

Speech by Walter Hallstein on the financing of the CAP (24 July 1966)


Caption: On 24 July 1966, Walter Hallstein, President of the European Commission, delivers a speech in which he reviews the outcomes of the agricultural marathon of 11 May 1966, and comments on the decision adopted by the Council of Ministers during the night of 23 to 24 July.

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The 'Council marathon' on agricultural finance

Ladies and Gentlemen!

I should like to add a few comments to the words of the two Ministers which give the view of the Commission. After what you have just heard, I do not think that I need to draw your attention again to the quite extraordinary significance of the process that has brought us together here today.

The negotiations that were concluded in the adjoining room here a few minutes ago constitute perhaps the most important single step that has ever been taken in the development of the European Economic Community, because what we have here is not a single stage in the progress of the Community, it is really the conclusion of a major initial milestone in its development: the completion of the agricultural policy of the Community. We are all aware that, without a common agricultural policy, we cannot have a common market; we can have a customs union; if need be, it can manage to survive. However, we cannot have the creation of what our Community actually is: a long-term economic relationship between six nations that is intended to be the firm foundation for the development of a political community.

The matter to which I should like much more to draw your attention during the course of my present remarks is the context in which this event has to be seen. It is impossible to appreciate this event if it is regarded as an isolated process in the daily routine of our Community. And when I speak of the connections with other events, I am not now thinking so much of the context of the crisis which our Community has recently undergone. Of course, there is also a connection with that crisis — and, as you are aware, we are in the middle of resolving that crisis; firstly, we restored cooperation, and then we took the very important decisions on 11 May, and today we have concluded the process by adding what was missing from a perfected and truly comprehensive, truly complete common agricultural policy. I have to say that this event is of significance for the crisis, for the simple reason that the decisions represent great success for the Community spirit and are a contribution to the re-consolidation of the Community after the crisis.

However, when I say that we shall do well to set things in a broader context, I am actually thinking of a different context. I am thinking of our recognition that the object of our agreement today is a general field covering four significant individual fields, and these are not only of significance for national agricultural policies. They relate to agricultural finance, the common agricultural policy, agricultural offers for the Kennedy Round and, lastly, also — and that is a departure into industrial policy — the completion of the customs union. You are aware that the first item in this list, agricultural finance, was negotiated some considerable time ago, and, indeed, the negotiations were successfully completed, but it is now also very rapidly approaching its formal completion. — We are all, of course, aware that there are also certain internal connections with other problem areas here, connections that have not been artificially manufactured but which result from the issue itself. It is impossible to overestimate the significance, the importance of this event of the creation of a European system of agricultural financing. This common European agricultural finance policy provides a contractually secure framework for the transfer of payments between Member States that are unprecedented at this level.

Agricultural policy is not only an important issue, agricultural policy is also expensive and costly — that is not meant as a reproach against agricultural policy, it is simply part of its essence — and the completion of a European agricultural policy is significant because it has given European agriculture financial backing from public funds, and not from the public funds of one single state, one European state, which would not mean much today, given the small size of European states, but from the financial might of a total of six states. That was the first chapter, agricultural finance.

The second is the part concerning agricultural policy; from a political point of view, this is the most important part of the process that we are talking about. It includes the most difficult of all the agricultural arrangements that had to be made within the entire common agricultural policy and that can possibly be imagined. I have heard a few friendly words addressed to the Commission for its contribution to these solutions, and I should very much like to express my thanks. It is one of the tasks of the Commission to take the initiative for such arrangements, as you know, and that is a task of which, in this case, we became aware

in all its complexity. It goes without saying that we did not manage to work any miracles and that we were not able to put forward proposals that would completely satisfy everyone, because this agricultural policy is also only the work of human beings, and that can never be perfect. So, here — and I mention this simply as an illustration — we have had two items that caused us a particularly large amount of work, and this was the establishment of the common organisation of the fruit and vegetable market and then the arrangements for sugar — those were quite extraordinary problems of a kind that have never before been posed at international level. The outcome of all this is an entire system of agricultural market organisations and prices, a system whose development began as early as 1961 and 1962 with the first large packages and was then continued with the cereals price decision of December 1964. That has now been completed.

I do not know, Ladies and Gentlemen — and, in this sense, perhaps, the press conference here is historic — whether we shall ever again have an opportunity to hold a press conference about a package. I cannot see any more ahead of us. My nostalgia for this event will be kept within bounds by the memory of the heroic efforts that the production of these packages has involved and will repeatedly involve. I should like to state that, to date, there has never been any other international economic grouping in the history of agriculture, no group other than the European Economic Community, that has succeeded in producing such a comprehensive solution for the agriculture policy of several states as ours has.

The third element about which I wish to speak is one that has not yet been completed; this third context for what has happened today is the formulation of the agricultural offers to be made by our Community for the Kennedy Round. The essential groundwork has already been done here; a few minutes ago, it was decided that formal adoption is to take place next Tuesday here in Brussels. Then we shall have managed to complete a major piece of work here, too, that now belongs to the foreign area of agriculture policy, that is, agricultural foreign policy.

Lastly, the fourth context to which I shall refer here is one that should not be forgotten, simply because, from a historical standpoint, what has happened here was partially brought about by the work that we have been doing during the last few days; this is the context of what has been determined about the completion of the customs union and the further development of our Community in the areas of trade policy and social policy. These are the matters to which I was referring earlier when I said that they have an internal connection with the economic policy for agriculture. Here, too, the essential negotiations have already been undertaken, they were held on 11 May this year, but here, too, we are close to the finalisation of this event.

That is the significance of what has taken place here.

I shall conclude by also expressing thanks on my own behalf. This gratitude, in as far as it is expressed for the Commission, is due to my friend *Sicco Mansholt* above all others, who is the grand master of European agricultural policy and, as such, has gained for himself a secure place in the history not only of agricultural policy but also of European unity, indeed in the history of international agricultural policy itself. What has been achieved by him and by the team under his leadership is quite extraordinary; as we are all aware, this was sometimes done under physical circumstances in which we sympathised with him with great concern. He, above all, deserves our most heartfelt thanks.

And, Ladies and Gentlemen, my very last sentence is one that has already become a stereotype and that you have often heard spoken by me in this room in the past: our Community has once again produced another piece of evidence of its indestructible vitality.