

# Italian Association for the Council of European Municipalities policy document (May 1969)


**Caption:** In May 1969, the Italian Association for the Council of European Municipalities comments on the memorandum on the reform of the common agricultural policy submitted by the European Commissioner for Agriculture, Sicco Mansholt.

**Source:** Internationaal Instituut voor Sociale Geschiedenis, Amsterdam. Sicco L. Mansholt (1908-1995), (1858-) 1945-1995. Beleidsactiviteiten. Memo 80, Programma 1980. Stukken betreffende het Plan Mansholt inzake voorstellen tot landbouwhervorming in de EEG. 1968-1971, 130.

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## The Italian Municipalities, Provinces and Regions and the Memorandum (Mansholt Plan) on agricultural reform in the European Community (Agriculture '80) — Policy document approved by the National Board of the Italian Association for the Council of European Municipalities (IACEM) (Rome, May 1969)

The National Board of the Italian Association for the Council of European Municipalities (IACEM), meeting in Rome on 16 May 1969, reached the following conclusions after giving careful consideration to the 'Memorandum on agricultural reform in the Community' (Mansholt Plan), with particular reference to its implications for local communities, and after a full discussion in which the regional, provincial and municipal authorities, the head of the Italian Office of the European Communities, members of the EEC Economic and Social Committee, and agricultural and planning experts took part.

A satisfactory agricultural policy at European Community level is clearly required, not only for the benefit of the agricultural sector and some of the poorer regions but also on general economic, social and political grounds. The Municipalities, Provinces and Regions — in their capacity as *political* communities — cannot remain indifferent to the need for such a policy, not only in cases where the particular conditions obtaining within their local jurisdiction require it, but also and above all because they have a duty to work for the maximum and the most balanced economic development of the whole Community. Also, while such development is a prerequisite for the organic expansion of international trade, it will create a situation in which Europe will increasingly be under a moral obligation to contribute to the effective implementation of a world plan in order to address the problem of hunger and the economically backward countries.

It will be essential, to that end, to avoid a corporate European agricultural policy, conducted under the banner of long-term protectionism, prepared to fund surpluses produced at uncompetitive costs by means of politically expedient 'donations' to underdeveloped countries; and it will be essential at the same time to promote agriculture at a cost that brings some rewards, in order to increase the wealth of Europe and the world in general, bearing in mind the ecological needs of the continent and the connection between those needs and healthy human and social development, but also seeking to organise international trade on different and fairer lines and to bring about a more equitable international distribution of accumulated capital.

In that spirit, the National Board of the IACEM *recognises* that the Community Memorandum is based on absolutely sound *premisses*, noting the growing disparity between incomes in the industrial and tertiary sector on the one hand and the agricultural sector on the other, and the growth of surpluses arising from the imbalance between production and markets for that production.

The National Board *agrees* with the *general objectives* of the Memorandum, namely to make better use of production factors, rebalance markets, strengthen the contractual position of producers and improve the living and working conditions of agricultural workers.

To that end, the Memorandum proposes that the area of land under cultivation and the number of people employed in agriculture be reduced and that farms be restructured so as to ensure that their dimensions and their economic management will guarantee agricultural workers an income and living conditions comparable with those enjoyed by workers in equivalent social and occupational categories in other sectors.

Those conditions must be duly implemented within the framework of an effective overall economic plan for balanced regional development, so as to overcome sectoral and territorial imbalances and create many new jobs, mainly in the very regions where people are leaving agriculture. *Leaving agriculture*, a positive phenomenon if it is controlled within the framework of a supranational regional development policy, must not be confused with *flight from the land* and nor must it become so, save in exceptional circumstances, because flight from the land causes social and economic impoverishment and the associated costs have repercussions for the whole community. So the restructuring of farms must be accompanied, in poorer areas or areas where many people are leaving agriculture, by measures to facilitate additional earnings by encouraging craft trades, agricultural industries, small complementary industries and tourism, in cases where genuine, appropriate and massive industrial decentralisation is impossible, with factories set up here and

there in rural areas rather than concentrated excessively in centres of development.

The National Board of the IACEM *notes* first, to deflect contentious fault-finding, that — in proposing the restructuring of farms — the Mansholt Plan is, in principle, neither capitalist nor socialist. Apart from what it calls production units, which involve a number of producers cooperating in the development of a single crop — without going into the technical details of incentives provided for some specialised or high quality farms that are profitable irrespective of the optimum minimum land area usually envisaged — the Plan makes no ideological choices, if one disregards the size and the modern structure of the undertaking. It does, however, tend to prefer independent producers consisting of a family or group of families working together (peasant farms) — farms that it is at particular pains to protect — rather than capitalist concerns with one or more owners (possibly limited companies). We should add that, even under the Plan, the option of large public agricultural holdings (owned and possibly managed by local territorial or institutional authorities) cannot be ruled out. Lastly, it is important to stress that the Plan does not, generally speaking, provide for aids to farms that already meet the required conditions (dimensions, balance between the various production factors, etc.).

The National Board of the IACEM *must* rather *point out*, for the benefit of all those who are unduly concerned about the Memorandum, that it explicitly provides for regional differences (not national ones, of course) — in its paragraphs 63, 64 and 95. When it comes to implementation, special attention may easily be accorded to the agricultural economy of mountain areas: consideration of that option does away at a stroke with the concerns expressed by the Assembly of the Region of Trentino-Alto Adige/Tiroler Etschland, which approved a motion on the Mansholt Plan on 9 May. It should also be borne in mind that the minimum area of land under cultivation varies, throughout the relevant time and within certain limits, from one Community region to another: the density of the agricultural population is in fact so uneven that the reabsorption of the labour force should not initially cause widely differing problems in the various regions. Special and appropriate provision may of course be made, under the Plan, for the southern regions and in general for all the more disadvantaged parts of our country.

The National Board of the IACEM notes that the social measures contained in the Mansholt Plan, conceived in supranational terms, were distinctly favourable to Italy (in view of the proposal for a substantial Community contribution to the pensions and premiums payable to old and young people leaving agriculture and to the cost of occupational training, the fact that a wholesale reform of the European Social Fund will clearly be required, etc.). The Board *emphasises* above all that the Memorandum, with the changes it entails, has very important implications, direct and indirect, for local communities, whether in essentially agricultural or semi-agricultural areas or in industrial areas; and at the same time it gives local communities an opportunity to play an active part in determining their own fate.

If these social measures are to achieve their aim and achieve it fairly, therefore, they must have the active support of the local authorities. In the case of Italy in particular, it must be specified that, in order to obtain the 'Community premium', farmers leaving the land must hand it over not to the first comer but to agricultural development authorities, existing or to be established. They in turn must be — if they are not already — answerable to the Regions, constituted or in the course of being constituted, becoming the main instrument in the farming sector, which is within their remit. The Board wishes to emphasise at this point, in response to the facile arguments advanced in certain quarters, that while the Mansholt Plan is undoubtedly inclined to prefer leases (i.e. guaranteed leases: 18 years, with access to public aid, loans on favourable terms, relief and compensation for improvements, etc.), it does so for irrefutable and realistic reasons, since a massive move in the direction of family-owned farms would be objectively impossible from a financial point of view, would ultimately have an anti-social effect and even in a planned, albeit market, economy would lead to an unstoppable increase in the price of land. Conversely, there is a need for legislation that will emphasise the function of the undertaking and so at the same time reduce ground rents: these are bound to be a matter of concern to many, including the public and local authorities, which are naturally opposed to all vested interests.

In the second place, the local authorities, in addition to their generic responsibility for a whole set of infrastructure, will be called upon to deal with the problems connected with the agricultural reform through

the demand for a different type of housing caused by people leaving agriculture and also by the restructuring of farms. This is especially necessary if, in addition to economic and socio-economic problems, the authorities also have to bear in mind the psychological and cultural problems associated with the need to provide workers on the land, no less than workers in other sectors, with housing that will satisfy the most urgent necessities of social life, felt nowadays particularly strongly by members of the younger generation.

The local authorities will of course also feel the effects on their tax regulations of the changes in income brought about by the reform, just as, in the hopefully rare but not always avoidable eventuality of people leaving not just agriculture but the land itself, and of emigration in general on a sufficiently massive scale, they will suffer the effects of a genuine disinvestment (the loss of potential adults and workers among their citizens) such as to require — although this has not so far occurred — a financial adjustment, even a supranational adjustment, between local authorities, of the kind that occurs in any well organised federation.

There is therefore no need for us to mention the local authorities' interest in using the areas no longer under cultivation for public health and recreational purposes (parks).

Lastly, the local authorities — with the requisite regional plans and in association with the producers — can also usefully develop market-related facilities (abattoirs, fruit and vegetable markets, publicly owned cheese factories, etc.), and monitor retail trade to ensure that it is as free as possible of speculators (through district, municipal and — in the case of large metropolitan areas — local consumers' bodies). The local authorities, working closely and directly with the Community institutions, may also help producers' associations to provide their members with guidance on production.

Finally, the National Board of the IACEM *has issued a decision* affirming that the Community, the national States and the regional and local authorities, and of course the trade categories concerned, must together make consistent and coordinated efforts to implement the agricultural reform proposed by the Community. It is clearly of prime importance in this connection that there be a closer link between the Community's agricultural policy and its regional policy (and that national Governments cease their tacit or open opposition to those policies), preferably within the framework of a general and authentically Community plan, as affirmed by the European Parliament Intergroup for the study of regional and local problems at recent meetings attended by exponents of the CEM.

To that end the National Board of the IACEM issues an urgent appeal:

(a) *to the Communities and the Member States* not to let slip such an excellent opportunity to solve within a unified framework the problems of a sector essential to the future of European society and likely to affect the whole process of Community integration, but to take advantage of that framework to proceed resolutely along the road leading to European Federation. The vast resources required to implement the reform in question confirm once again the pressing need for good democratic control by a European Parliament elected by direct universal suffrage;

(b) *to the Italian Parliament and Government* to take all possible steps to secure approval of the Mansholt Memorandum — in Italy and the associated countries, without any delay apart from the minimum required to finalise their approval — and to adjust national policy decisions accordingly so as to make a decisive contribution to the solution of the age-old problems of Italian agriculture. Regional organisation itself appears, in this context, to be particularly urgent, both to provide the right democratic institutional structures to guide and monitor the rapid transformation of agricultural structures and to meet the demand for 'regionalisation' emphasised in paragraph 63 of the Mansholt Plan. It will of course be essential to avoid bureaucratic duplication and to make absolutely sure that the regional organisation, to be set up in a manner that precludes partiality, is not in fact a substitute for state bureaucracy;

(c) *to the democratic political forces* to help draw up a coherent agricultural policy in our country and in the Community: an economic restructuring of the sector will make it easier among other things to enlarge the Community itself to include other democratic countries;

(d) *to all Italian local authorities*, regional, provincial and municipal, ever more conscious of the close links that bind them to progress in constructing the Community on which the future of its peoples depends, to advocate in their respective Councils an ever deeper knowledge of the Mansholt Memorandum and the genuine prospects it offers, and to take every opportunity to urge the Italian Government to adopt a prompt and unambiguous position in favour of the Community proposals, overcoming the corporate, sectoral, polemical, bureaucratic and nationalist resistance that may arise from time to time.