting the importing countries themselves, they should go to a European fund which might be used to raise the standard of living of workers in countries where it is low; this would raise the standard for all agricultural workers to the same level, and also even out conditions of competition.

I am also a little anxious about the double guaranteed price system which has been suggested; a domestic price and a European price. The policy of guaranteed prices has serious disadvantages. It directs production towards the commodities for which prices are guaranteed; in other words, their production is increased while consumption, faced with a fall of non-guaranteed prices, is concentrated on non-guaranteed commodities; thus we have an increase in supply and a decrease in demand.

Then there is the question of psychological resistance. M. Federspiel explained this very well when he spoke of "the confidence of the farmers". Obviously, agricultural circles in our countries have a mania for protection, setting up a resistance to any organisation which might result in the abolition of customs tariffs.

There are two favourable signs; the first is that total consumption is not covered in Europe, that Europe shows a large deficit and that, consequently, we have a margin permitting a certain amount of flexibility in organising this supranational agricultural authority. The second results from the failure — if I may use the word — of other methods. There is the method of bilateral agreements; such agreements might have been possible before the war, when trade followed traditional channels, and consequently competition could be beneficial. Today such competition would be fatal. The disadvantage of such agreements is that they confine to certain industries only the industrial counterpart goods which provide the necessary means of payment for agricultural exports.

This is a first cause of failure which contains a lesson for us. There is a second one, a much clearer one.

Whenever an attempt has been made to achieve integration between two neighbouring countries — as with Benelux or the Franco-Italian Agreement which we tried to conclude — it was soon found that two neighbouring countries had not complementary, but rather, rival productions, and that, consequently, it was impossible to reach agreement. We must therefore make a general comparison of production capacity and potential consumption, in order to reach a logical, normal, and fruitful result.

In these circumstances I, personally, agree unreservedly to the principle enshrined in the proposal submitted by M. Charpentier, while requesting that in such a delicate matter careful consideration be given to the structure of the organisation to be established. (*Applause*).

[...]

M. Charpentier:

If I try to defend this Report, it is not because it is my child — my reactions to too many bits of paper and empty speeches are the same as Mr. Stanford's — but because I have already taken part in so many abortive attempts. I most earnestly hope that we may seek to establish an effective organisation composed of a limited number of responsible men. In fact, Mr. President, I have the impression that the majority of my opponents are opposed to a High Authority having any real power, however limited.

As explained in my Report, and again yesterday evening, we are moving towards acute, really desperate financial, economic and social difficulties, the more so in that, where food is concerned, the psychological factor plays an important part. A very narrow margin separates a level of food production which shows just enough surplus supply over demand to give the producers the feeling of a depression, and a level which is just sufficiently inadequate to give the consumer the impression of famine and, incidentally, give further emphasis to social inequalities.

To solve these difficulties a certain number of my colleagues propose the creation of a consultative Committee, in which resolutions must be passed unanimously. Yes, the right of veto for resolutions! That is an excellent suggestion, Mr. President, if the intention is to achieve nothing. This is an excellent suggestion, if they are content to accept a very heavy responsibility for the future. This is an excellent suggestion, if they are satisfied with one more consultative Committee, in which, no doubt, they will hear many fine speeches.

Mr. President, how I regret the absence of our Chairman of the Special Committee, M. Benvenuti! In a recent letter to me, he spoke of the need for an authority with real but limited power. I only wish he could come and speak to you himself, with all his authority, but I must content myself with reading the statement of his which appears in Doc. AS (3) 71 :

"As Chairman of the Special Committee, I cannot oppose this procedure" — which consisted in abandoning the principle of the supranational organisation — "but I cannot understand why, after having received precise terms of reference from the Assembly, the Committee on Agriculture contemplates falling back on a policy different from that decided by an Assembly vote."

"Obviously, the latter is at liberty to change the terms of reference, but then we should not be surprised if public opinion becomes disillusioned and takes no further interest in us."

Furthermore, when to open the remarkable Report by the Committee on General Affairs at page 4, I read as follows :

"The Committee cannot stress too strongly that the fundamental aim of the Council of Europe should remain as always the creation of a European political authority with limited junctions but real powers."

The words "real powers" are underlined.

To turn now to the speeches of the American Congressmen who came to discuss our problems with us in

this Chamber a few days ago, I read in Doc. AS/US/CR 19 that they regretted that so little progress had been made towards unification, and hoped that the accent would be placed on the progress to be achieved rather than on the difficulties in the way. Further on, another speaker, Mr. Smith, said that the aim of the E.C.A. Act had been to encourage the unification of Europe; much had been said in Strasbourg regarding this European unity, but were we never to do anything but talk about it?

I was also very pleased to read the speech made by our honourable colleague M. Finn Moe in Doc. AS (51) CR 8 in which he stated that the Scandinavian States were not opposed to the application of the functional method or to the creation of European Organisations having limited but real powers. They were even disposed to grant considerable powers to these Authorities.

Mr. President, I shall conclude by asking all my colleagues to vote for the Motion which was adopted by your Special Committee on Agriculture in the same circumstances as this Report you have before you. To quote the words of the President of the International Federation of Agricultural Producers in Venice a few months ago, "sooner or later we must get into the water and learn to swim if we want to escape drowning when we are thrown in". I earnestly hope that those colleagues who are unwilling to vote for this Draft will remain associated in as many ways as possible with those who are prepared to vote for it. Even if you vote for this Report, Ladies and Gentlemen, or at least for the motion that is submitted to you, you will still not be doing anything very revolutionary. Our recommendation will still have to be adopted by the Committee of Ministers and by our respective Parliaments. But by doing this, you will be working in the cause of social peace, indeed of peace itself. *(Applause)*.

[...]