Parliamentary Assembly
Assemblée parlementaire
https://pace.coe.int

COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Resolution 199 (1961)[1]

Reply to the Fifth Report of the Ministerial Committee for Agriculture and Food of the OEEC on trends in agricultural policies since 1955

Parliamentary Assembly

1. The Assembly thanks the Ministerial Committee for Agriculture and Food of the Organisation for European Economic Cooperation (hereafter called "the Ministerial Committee") for the transmission of its Fifth Report. The Assembly expresses the hope - already formulated in Recommendation 280 - that the regular confrontation exercises of agricultural policies, as hitherto carried out by the Ministerial Committee, will be expanded and intensified by the future Organisation for Economic Co-operation and Development (OECD) and that the practice of submitting a special report on agriculture to the Consultative Assembly will be continued by the new Organisation.

2. The Assembly congratulates the Ministerial Committee for the significant work accomplished since its establishment in 1955, as reflected in its five Reports - the general survey of agricultural policies in 1956, the special review of price and income policies in 1957, the more detailed inquiries on specific products and the problems of individual countries in 1958 and 1960 ; in particular, it welcomes the review of major developments in agricultural policies since 1955 in relation to the principles and recommendations formulated by the Ministerial Committee, and the restatement of the guiding principles for Governments to consider when shaping and implementing their agricultural policies, contained in the Fifth Report.

3. The Assembly shares the view of the Ministerial Committee that, although important improvements are to be recorded in various fields, the basic problems - viz. the "danger of surplus agricultural production" and the disparity between per capita incomes in agriculture and in other sectors of the economy - remain. The Assembly agrees with the Ministerial Committee that Governments will be confronted, with ever-increasing urgency, with the need to find solutions to these problems. The assistance given to agriculture in the price field, combined with the greater efficiency of production and certain structural changes, have led to a tendency for production to increase faster than consumption, thus aggravating the situation.

4. The Assembly reaffirms that one of the benefits of economic integration lies in making the most rational use of productive resources and that this is only possible if international trade flows are not impeded. However, the Assembly is well aware of the fact that, in view of the structural weakness still prevailing in many countries and of the difficulties of quickly adapting agriculture to increased international specialisation, measures to foster freer trade may be difficult to reconcile with the immediate concern of Governments to secure a fair income to the farming population.

The Assembly notes with regret that there has been a general tightening of direct import controls and an overall increase in the number of commodities benefiting from export aids and urges the OECD to devote the closest attention to these problems with a view to relaxing obstacles to trade.

The Assembly appreciates the Ministerial Committee's efforts to avoid serious disturbances on agricultural markets produced by export subsidies. It considers, however, that these efforts have not as yet met with sufficient response on the part of member Governments. In particular it stresses that dumping practices must

1. Assembly debate on 22nd September 1961 (10th Sitting) see Docs. 1331Docs. 1331, Fifth Report of the Ministerial Committee for Agriculture and Food of the OEEC, and 1341, draft Resolution presented by the Committee on Agriculture). Text adopted by the Assembly on 22nd September 1961 (10th Sitting).

b e avoided and to this end urges the high cost countries to do their utmost to export at a fair price reflecting the true cost of production. It asks the OECD to include in the next report a comprehensive survey on the manner in which individual countries are following the Recommendations of the Ministerial Committee in the field of import restrictions and export subsidies.

5. The Assembly considers that a lasting improvement of farm incomes is only to be achieved by the more efficient use of labour, on the one hand, and by a price policy that does not stimulate the production of commodities which are already approaching surplus production, on the other, and further believes that the ultimate aim must be to make agriculture independent of direct or indirect support by other branches of the economy. It therefore welcomes the endeavours of the Ministerial Committee to improve the competitiveness of agriculture by placing the emphasis on measures in the non-price field, e.g. structural improvements, special assistance to particular groups, research, professional training and advisory services. The Assembly also considers that method study, the rationalisation of existing buildings and the study of possible standardisation in farm buildings should also receive attention. As these measures become effective, price support should be gradually reduced. Accordingly, the Assembly requests the OECD to continue and intensify its studies on the improvement of farm structures, in particular in the field of regrouping of scattered holdings into larger viable units - taking into account the experience of certain countries such as Sweden. As regrouping takes place and regions approach viability, industries should be induced to employ the labour which will inevitably be released.

6. The Assembly wishes to reiterate point 3 of Recommendation 280 concerning a comprehensive market research programme for agricultural commodities. It welcomes the fact that OEEC is already doing what it can to stimulate market research and hopes that OECD will continue and intensify this work.

7. The Assembly, concerned with the situation in many countries and regions of the world where under-nourishment and malnutrition still prevail, considers that Western European Governments should work out agreed policies on the use of agricultural surpluses to provide assistance for these countries, and requests the OECD to undertake a careful inquiry - in conjunction with the United Nations Food and Agriculture Organisation (FAO) - into the possibilities of such action, and to inform the Assembly in due course. The importance of these possibilities is illustrated by a recent FAO Report (Development through Food - A Strategy for Surplus Utilisation) which estimates that perhaps $ 12.5 billion worth of agricultural commodities will become available from the United States alone for use outside normal commercial channels over the next five years. While in the interests of humanity, action of this nature should be taken to relieve immediate need, the Assembly agrees with the Economic Commission for Europe of the United Nations that a scheme of agricultural surplus disposal cannot be regarded as a substitute for aid designed to develop the economy of less developed countries. Neither would such a disposal scheme be in itself an answer to the growing problem of over-production.

8. The Assembly is indeed studying this problem with particular attention ; it has instructed its Committee on Agriculture to produce a separate report on the FAO Freedom from Hunger Campaign and the Political Committee, with the assistance of the Economic and Social Committees, to study the wider aspects of the problem of assistance to countries in course of development. It therefore wishes to draw the attention of the other international organisations concerned to these various reports and the conclusions to which they will give rise.

9. Further, the Assembly recognises that the effects of the wide short-term price fluctuations for agricultural products on world markets constitute at present one of the main concerns of agricultural policies of many countries. It therefore recommends that the OECD inquire into the possibilities of activating international efforts among importing and exporting countries with a view to stabilising world market prices without prejudice to the development of new trade patterns.

10. The Assembly notes with great interest the general principles for agricultural policies contained in Chapter V of the Fifth Report and congratulates the Ministerial Committee on the most valuable work it has done during its existence for adapting these principles to changing conditions. Since it cannot be denied that agriculture is the most important and perhaps the most vital factor in the economy of Western European countries today and that at present the conflicting agricultural interests of the various countries tend to divide Europe, the Assembly endorses these general principles and hopes that Governments, in shaping and implementing their agricultural policies, will take due account of them with a view to achieving ultimately a higher degree of integration in agriculture as in other sectors of the economy.