

PRESS RELEASE

Summary of the speech by M. Sicco Mansholt, Vice-President of the Commission of the European Economic Community, at the GATT Ministerial Meeting of May 18 on agricultural problems.

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M. Mansholt began by saying that farm products should be included in the negotiations. This would be no easy matter. It was not a purely commercial question but also one of improving the world's marketing system for agricultural products to prevent the farming community being the sufferers in freer agricultural trade; this was why the Community had welcomed the proposals for commodity arrangements for the organization of agricultural markets.

The situation in certain farm products - including oil seeds and oleagineous fruits, cereals and meat - was deteriorating. Both importing and exporting countries had an interest in seeing that better trading arrangements were made, and M. Mansholt was sure that growers in importing countries were expecting something too.

A new approach was needed, and this required a great deal of imagination on the part of the Ministers.

The time had come to examine national farm policies very closely since they exerted a powerful influence on trade in farm products.

M. Mansholt recalled the statement made by M. Eugène Schaus on behalf of the Community to the effect that no item liable to affect the balance of world agricultural markets should be ruled out from the start. M. Mansholt was not excluding the common agricultural policy from this examination.

The EEC's trading partners would understand that this broad examination would be undertaken in a context of full reciprocity.

Any method of arriving at a solution to agricultural problems would have to start with a classification that would influence trade in farm products. M. Mansholt thought the preparatory work would be crucial. With respect to the factors influencing agricultural trade, he explained that the problem of prices was a decisive one for some countries - including the Community. Another example of what should be studied in this classification was Britain's deficiency payments. Methods would have to be carefully chosen to prevent the matter being bogged down in detail.

M. Mansholt said that if the method he had outlined were adopted certain rudiments of the commodity arrangements would quickly be established.

He noted that some countries had already suggested that studies on cereals and meat be begun shortly. The Community was not restricting itself to these products but would in any case be unable to negotiate on products for which the machinery of the common agricultural policy was not yet working. In the case of cereals, for instance, the Community could begin discussions, but in the case of dairy produce, beef and veal the Community could only take part in preparatory work and could certainly not begin to negotiate at this stage.

As for the American proposal for interim arrangements, the Vice-President of the Commission said that it was not very clear what the Americans meant by this. He thought that the same problems would arise as in the case of final arrangements, and the Community was therefore opposed to the plan.