



Department of History and Civilization

# **Denmark, the Netherlands and European Agricultural Integration, 1945-1960**

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Department of History and Civilization

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## Preface

I would like to express my gratitude to all the people, secretaries, archives, libraries and agricultural organisations who have assisted me with this study. Especially I thank my family and my successive supervisors, Professor Alan S. Milward and Professor Giovanni Federico. Further thanks go to Professor Johnny Laursen and my former supervisor at the University of Aarhus, Professor Thorsten Borring Olesen. Archivists and secretaries with responsibility for the various archives consulted in this study have read the manuscript in order to secure the respect of privacy, and I am much obliged to them.

On behalf of the Dutch Land- en Tuinbouworganisatie (LTO), Maarten L. de Heer not only screened the manuscript for privacy violation, but he also commented extensively on the subject-matter. In the same way, on behalf of the Danish Agricultural Council, Erik Hovgaard Jakobsen screened the manuscript for privacy violation and offered his comments to the subject-matter. I have added their comments to the thesis in a special appendix that is placed between the conclusions and the references to archives and literature. Their comments are not part of the thesis proper, but they will be interesting reading for historians. In addition, Erik Hovgaard Jakobsen has been very helpful and encouraging in establishing contacts with agricultural organisations in Denmark and internationally.

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Anders Thornvig Sørensen

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## Abbreviations – Organisations, political parties, etc.

3CLO	Drie Centrale Landbouworganisaties
ABTB	Aartsdiocesane Rooms-Katholieke Boeren- en Tuindersbond
AGPB	Association Générale des Producteurs de Blé
ANAB	Algemene Nederlandse Agrarische Bedrijfsbond
APPCA	Assemblée Permanente des Présidents des Chambres d'Agriculture
ARP	Anti-revolutionaire Partij
BCZV	Bond van Coöperatieve Zuivelverkoopverenigingen
BK	Bond van Kaasproducenten
CAP	Common Agricultural Policy
CB	Centraal Bureau van de Tuinbouwveilingen in Nederland
CBS	Centraal Bureau voor de Statistiek
CBTB	Nederlandse Christelijke Boeren- en Tuindersbond
CDU/CSU	Christlich-Demokratische Union/Christlich-Soziale Union
CEA	Confédération Européenne de l'Agriculture
Central Organ	Stichting Centraal Orgaan voor de Economische Betrekkingen met het Buitenland
CGA	Confédération Générale de l'Agriculture
CHU	Christelijk-Historische Unie
CHV	Coöperatieve Handelsvereniging van de NCB
CMC	Coöperatieve Melkafzet Centrale
CNJA	Centre National des Jeunes Agriculteurs
CNMCCA	Confédération Nationale de la Mutualité, de la Coopération, et du Crédit Agricole
CNV	Christelijk Nationaal Vakverbond
COGECA	Comité Général de la Coopération Agricole
Coldiretti	Confederazione Nazionale dei Coltivatori Diretti
COPA	Comité des Organisations Professionnelles Agricoles
COREPER	Committee of Permanent Representatives
CPB	Central Planning Bureau
CVC	Coöperatieve Vleescentrale
DBV	Deutscher Bauernverband
DK	Denmark
ECSC	European Coal and Steel Community
EDC	European Defence Community
EEC	European Economic Community
EFTA	European Free Trade Association
EPU	European Payments Union
ESC	Economic and Social Committee
ESS	Eksport-Svineslagteriernes Salgsforening
EU	European Union
EVS	Einfuhr- und Vorratstellen
FAO	Food and Agriculture Organisation
FDP	Freie Demokratische Partei, FDP
Federconsorzi	Federazione Italiana dei Consorzi Agrari
FEOGA	Fonds Européen d'Orientalion et de Garantie Agricoles
FNSEA	Fédération Nationale des Syndicats d'Exploitants Agricoles

FNZ	Koninklijke Nederlandse Zuivelbond FNZ
FTA	(European) Free Trade Area
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GNP	Gross national product
IFAP	International Federation of Agricultural Producers
KAB	Katholieke Arbeidersbeweging
KNBTB	Katholieke Nederlandse Boeren- en Tuindersbond
KNLC	Koninklijk Nederlands Landbouw-Comité
KVP	Katholieke Volkspartij
LEF	Landbouw-Egalisatiefonds
LEI	Landbouw-Economisch Instituut
LLTB	Limburgse Land- en Tuinbouwbund
LM	Landbouw en Maatschappij
LOK	Landbrugets Oplysnings- og Konferencevirksomhed
LS	Landbrugernes Sammenslutning
LTB	Rooms-Katholieke Diocesane Land- en Tuinbouwbund
LTO	Land- en Tuinbouw Organisatie
MMB	Milk Marketing Board
MVO	Produktschap voor Margarine, Vetten en Oliën
NCAV	Nationale Coöperatieve Aan- en Verkoopvereniging voor de Landbouw
NCB	Noordbrabantse Christelijke Boerenbund
NCLB	Nederlandse Christelijke Landarbeidersbond
NCR	Nationale Coöperatieve Raad
NFU	National Farmers' Union
NKLB	Nederlandse Katholieke Landarbeidersbond "St. Deusdedit"
NL	Netherlands
NVV	Nederlands Verbond van Vakverenigingen
OCRA	Office Commercial du Ravitaillement
OEEC	Organisation for European Economic Co-operation
OECD	Organization for Economic Co-operation and Development
PBO	Publiekrechtelijke Bedrijfsorganisatie
PSE	Producer subsidy equivalent
PvdA	Partij van de Arbeid
RCE	Coöperatieve Roermondsche Eiermijn
SCA	Special Committee on Agriculture
SER	Sociaal-Economische Raad
UK	United Kingdom
UN-ECE	United Nations Economic Commission for Europe
USA	United States of America
VECE	Eierenexport van de Verenigde Coöperaties in Nederland
VVD	Volkspartij voor Vrijheid en Democratie
WFB	World Food Board

## Abbreviations – Archives and publishers

DIO	Directie Internationale Organisaties
DL	De Danske Landboforeningers Arkiv
EA	Erhvervsarkivet i Århus
GS	Gruppeordnede Sager
HDC	Vrije Universiteit Amsterdam, Historisch Documentatiecentrum voor het Nederlands Protestantisme (1800-heden)
HEK	Handelingen Eerste Kamer
HTK	Handelingen Tweede Kamer
KB	Koninklijke Bibliotheek
KDC	Katholiek Documentatie Centrum
LM	Landbrugsministeriet
LNV	Ministerie van Landbouw, Visserij en Voedselvoorziening [present name: Ministerie van Landbouw, Natuur en Voedselkwaliteit]
LR	Landbruksraad / Danish Agricultural Council
LUI	Landbrugets udførselsjournal
MR	Ministerraad
NA	Nationaal Archief
NAHI	Nederlands Agronomisch-Historisch Instituut
NEHA	Netherlands Economic History Archives
PM	Præsidiemeddelelser
RA	Rigsarkivet
REA	Raad voor Economische Aangelegenheden
RMR	Rijksministerraad
TK	Tweede Kamer
UM	Udenrigsministeriet

# 1. Introduction

## 1.1. Definition of subject

European integration, the process which so far has led to the establishment of the European Union (EU), is a puzzle to observers. Why do countries surrender national sovereignty to European institutions? Are there longterm economic and political mechanisms underlying apparently isolated decisions to deepen the authority of supranational organs? Are such mechanisms self-reinforcing and irreversible once the process has been set in motion? Or should one speak of political ‘forces’ rather than ‘mechanisms’ – assuming that ideology is more important than function? How does the interaction between supranational institutions, national governments, political parties and interest organisations influence the course of European integration?

One group in society which has been particularly apt at transnational organisation at the European level is the farmers. One of the first and most important steps toward the creation of the European Union was the establishment of a Common Agricultural Policy (CAP) in the 1960s, and farmers became the best organised European-wide interest group. This was somewhat surprising, because at least in terms of historical archetypes the agricultural sector is often associated with inaccessible and self-sufficient rural communities. One could perhaps expect that industrial employers and workers, traders, financial businessmen and shipping men since the 19<sup>th</sup> century would establish transnational communities, but not farmers.

One part of the explanation of the apparent paradox lies in the experience of food shortage during the world wars 1914-1918 and 1939-1945. Agricultural policy became prestigious and hence interesting to political forces working for European unity. Another part of the explanation lies in the fact that agriculture in some regions for centuries has been oriented toward long-distance trade and specialisation. If transnational groups emerge as the result of economic modernisation and increased communication, then the farmers in Denmark and the Netherlands could be expected to take more part in the process than farmers in nearly all other countries. Since the late 19<sup>th</sup> century Danish and Dutch farmers were among the most commercially oriented, economically efficient and trade-dependent in the world. They also displayed a great ability to political organisation at the national level, so they had both the means and incentives to engage themselves in transnational political activity. How did they react to European integration after 1945? This is the subject of this study.

The process toward the creation of the contemporary European Union (EU) began in 1950 when six Western European countries decided to establish the European Coal and Steel Community (ECSC). The six countries were

Belgium, France, Germany, Italy, Luxembourg and the Netherlands. “The Six” or “Little Europe” became a new regional group, distinguished from other Western European countries by their willingness to surrender national sovereignty to common organs. In the ECSC the common organs had so-called ‘supranational’ authority. Common decisions were binding for the member states and the common organs had direct authority over individual citizens. But the ECSC’s procedures and competences still had elements of traditional cooperation between independent nations, and the ECSC’s “constitution” was an international treaty between the member states.

In 1957 the Six established a European Economic Community (EEC) and a community in nuclear energy (Euratom). The EEC included a common market with free movement of goods, services, capital and labour. This again implied that the member states surrendered national sovereignty over large areas of economic policy. In the 1960s the ECSC, EEC and Euratom merged into a single construction, called the ‘European Communities’, the core of which was the EEC. In 1972 Britain, Denmark and Ireland joined the European Communities, and subsequent enlargements included most other European countries. In 1994 the name was changed to the European Union (EU), and supranational cooperation was gradually extended to include monetary union and many other policy fields.

In many cases the agricultural sector has been included in inter-state negotiations on European integration. In 1946 negotiations took place on a world-wide scale on the creation of a supranational *World Food Board*. The negotiations soon faded, however, and subsequent negotiations on supranational cooperation in agriculture were limited to Western Europe. The first round of these negotiations began in 1950 when France and the Netherlands presented proposals for the creation of a European Agricultural Community. While the ECSC was called the ‘Black Pool’, the counterpart in agriculture was called the ‘*Green Pool*’. The negotiations between the Western Countries on the Green Pool ended in 1955 without tangible results.

The second round began with the inclusion of agriculture in the EEC. In 1955 the Six began to negotiate on a schedule for a common market. The negotiations led to the conclusion of the Treaty of Rome in 1957. The treaty established the EEC and entered into force on 1 January 1958. In agriculture the EEC included the creation of joint market regulation through a *Common Agricultural Policy* (CAP). By 1967 common policies had been established for all major agricultural products. The main elements of the CAP were a common price policy and a common organisation of markets. This included a common regulation of agricultural imports from non-member countries, and a joint financing of subsidies to agricultural exports to non-member countries. Until the 1980s the CAP dominated the budget of the European Communities, and by 2000 the CAP still took up half of the EU’s budget.

The ECSC was led by an independent and permanent commission with members from all the member states, the so-called High Authority. Other central institutions were the Council of Ministers in which the member-state governments were represented; the common Court of Justice; and the Parliamentarian Assembly. The EEC's institutions were similar. The EEC did not have a High Authority, but a European Commission. While the ECSC only dealt with a single sector, the EEC's common market comprised a large, diverse and not clearly demarcated field.

In the EEC the right of initiative lay with the European Commission which also had monitoring tasks. In 1959-1960 the European Commission presented those fundamental proposals on which the CAP was established. Following the general procedure in the EEC, continued in the EU, it is the European Commission which each year proposes a certain level of the common price in the CAP. Subsequently the Council of Ministers determines the actual price level. The Council of Ministers splits into resort Councils: agriculture, transport, etc. In the European Commission there is a Commissioner for Agriculture with an independent administration, and the EU has an autonomous subsystem dealing with the CAP.

The subject of empirical investigation in this study is the positions which leading agricultural organisations in Denmark and the Netherlands took in the period from 1945 to 1960 when they were confronted with the proposals for supranational European cooperation and market integration. In itself this is a narrow and very technical subject. However, down to the slightest detail the same question appears over and over again, namely, the economic and political relations between agriculture and overall society. The study places itself at the point of junction between two distinct evolutions. One is European integration understood as the creation of supranational cooperation; the other is longterm changes in European society. Agricultural cooperatives and farmers' unions together constitute an intermediary link between, on the one hand, national and international politics and commercial organisation, and on the other hand, local society and individual farms.

With the construction of railroads, paved roads and canals in the 19<sup>th</sup> century a process began where rural regions were physically opened up and where labour migrated from land to town. In the 20<sup>th</sup> century the process took speed. Agricultural production in industrial countries became characterised by machinery and high technology, and many small farm units were merged into larger ones. Firstly hired labour, then much of the farm family labour and finally many farmers left the sector or gained most of their income from other work. A driving force in the migration of labour out of agriculture was a desire for higher income. With the exception of brief periods, and with a few remarkable national and local exceptions, the general picture in the 20<sup>th</sup> century was that the average agricultural income lacked behind the average income in society as a whole. In the economic relations between agriculture

and other sectors there were significant changes after 1945. Agriculture ceased to be a significant supplier of labour in times of strong economic growth, and agriculture became unable to absorb unemployed labour in times of economic depression. On the other hand, agriculture became a significant consumer of machinery, artificial fertiliser and technical services.

Equally significant were the changes which took place in the political and institutional relations between agriculture and other sectors after 1945. In most countries the trend was toward a higher degree of organisational cohesion within agriculture. At the same time the agricultural organisations as a group developed a two-sided partnership with the national government. In most countries the agricultural organisations had formal or informal ties with certain political parties. The political triangle between agricultural organisations, governments and political parties worked differently from country to country. The triangle was reproduced at the European level and it became an important element of the general European integration process. Therefore the history of transnational agricultural organisation constitutes an important aspect of the political history of the European Union.

### **1.2. Aspects of agricultural policy compared**

The study makes comparisons over time and space in an attempt to identify and explain similarities and differences. The international negotiations on agricultural cooperation in 1945-1960 are described in chronological order and the description is divided into institutional and economic aspects. National agricultural policies in selected countries in the same period are also described, and as far as possible the division into aspects is identical. The approach takes strong inspiration from the method used by Rosemary Fennell in her work *The Common Agricultural Policy: Continuity and Change* (1997). In analysing the foundations of the CAP in the 1950s, Fennell compares national and European policies. For instance, Fennell compares the official agricultural policy objectives in individual countries, in the EEC Treaty, and in the CAP proposals. Fennell analyses the economic situation in agriculture in individual countries and in the EEC, with a systematic ordering of subjects such as production, income, farm size, etc.<sup>1</sup>

Some aspects of agricultural policy relate to the institutional framework: the competence, composition and procedures of executive and legislative organs; policy objectives; policy instruments; and financing. Other aspects relate to the agricultural organisations: their administrative and political position, internal structure and membership density, and relations between

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<sup>1</sup> Fennell, Rosemary (1997): *The Common Agricultural Policy: Continuity and Change*, Oxford: Clarendon Press / Oxford University Press, pp. 1-22, 51-110.

farmers' unions and agricultural cooperatives. Still other aspects relate to economic conditions: the agricultural sector's general income level, farm structure, production, trade, etc. In international negotiations the geographic area of the cooperation and the transitional period are particular aspects. Sovereignty can be transferred to international organs in two different ways, pooling or delegation. When sovereignty is pooled, the member states *as a group* remain the central decision-makers. When sovereignty is delegated, the authority to make binding decisions is given to a common organ *beside* the member states. A European Community would be much larger than any of its member states, and since this created different conditions, the equivalent aspects of agricultural policy are only approximately comparable. The international negotiations on agricultural cooperation only treated a hypothetical situation, and many issues were left open to future negotiations.

The scheme has analytical limitations. The scheme is oriented toward material and apparently "objective" factors. The scheme neglects the question whether institutions are created to solve distributional conflicts or only to make rules for them. In its attempt to measure phenomena across time and space the scheme may overstress formal procedures and objectives, etc. at the expense of informal and implicit mechanisms, and it may mistake functional purposes for identity. Among scholars there is not agreement as to how much independent causal importance should be attributed to immaterial factors. In this study the assumption is that they penetrate political systems and material policies, but political systems and material policies also reproduce and produce immaterial factors like ideologies and mentalities.

<b>Agricultural policy at national level 1945-1960</b>	<b>International agricultural negotiations 1945-1960</b>
<u>Executive, legislative organs:</u> competence, composition, procedure	- ibid; pooling or delegation -
<u>Policy objectives:</u> economic, social	- ibid -
<u>Policy instruments, financing:</u> price policy; structural policy	- ibid -
<u>Agricultural organisations:</u> administrative, political position	- ibid -
<u>Agricultural organisations:</u> internal structure, membership density; farmers' unions; cooperatives	- ibid-
<u>Income level</u>	(none)
<u>Farm structure</u>	(none)
<u>Production, trade</u>	(none)
(none)	<u>Geographic area</u>
(none)	<u>Transitional period</u>

### **1.3. Case selection**

The selection of countries for study can be decided by many criteria: a country's economic and political weight; EEC membership; agriculture's economic and political position; etc. The selection of Denmark and the Netherlands for study is based on the initial conditions and the process of deliberation. The two countries stood out by their strong export orientation, their central positions in international markets of animal products, and their high level of technical development and commercial organisation. The Netherlands also had an efficient horticultural sector. The two countries participated actively in European agricultural negotiations. They had large agricultural exports to Britain as well as to the Six, and the creation of a CAP without Britain created a serious trade-political dilemma for them. Thus, Denmark and the Netherlands are not selected for being representative in relation to European agriculture. On the contrary, the two countries are selected because their initial conditions, which placed them at the extreme end of the socio-economic spectrum of European agriculture, made them particularly strongly interested in the question of European integration.

The Danish-Dutch comparison will include an additional comparison with other countries involved in European negotiations. For this additional comparison, primarily France and Germany are selected, to a lesser extent also Britain, Italy and Belgium. The additional comparison cannot produce nearly as firm conclusions as the Danish-Dutch comparison, but it may give some indication of the limitations and perspectives of the latter.

### **1.4. Plan of study**

Chapter Two consults important studies on European integration and on agricultural politics, and the assumptions underlying the working thesis are formulated. The working thesis makes predictions from the past. Which reactions could be expected to come from agricultural organisations to European integration? Their reactions could not be reduced to a simple rejection or approval of the supranational principle. There were many elements and the organisations did not always take clear or definitive positions. The working thesis will not make detailed predictions, because it is oriented toward fundamental considerations. Chapter Two also discusses some method-related problems in comparative study. In Chapter Three the historical background is described, following the scheme for comparing aspects of agricultural policy, and the assumptions underlying the working thesis are reconsidered. In Chapter Four the working thesis is confronted with source material from archives. In Chapter Five the final conclusions are drawn and wider perspectives are outlined.

### **1.5. Argument**

The overarching question in the empirical investigation is: Which factors determined the reactions from Dutch and Danish agricultural organisations to European integration in the period 1945-1960?

From this overarching question three general working questions are derived.

1. Did the agricultural organisations primarily consider European integration in terms of trade policy or income policy? 2. Which position did longterm possibilities for political influence occupy in their considerations? 3. Did they support or reject supranational decision-making, and for which reasons?

The working thesis offers preliminary answers to the three general working questions. The working thesis is based on certain assumptions concerning the objectives and priorities of Dutch and Danish agricultural organisations. In this way the assumptions constitute the premises of the study. The most central assumptions are laid out after the bibliographical survey and some additional assumptions are laid out after the background description. The bibliographical survey begins with a very selective treatment of the literature on European integration. The political science schools of “neofunctionalism” and “intergovernmentalism” are treated together with the historian Alan S. Milward’s so-called “rescue” thesis, and with the historian Wolfram Kaiser’s thesis on transnational political party networks.

Neofunctionalism predicts that European integration will create a change in the attitudes and strategies of interest groups and political parties. They will partly or entirely re-direct their loyalty and activities from national to supranational institutions. This can be followed by the creation of European interest associations. A process of “functional spill-over” will create a chain reaction between connected economic sectors, where integration spreads from sector to sector and expands within each sector. The transfer of loyalty and activities to the European level is called ‘political spill-over’. Neofunctionalism was inspired by interest group theory from the 1950s which argued that social or economic disequilibrium can lead to a mobilisation of hitherto unorganised groups. When groups organise and gain influence, they can obtain re-establishment of equilibrium. Neofunctionalism predicted that conflicts between interest groups at the national level would be a driving force in their supranational re-orientation. The merger of hitherto protected national markets would create social and economic disequilibrium. Interest groups would react by developing supranational strategies for self-organisation and lobbying, in order to re-establish equilibrium through the creation of new common European policies.

The American political scientist Andrew Moravcsik has developed a so-called ‘liberal’ version of intergovernmentalism. In Moravcsik’s model national preferences arise in the context of domestic politics. Organised producer groups have considerable influence on national policy in European

negotiations, and in return they recognise the position of the national government as the mediator between national and European policy-levels. According to Moravcsik, the broad lines of European integration since 1955 reflect three factors: 1) commercial patterns, 2) relative bargaining power of important governments, and 3) the employment of supranational institutions to enhance the credibility of interstate commitments.

Milward's "rescue" thesis runs as follows. After 1945 the Western European nation states created supranational cooperation in order to change the international system in such ways as to guarantee their economic and social policies. These policies formed the basis of a general consensus between industry, labour and agriculture, and they aimed at economic modernisation and social advance. This consensus was at the centre of the resurrection of the European nation state as an organisational concept after 1945. In this way European integration rescued the nation state. National governments have a central role in the "rescue" thesis, and the emphasis on national consensus contradicts the assumption in neofunctionalism of inter-group conflict as an important factor in European integration. In the 1980s and 1990s several works were written by historians on the origins of the CAP and Milward's thesis had considerable impact on this literature.

Kaiser stresses the active, independent and important role that transnational networks of political parties play in the process of European integration. Kaiser is especially interested in the Christian Democratic parties which were part of ruling government coalitions in many EEC member states in the 1950s. By providing information and policy coordination, transnational networks strengthened the domestic and international position of politicians who supported European integration. Kaiser argues that while pro-European politicians maintained the initiative and generally sidestepped interest groups in case the latter rejected European integration, pro-European politicians tried to take the basic concerns of interest groups into account when they established the new European policy framework. By pointing to the inherent tendency of the European project to build on the ongoing political co-opting of interest groups at the national level, Kaiser's argument acknowledges the potential influence of farm interest groups on the EU's evolution.

On this background the bibliographical survey turns to interest group theory. In the main, interest group theory has two branches. One treats interest groups from the external perspective of their relations to governments, political parties, etc. Another branch treats interest groups from the internal perspective of recruiting members, etc. The best analyses combine the internal and external perspectives. Among such works, John T.S. Keeler's book from 1987 on agricultural politics in France combined Mancur Olson's theory of so-called "selective incentives" for group organisation with central concepts from studies of corporatism. Mancur Olson argued that large groups like labour, professional interests and farmers can only create

effective organisations when they possess economic associations that provide individual benefits as selective incentives to membership. Keeler described how interest groups can cooperate closely with the state in policy and administration, and in return can receive benefits from the state that enable them to offer selective incentives to membership.

The survey of the literature on Dutch agricultural politics leads to the conclusion that the power basis of Dutch agricultural organisations had four components: 1) effective organisation of agricultural producers in cooperatives; 2) relatively high membership density in the farmers' unions; 3) penetration of political parties; 4) the corporate groups created in the 1940s. Among such corporate bodies were the organised commodity boards, *produktschappen*. The leading corporate body was the horizontally organised *Landbouwschap* which had privileged contacts with the Dutch government.

The survey of the literature on Danish agricultural politics leads to the conclusion that the power basis of Danish agricultural organisations had four components: 1) the high membership density in the Danish Farmers' Unions and the Danish Smallholders' Unions; 2) the high membership density in the agricultural cooperatives; 3) penetration of political parties; 4) penetration of the export organisations. Much agricultural policy was formulated inside and between Danish agricultural organisations. However, the cooperatives and their national federations were politically very independent and thus the power basis of Danish agricultural organisations was fragmented.

The most central assumptions, such as they are formulated in the light of the bibliographical survey, are as follows. For Dutch agricultural organisations it was important to have the *Landbouwschap* recognised as a corporate body with political influence under a European regime. The *Landbouwschap* was a unique type of organisation in Europe. In order to secure a central position for the *Landbouwschap*, Dutch agricultural organisations would take active part in European negotiations from the outset. In a European regime one component of their power basis would be reduced, namely, the penetration of political parties and parliament. This was the least fundamental component of their total power basis, because it was outside them.

After the export boards were transferred from public to private jurisdiction in 1950, Danish agriculture had no corporate bodies. Danish agricultural organisations could expect political recognition on equal terms with other national organisations under a European regime. Therefore they did not have a strong interest in becoming political co-founders of the regime. However, the fragmented power basis of Danish agricultural organisations would be reflected in disunited positions toward European integration.

This study often uses the word 'agriculture' as shorthand for agricultural organisations. In fact, the emphasis is on agricultural organisations, not on

farm representation in parliament. A useful definition of ‘power’ can be found in Robert O. Keohane and Joseph S. Nye: *Power and Interdependence – World Politics in Transition* (1977). Keohane and Nye think of power as ‘the ability of an actor to get others to do something they would not do’. According to Keohane and Nye, power can also be conceived as control over outcomes. Keohane and Nye distinguish between two types of power: 1) initial power resources that give an actor a potential ability’; and 2) that actor’s actual influence over patterns of outcomes. According to Keohane and Nye, political bargaining is the usual means of translating potential into effects. They emphasise that much can be lost in the translation. The distribution of power capabilities among actors constitutes the *structure* of a political system; in the political *process* these power capabilities are translated into control over outcomes.<sup>2</sup>

In this study, the ‘power basis’ of agricultural organisations has two different elements. One type is mechanisms within the realm of the organisations which make structural power capabilities operational, i.e., make it possible to translate structural power into control over political outcomes. Another element is mechanisms which are located in the political system, outside the realm of the agricultural organisations, and which facilitate the translation of structural power by making the political process work in the desired way. In sum, a central premise of the study is that agricultural organisations had two primary considerations when they dealt with the question of European integration. One was the maintenance of their own power basis; the other was the relation between export orientation and price policy. Britain’s non-participation in supranational cooperation with the Six created serious trade-political dilemmas for Dutch and Danish agricultural exporters. The two considerations were intertwined, since the dilemmas and possible solutions to them could aggravate distributional conflicts within agriculture.

In brief, the following additional assumptions are enumerated after the background description. Strong liberal ideology in Danish agricultural policy combined with Danish agricultural organisations’ fragmented power basis to produce reactive positions toward European integration. It was easier for them to reach agreement on how to react against threatening exclusion from the markets of the Six, than to reach agreement to positive policies for European integration. By comparison, Dutch agricultural policy was less liberal. Dutch agricultural exports were relatively more oriented toward the markets of the Six, and relatively less oriented toward the British market, in comparison with Danish agricultural exports. The working thesis gives the following preliminary answers to the three general working questions.

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<sup>2</sup> Keohane, Robert O. & Nye, Joseph S. (1977): *Power and Interdependence – World Politics in Transition*, Boston, Toronto: Little Brown & Co., pp. 11, 20f, 53.

1. Agricultural organisations considered European integration in terms of income policy more than in terms of trade policy. To seek international free trade with no price regulation meant seeking higher prices for exporters. The income distribution between producers and consumers of raw materials (e.g., fodder grain) would be influenced by national or international trade policy. Agricultural organisations considered European integration from a sector income level perspective that was narrower than the viewpoint of national governments. To use European integration as a means to impose certain new policies upon the domestic setting was difficult since national governments had many corrective measures at their disposal, for instance in tax policy.

2. An important consideration for agricultural organisations was the maintenance of a central position between governmental authorities and the individual farmer. Agricultural organisations gave very high priority to their internal autonomy in relation to national and/or European governments. This was not incompatible with voluntary political restraint, co-decision and co-management with state administration, but agricultural organisations did not want to become hostages of government policy. In the final analysis their internal position was more important than external political lobbying.

3. The twofold objective of internal autonomy and influence on political decisions affecting the farm income level was one of two decisive factors when agricultural organisations considered participation in supranational cooperation. The other decisive factor was the trade-political dilemmas created by British non-participation. If the supranational authorities were committed to a satisfying longterm trade agreement with Britain, then export-oriented agricultural producers would tend to support participation, also out of a feeling that the regime was open to their influence.

The assumptions also apply to agricultural organisations in Belgium, France, Germany and Italy. Why does that imply for their positions toward European integration? A preliminary answer is that they had an interest in maintaining their existing partnership with the government in foreign policy. This general concern also applied to European policy. Their economic considerations were oriented toward protection and agricultural income security, because they represented large populations of small farmers with poor structures of production and marketing. If they could maintain a central position between government institutions and the individual farmer while keeping their internal autonomy intact, and if at the same time their external influence could be expressed in the formulation and execution of income-protecting policy principles under the European regime: then they might consider the transfer of nation-state sovereignty and responsibility to European bodies.

## 2. Bibliographical survey and working thesis

### 2.1. Works in political science and history on European integration

Surveys of theory development in political science are found in an article by James A. Caporaso from 1998;<sup>3</sup> in Ben Rosamund's book *Theories of European Integration* (2000);<sup>4</sup> and in Ernst B. Haas's new introduction to the re-issue from 2004 of his work *The Uniting of Europe* (originally from 1958).<sup>5</sup> In an article from 2006 and in his work *Christian Democracy and the Origins of European Union* (2007), Wolfram Kaiser has surveyed the historiography of European integration.<sup>6</sup> The study also relies on the general political science overview in Colin Hay's book *Political Analysis* (2002).<sup>7</sup>

In the study of European integration the first two schools to emerge were the European federalist movement since the 1920s, and "functionalism" since the 1930s. According to functionalism, function, not territory, and welfare purpose should define government. In some cases international agencies could better provide welfare than national governments. If such bodies were created and worked well, then popular loyalty would move away from the nation-state. Functionalists wanted to create international agencies on a pragmatic, sector-by-sector basis with variable geographical composition.<sup>8</sup>

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<sup>3</sup> Caporaso, James A. (1998): "Regional Integration Theory: Understanding Our Past and Anticipating Our Future", in: Wayne Sandholtz & Alec Stone Sweet (eds.): *European Integration and Supranational Governance*, New York: Oxford University Press, pp. 334-351.

<sup>4</sup> Rosamund, Ben (2000): *Theories of European Integration*, New York: Palgrave.

<sup>5</sup> Haas, Ernst B. (1958/2004): "*The Uniting of Europe: Political, Social, and Economic Forces 1950-1957*, 1958, re-issue 2004, Notre Dame, Indiana: University of Notre Dame Press, pp. xiii-lvi.

<sup>6</sup> Kaiser, Wolfram (2006): "From state to society? The historiography of European integration", in: Michelle Cini & Angela K. Bourne: *From Co-operation to Integration*, New York: Palgrave Macmillan, pp. 190-208;

Kaiser, Wolfram (2007): *Christian Democracy and the Origins of European Union*, New Studies in European History, eds. Peter Baldwin et al., Cambridge: Cambridge University Press.

<sup>7</sup> Hay, Colin (2002): *Political analysis*, New York, Palgrave.

<sup>8</sup> Lipgens, Walter (1982): *A History of European Integration Vol. I: 1945-1947*, Oxford: Clarendon Press;

Haas, Ernst B. (1948): "The United States of Europe", *Political Science Quarterly*, vol. 63, no. 4 (December 1948), pp. 528-550;

Taylor, Paul (1975): "Introduction", in: David Mitrany: *The Functional Theory of Politics*, London: Martin Robertson, pp. ix-xxv;

Mitrany, David (1943): *A Working Peace System*, London: The Royal Institute of International Affairs; Rosamund, 2000, pp. 20-42.

A school named “transactionalism” was developed by American political scientists in the 1950s. According to this school, growing economic interdependence between nations could lead to instability and conflict unless it was counterbalanced by ‘integration’. By this was meant joint – but not necessarily supranational – institutions for policy coordination, recognition of shared values and mutual responsiveness to economic and social needs.<sup>9</sup> On the whole, functionalism and transactionalism were more concerned with ‘interdependence’ in general than with European integration specifically.

The political science schools which are most important to this study are “neofunctionalism” and “intergovernmentalism”. In the latter especially the so-called “liberal-intergovernmentalist” model from Andrew Moravcsik is relevant. In 1992 the historian Alan S. Milward presented a generalising argument about European integration, the so-called “rescue” thesis. In 2007 the historian Wolfram Kaiser pointed to transnational networks between political parties as a factor in European integration. Upon a presentation of these four approaches to European integration, they will be compared along the following themes: 1) the nation state’s degree of political cohesion, and the balance of power between different political actors within the nation state in relation to European policy; 2) the character of supranational institutions.

### 2.1.1. Neofunctionalism

Neofunctionalism was developed in the 1950s and 1960s by American political scientists. The most prominent works were Ernst B. Haas: *The Uniting of Europe* (1958/2004), and Leon N. Lindberg: *The Political Dynamics of European Economic Integration* (1963). Like functionalists, neofunctionalists believed that the practical experience from the operation of international agencies would allow them to expand. But where functionalism looked toward world-wide institutions, neofunctionalism took regions like Western Europe as starting point. Neofunctionalism was rooted in the so-called ‘pluralist’ tradition in political analysis and political philosophy. The pluralist tradition was theoretically refined by American political scientists in the 1950s and gained widespread recognition at the time. In its most extreme versions, pluralism regarded the national government and national legislatures as being merely the arenas for political battles between organised interest groups, denying the existence of any “national interest”.

Neofunctionalism assumed that by undermining purely national economic and social strategies, integrative processes would alter the attitudes and

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<sup>9</sup> Deutsch, Karl W. (1954/1970): *Political Community at the International Level: Problems of Definition and Measurement*, Doubleday & Co., 1954, reprint Archon Books, 1970, pp. 24ff, 33ff; Rosamund, 2000, pp. 42-49.

strategies of interest groups and political parties. They would partially or completely re-direct their loyalty and activities from national governments to the supranational institutions. This could be followed by organisational changes where transnational interest associations emerged. The integration of one sector would create functional pressure for the inclusion of connected sectors. The so-called ‘expansive logic’ of ‘functional spill-over’ would create pressures for widening and deepening of integration. The transfer of loyalty and activity to the supranational level was ‘political spill-over’. By mediating between member states and between interest groups, the supranational institutions could ‘split the difference’, link separate issues together to package compromises and ‘upgrade the common interest’. This process would again strengthen the pressure for integration arising from functional spill-over. In the 1960s Haas emphasised that the supranational authorities might deliberately arrange the linking of issues in such a way as to stimulate interest groups and governments to demand further integration.<sup>10</sup>

Ernst B. Haas: *The Uniting of Europe* (1958/2004) is the founding work in neofunctionalism. Haas believed in the ability of supranational institutions to act independently, impartially and rationally. Supranational institutions could present national governments with objective and compelling technical material as the basis for common decisions, overcoming barriers of statistical manipulation, obstructive tactics and ignorance. The subject of *The Uniting of Europe* was the creation and functioning of the ECSC and the negotiations leading to creation the EEC in 1957. Haas operated with ideal-types of “political community and “political integration”. In Haas’s definition, “political community” existed when groups and individuals showed more loyalty to their central political institutions than to any other political authority. Thus, “loyalty” was a central concept. Groups and individuals were loyal toward symbols and institutions when then they obeyed their authority and turned to them for the satisfaction of demands. A “political community” had a commonly accepted body of values, claims and beliefs, called “nationalism”. Nation states were political communities.<sup>11</sup>

A European political community would not solve distributional conflicts between interest groups, but would take them over from the nation-states. The creation of a European federation was at least as much a change of the state of mind as a change of the legal framework. Economic integration

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<sup>10</sup> Rosamund, 2000, pp. 50-73, 85-94; Haas, 1958/2004, pp. 3-31, 283-317, 486-527; Haas, Ernst B. (1961): “International Integration: The European and the Universal Process”, *International Organization*, vol. 15, no. 3 (Summer 1961), pp. 366-392; Haas, Ernst B. (1964): “Technocracy, Pluralism and the New Europe”, in: Stephen R. Graubard (ed.): *A New Europe?*, London: Oldbourne Press, pp. 62-88; Lindberg, Leon N. (1963): *The Political Dynamics of European Economic Integration*, Stanford, California: Stanford University Press, pp. 3-13, 283-295.

<sup>11</sup> Haas, 1958/2004, pp. 5f.

understood merely as the removal of trade restrictions etc., did not relate to political integration. But economic integration related to political integration if it implied the creation of active common economic policies. The political success of economic integration lay in the direction toward the European centre of the demands, expectations and loyalties of political actors. However, Haas underlined that this ideal-typically defined end point only served as a means for evaluating developments observed in the real world.<sup>12</sup>

Haas assumed that as the process of political integration proceeded, the values of actors would change, and their interests would be redefined in European rather than purely national terms. European and national identities could coexist, because the new loyalties could grow haphazardly out of political expediency. Groups could turn to supranational action without being attracted by “Europeanism” as such. But if the process continued for a long time, the European institutions might ultimately become symbolic end values. The European institutions could stimulate this, but transnational groups could also invite the European institutions to work in that direction.<sup>13</sup> In legal terms “supranationality” meant partial federation. Supranationality in operation was something different and depended on the behaviour of actors. The ECSC’s High Authority was reluctant to take action without consulting the member states, but its interaction with the ECSC’s Council of Ministers and Parliamentary Assembly created “spill-over”. The cooperation between the member states in the ECSC became trustful and efficient.<sup>14</sup>

Haas’s working method consisted of three steps. First, Haas established the initial positions of central interest groups, political parties and governments toward European integration. Second, Haas compared positions taken at the national level with claims made at the European level. Groups might agree on supporting integration because they had identical interests and values; this was “identity of aspirations”. Groups might also agree on supporting integration out of different values and interests; this was “convergence of interests”. Third, Haas investigated whether the European institutions were moving closer towards political community, ideal-typically defined.

According to Haas, there was an ideological predisposition in the Socialist and Christian-Democratic parties in the ECSC member states which made possible a realignment of loyalties at the European level. To a lesser extent this was also the case for the Liberal parties. The groups which formulated a common ideology at the European level would be those groups which had positive long-run expectations to the creation of active common European policies. Groups which only had positive short-run expectations would not

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<sup>12</sup> Haas, 1958/2004, pp. 6-14.

<sup>13</sup> Haas, 1958/2004, pp. 14-19.

<sup>14</sup> Haas, 1958/2004, pp. 32-59, 484ff.

develop a common ideology at the European level. However, positive short-run expectations could potentially evolve into positive long-run ones through spill-over (e.g., from customs union to common trade policy). Through political interaction in the ECSC framework there emerged a Socialist and a Christian-Democratic doctrine of European integration. While the ECSC's parliamentary assembly only had limited powers, the practical experience of organising its proceedings contributed significantly to the development of European identification in party-political elites.<sup>15</sup> Similar evolutions took place in many trade unions and in some trade associations.<sup>16</sup>

The Netherlands constituted a special case in Haas's scheme. Support to European economic and political integration had broad support in Dutch political life. Haas noted that this consensus was connected to domestic policy consensus, and it was oriented toward free competition. Therefore, conflicts between Dutch interest groups and positive expectations to active common European policies might not have so strong a potential for transfer of loyalty to European institutions as in other ECSC member states. The Dutch Labour Party strongly supported European unity, for political as well as economic reasons. So, too, did the Catholic People's Party. Other Dutch political parties supported European integration for economic reasons. Dutch industry and agriculture favoured a common market with free competition. Dutch trade unions supported a common market, but did not want European agencies to interfere with the Dutch policy of low wages and low prices.<sup>17</sup>

Leon N. Lindberg: *The Political Dynamics of European Economic Integration* (1963) is the second founding work in neofunctionalism. Lindberg defined "political integration" as the processes whereby nation states create a political community. By a "political community" Lindberg understood the existence of a legitimate system for resolving conflicts and for making authoritative common decisions. For Lindberg, the emergence of a procedural code in the EEC was the essence of "political integration".

Like Haas, Lindberg defined "political integration" as a process, and not as a condition. However, unlike Haas who analysed the process with reference to an ideal-typical end point in the form of a federal archetype, Lindberg did not employ an end point reference. Lindberg only understood "political integration" as the development of devices and procedures for arriving at collective decisions. For Lindberg, "political integration" was firstly a process where nation states ceased to conduct foreign and central domestic policies independently, and began to make joint decisions or delegate the decision-making process to new central organs. Secondly, "political

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<sup>15</sup> Haas, 1958/2004, pp. 18f, 113-161, 287-302, 437ff.

<sup>16</sup> Haas, 1958/2004, pp. 162-239, 318-387.

<sup>17</sup> Haas, 1958/2004, pp. 148ff, 203ff, 233ff.

integration” was a process where political actors shifted their expectations and activities to a new centre. Lindberg underlined that in contrast to Haas (1958/2004), this definition of “political integration” did not include a shift in values. Lindberg believed that changes in values would not be a cause, but only a result of new political expectations and activities. They would be the corollary of the establishment of joint decision-making.<sup>18</sup>

For Lindberg, so-called “true integration” was achieved when a solution was found in negotiations where the interests of the parties fitted into each other. The EEC’s institutions could take the demands of both sides and break them into their constituent parts; either side would be forced to re-examine and re-evaluate its own desires in a larger context; and the common interests would be identified. By “splitting the difference”, the EEC’s institutions could play a crucial role in “upgrading the common interest”. The impact of the EEC’s institutions in terms of promoting integration would in part depend on the competences and roles assigned to them, but also on whether they made full use of their competences, and on how they defined their role.

Like Haas, Lindberg found that a primary factor in political integration was that the international organisations obtained direct access to individuals and groups in the nation state. Otherwise, national governments would maintain a dominant position. According to Lindberg, actors with political power in the nation state would redirect their expectations and activities only if the tasks of supranational institutions were of immediate concern to them; and only if these tasks involved a significant change in the actors’ environment. Lindberg argued that spill-over could only work if any step in integration was the result of convergence of goals and expectations, and only if the member states had a continued political commitment to the general project.<sup>19</sup>

Lindberg stressed the interaction between national and Community civil servants and politicians in the EEC’s bureaucracy. Policy-making involved not only the member-state governments, but also the EEC’s European Commission, which acted as an autonomous representative of the interests of the EEC as a whole. According to Lindberg, the Commission embodied the authority of a Community consensus. The Commission performed its supervisory functions mostly by persuasion, yet diligently. The Commission sought to engage national civil servants in policy making, but the Commission defended its own role as the spokesman of the EEC’s interests. It repeatedly took the initiative in acting as a mediator or broker between the member states. The Council of Ministers identified itself as a Community constitution and not as an intergovernmental body.

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<sup>18</sup> Lindberg, 1963, pp. vii, 3-7.

<sup>19</sup> Lindberg, 1963, p. 8-13.

Lindberg found evidence of an EEC-oriented restructuring of organisation, activities and expectations on part of firms, interest groups, etc. However, Lindberg concluded that such activities were often superficial and did not fundamentally alter the behaviour of interest groups. The bulk of interest-group activity remained oriented toward national goals, and not toward substantial joint problem-solving. However, there was one notable exception to this general picture. Farmers, farm workers and agricultural industry and trade had immediate interests involved in the CAP. They had a higher level of political activity in the EEC context than other interest groups and they had begun to establish significant EEC-wide groups.<sup>20</sup>

### 2.1.2. *Liberal intergovernmentalism*

In the 1960s emerged the so-called ‘intergovernmentalist’ school. Rooted in the realist tradition in the International Relations discipline of political science, intergovernmentalism regarded the ‘national interest’ as a legal and political reality that was above interest groups. European integration was considered subordinate to a generally state-centric logic in international politics. It was assumed that the EEC member states continued to function and perceive themselves as coherent and independent units with separate positions in the international system, and with different interests.<sup>21</sup> A particular position was taken by the political scientist Stanley Hoffmann. In a famous essay from 1966 he stressed the will of national governments to maintain power over foreign and defence policy. But he also argued that the EEC had implications for national welfare, and that ‘national consciousness’ in the traditional sense was losing its positive meaning.<sup>22</sup> In an essay from 1982 Hoffmann argued that European integration helped preserve the nation states. While curtailing their capacity for unilateral action, the Community helped member-state governments perform their domestic tasks.<sup>23</sup>

In his book *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (1998), the political scientist Andrew Moravcsik presented his so-called ‘liberal intergovernmentalist’ model of explanation. Moravcsik saw national preferences as arising in the context of domestic politics. State behaviour did not emerge from fixed preferences, but from dynamic processes in the domestic polity in combination with international economic developments. Moravcsik attributed great importance to the political actions of domestic interests groups, and he named his model

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<sup>20</sup> Lindberg, 1963, pp. 283-288.

<sup>21</sup> Rosamund, 2000, pp. 74-81.

<sup>22</sup> Hoffmann, Stanley (1966): “Obstinate or Obsolete? The Fate of the Nation State and the Case of Western Europe”, *Daedalus*, vol. 95, pp. 862-915.

<sup>23</sup> Hoffmann, Stanley (1982): “Reflections on the Nation-State in Western Europe Today”, *Journal of Common Market Studies*, Oxford, vol. 21, nos. 1-2, pp. 21-37.

‘liberal’ intergovernmentalism, in order to demarcate it from state-centered classic intergovernmentalism. But Moravcsik still saw the national government as the arbiter between conflicting domestic interests. The national government possessed a decisive position as the mediator between national and European policy-levels.

Moravcsik found that the process of European integration was mainly determined by so-called ‘grand bargains’ between the largest nation-states at ‘major turning points’. Among such ‘turning points’ was the creation of the EEC.<sup>24</sup> Moravcsik’s central claim was that the broad lines of European integration since 1955 reflected three factors: 1) patterns of commercial advantage, 2) the relative bargaining power of important governments, and 3) incentives to enhance the credibility of interstate commitments.

Supranational agencies were set up to secure the credibility of longterm agreements between member states, and within the limits of the agreements the supranational agencies could operate. European integration resulted from a series of choices made by national leaders pursuing economic interests. These were primarily the commercial interests of powerful producer groups, and secondarily the macroeconomic preferences of ruling government coalitions. Moravcsik stressed that European negotiations were not only characterised by distributional conflicts within the member states, but also by distributional conflicts between them. When joint gains were large, but each national government was strongly tempted to defect from agreements, governments might establish qualified majority voting and delegate tasks to an independent and permanent common organ. In the EEC this organ was the European Commission. The latter tried to act as a supranational entrepreneur, but with little success, according to Moravcsik.<sup>25</sup>

### 2.1.3. *The “rescue” thesis*

The British historian Alan S. Milward presented the so-called “rescue” thesis in his book *The European Rescue of the Nation-State* from 1992. Milward treated a number of subjects relating to European integration in the 1950s, including the CAP. The “rescue” thesis argues that the Western European nation states after 1945 created supranational cooperation in order to change the international system in such ways as to guarantee their domestic policies in the economic and social sphere. These policies, which formed the basis of a general consensus between industry, labour and agriculture, and which aimed at economic modernisation and social advance, were decisively

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<sup>24</sup> Moravcsik, Andrew (1998): *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*, London, Cornell University, pp. 1-85, 472-501.

<sup>25</sup> Moravcsik, 1998, pp. 3-9.

important for the survival of the nation state as an organisational concept. By supporting these policies, but also by making possible a durable settlement between Germany and France, European integration rescued the nation state. While in theory the supranational agencies are independent, in practice their individual members tend to think as citizens of their respective member states.<sup>26</sup> The rescue of the nation state was not an unexpected effect, but constituted a foreseen and intended result of European integration.<sup>27</sup>

In 1993 Milward together with the historians Frances M.B. Lynch, Ruggero Ranieri, Federico Romero and Vibeke Sørensen published a joint study of the history of European integration: *The Frontier of National Sovereignty – History and theory 1945-1992*. The work contained a number of empirical case studies of countries and economic sectors. Milward and Sørensen wrote the introductory chapter in which they presented the theoretical basis of the study, while Milward wrote the concluding chapter. According to Milward and Vibeke Sørensen, nation states opt for European integration only when interdependence is an inadequate framework for advancing important national policy objectives. In comparison with interdependence, integration has the advantages of being less easily reversed, more exclusive (e.g., in trade agreements) and more law-abiding. When nation states establish a supranational framework, they will define and limit the surrender of national sovereignty carefully, and they will seek to structure the central institutions in such ways as to preserve a balance of power in favour of themselves.<sup>28</sup>

#### 2.1.4. *The transnational party network approach*

Recently the historian Wolfram Kaiser has emphasised the importance of transnational cooperation between ideologically related political parties. In his book *Christian Democracy and the Origins of European Union* from 2007, Kaiser investigated the origins, structure and influence of transnational networks of political and societal groups that engaged with European integration. According to Kaiser, in the 1950s the most important of such networks were political parties and political leaders. Firstly, they alone could translate transnationally deliberated and negotiated ideas and policies into national governmental policy-making and European-level decision-making.

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<sup>26</sup> Milward, Alan S. (1992): *The European Rescue of the Nation-State*, London: Routledge, pp. 1-20, 105, 113ff, 223, 337, 343f, 435-447.

<sup>27</sup> Milward, 1992, pp. 19f, 318-344, esp. pp. 328f, 331, 333, 337.

<sup>28</sup> Milward, Alan S. & Sørensen, Vibeke (1993): "Interdependence or integration? A national choice", in: Alan S. Milward et al.: *The Frontier of National Sovereignty – History and Theory 1945-1992*, London: Routledge, pp. 1-32; Milward, Alan S. (1993): "Conclusions: the value of history", in: Alan S. Milward et al.: *The Frontier of National Sovereignty – History and Theory 1945-1992*, London: Routledge, pp. 182-201.

Secondly, they could provide the crucial link with national politics to guarantee the ratification of treaties and enhance the democratic legitimacy of European integration. As Christian Democratic and Catholic parties were prominent members of government coalitions in most of the six EEC member states in the 1950s and 1960s, Christian democracy became the dominant party network and had strong influence on European integration.

According to Kaiser, transnational Christian democracy was a partly formalised and institutionalised web of bilateral contacts and communication. In addition to national parties and European-level congresses, it also included informal meetings between party leaders. When engaging in inter-state cooperation and negotiating, they did not clearly distinguish between their respective roles as party and government leaders. The network produced political trust, deliberation and coordination, marginalised internal dissent within the national parties and socialised new members into existing policy consensus. These and other functions together provided crucial guarantees for European-oriented Christian Democratic leaders. Middle-class liberal-conservative elites with a common project for creating an integrated Europe dominated the Christian Democratic network and they used it to implant their ideas in domestic settings.<sup>29</sup>

Kaiser acknowledged that Haas and other early neofunctionalists had treated the role of transnational networks. However, Kaiser found that they put too much emphasis on the formal institutionalisation of transnational cooperation; they overstressed the importance of political collusion between transnational business and supranational institutions; they failed to capture the informality of the activities of transnational networks such as political parties; and they did not pay sufficient attention to the interrelations between supranational and national levels of politics and policy-making.<sup>30</sup> On the other hand, Kaiser criticised the “rescue” thesis for being state-centric and fixated on economic calculation. According to Kaiser, the “rescue” thesis overstressed the importance on government bureaucracy at the expense of political parties; it underestimated the political and ideological character of the European project. If the nation state was to be rescued, it would only be so by domesticating it in a larger community. According to Kaiser, for Catholics the creation of a supranational community offered a possible solution to a fundamental conflict between rival identities: cultural-religious, hierarchical and transnational versus secular, democratic and national.<sup>31</sup>

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<sup>29</sup> Kaiser, 2007, pp. 1-11, 163-325.

<sup>30</sup> Kaiser, 2007, pp. 3f.

<sup>31</sup> Kaiser, 2007, pp. 6f, 224, 250f, 295ff.

### 2.1.5. Comparison

The first question for comparison is the nation state's degree of political cohesion, and the balance of power between different political actors within the nation state in relation to European policy. By arguing that nation states pursue coherent European policies on the basis of domestic consensus, Milward rejects the neofunctionalist assumption that conflicts between interest groups at the national level led them to a political reorientation toward the European level. Since Milward measures political consensus by means of aggregate economic numbers, supported mostly by government sources, his empirical study becomes more state-centric than his theoretical framework would have suggested. After all, Milward sets out by questioning the state's ability to survive internal division in the first place.

By contrast, Moravcsik starts out from the assumption, which is never challenged nor really verified by his government-based and altogether limited source material, that national governments by co-opting producer groups into their policies can always remain the gate-keepers of a national interest. Haas (1958/2004) pointed to the problems in applying a conflict-oriented analysis of nation state politics to Netherlands and this country has a prominent place in Milward's empirical work. Vibeke Sørensen's study of Danish policy in *The Frontier of National Sovereignty* intended to support Milward's argument, but in fact it shows that here were conflicts between Danish agriculture and industry in domestic as well as European policy.<sup>32</sup>

The political scientist James A. Caporaso argues that Moravcsik's theoretical discussion in *The Choice for Europe* plays down the societal component of neofunctionalism in favour of the supranational organisational component. As a result, the social roots of supranational cooperation are loosened while the importance of top-level political entrepreneurship is strengthened. At the same time Moravcsik's own model includes national interest groups and in this way absorbs much of the societal terrain of neofunctionalism.<sup>33</sup>

Kaiser may well be right in arguing that Milward and Moravcsik have underestimated the European ideology of major political parties in the six ECSC states. Consequently, Milward and Moravcsik have underestimated the will and capacity of political parties to stimulate a European reorientation of affiliated interest groups. Kaiser's approach facilitates a more balanced and less formalistic analysis of the triangle between governments, political parties and interest groups in European integration. In this way Kaiser also improves upon the transnational analysis in functionalism. In the works of

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<sup>32</sup> Sørensen, Vibeke (1993): "Between interdependence and integration: Denmark's shifting strategies", in: Alan S. Milward et al.: *The Frontier of National Sovereignty: History and Theory 1945-1992*, London, New York: Routledge, pp. 88-116.

<sup>33</sup> Caporaso (1998), p. 348.

Haas and Lindberg there is an assumption of a two-way causal relationship between the increasing cooperation between member-state governments in the ECSC and EEC, and respectively, the European reorientation of political parties and interest groups. However, the assumption is not made very explicit, it is not given theoretical refinement or empirical scrutiny, and in this sense there is a missing link in the centre of neofunctionalist analysis. By rejecting the importance of “functional spill-over” while expanding the neofunctionalist concept of increasing transnational organisation through processes of political, institutional and ideological learning, Kaiser reverses the causal direction of the neofunctionalist argument. For Kaiser, economic integration results from political integration, rather than the opposite.

The second question is the character of supranational institutions. Among the works quoted here, the “rescue” thesis is alone in postulating a national penetration of the supranational organs. Milward’s empirical study of the ECSC in *The European Rescue of the Nation-State* and *The Frontier of National Sovereignty* claims to verify the postulate, but Milward does not consider the supranational institutions from their own point of view. The supranational institutions must defend their independence and internal coherence in order to maintain a reason to exist in the first place. These considerations do not so much relate to individual decisions, but rather to the overall pattern in a longer series of decisions.

One may find a certain inconsistency in Haas’s and Lindberg’s argument concerning the relation between national and supranational policy levels. On the one hand, they stress the consensual character of decision-making between the member states and the supranational organ. On the other hand, Haas and Lindberg argue that the supranational community takes over conflicts between interest groups from the nation-state. It would be more natural to assume, as Milward does, that policy consensus at the supranational level reflects a similar consensus at the national level.

As Kaiser argues, transnational networks between political parties have many levels of policy-making with varying degrees of formality. At first sight it might seem that transnational interest groups are more dependent on formal organisation. They seek internal cohesion and external recognition as a political partner for governmental institutions; etc. However, extending Kaiser’s argument to the sphere of interest groups, one may assume that transnational *ideological* communities between interest groups can have only partly formalised structures and yet produce considerable political effect. The core of such a community may consist of frequent contacts between national group leaders who promote coordinated policies and parallel ideologies within their respective countries.

## 2.2. Agriculture in European integration

Neofunctionalist, intergovernmentalists, the “rescue” thesis and Kaiser’s transnational party network approach all treat agriculture as part of European integration and apply their assumptions to this sector. Haas (1958/2004) only briefly touched agriculture, but provided an analytical framework which Lindberg (1963) applied to the CAP. Neofunctionalists stressed the contribution of the CAP to political integration. Intergovernmentalists stressed the primacy of national interests in the CAP. The “rescue” thesis underlined the importance of the CAP for preserving the agricultural part of political consensus in the nation states after 1945. The transnational party network approach ascribes a leading role to the Christian-Democratic party network in the early formulation of the agricultural means and ends of the CAP, and in the CAP’s association to a wider European political project.

### 2.2.1. Lindberg’s and Moravcsik’s interpretations of the CAP

Lindberg (1963) emphasised the fact that precisely in agriculture, a sector characterised by strong national protectionism, the willingness to European organisation was pronounced. In 1958 the farmers’ national organisations in the EEC established a common association, named COPA (Comité des Organisations Professionnelles Agricoles) which became one of the most coherent and influential EEC-wide interest organisations. Lindberg observed a growing feeling of solidarity among the national farmers’ organisations in COPA as a result of their efforts to achieve common positions. In the EEC’s consultative organs the agricultural delegates sought to compromise with the trade unions on the CAP in opposition to business and industry. COPA coordinated the EEC-level contacts between agriculture and trade unions. Lindberg believed that in COPA the national agricultural leaders would gradually identify themselves as members of European elite and their experiences in COPA would come to affect national policy-making.<sup>34</sup>

According to Lindberg, the creation of the CAP showed that only through the active intervention of the EEC’s institutions could the basic demands of all member states find a place in the final solution. The European Commission was gaining an ever more important mediatory and executive role. The debates in the European Parliament and the negotiations between the member states pointed toward a CAP that was more protectionist than the European Commission would have preferred. However, the process of political integration was not incompatible with European protectionism.<sup>35</sup>

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<sup>34</sup> Lindberg, 1963, pp. 101-103.

<sup>35</sup> Lindberg, 1963, pp. 167-282, esp. pp. 244, 257f.

In *The Choice for Europe*, Moravcsik presented a contrary interpretation of the negotiations that led to the creation of the CAP. According to Moravcsik the Commission's attempts to place itself at the centre of increased supranational cooperation were generally unsuccessful. The Commission only succeeded when it pursued policies that France and Germany previously had agreed on. When the Commission did not conform to an existing consensus between national governments, the latter took over. According to Moravcsik, the result of the Commission's lacking monopoly of leadership and its sometimes technocratic economic objectives was that it lost major distributional conflicts. In 1960 the member-state governments, led by their ministers of Agriculture, rejected the liberal content of the Commission's proposals for the CAP. Instead the member-state ministers of Agriculture reasserted their own collective authority.<sup>36</sup>

There are different interpretations of the actual role of the European Commission, as well as of the ranking order of the Commission's objectives. Lindberg and Moravcsik agree that the Commission would have preferred a more liberal CAP, and they agree that the Commission sacrificed this objective in order to achieve the establishment of common prices and common market organisations. They disagree on the question how important it was for the Commission to influence the content of the CAP in a liberal direction. In Moravcsik's opinion, political economy is about distribution and if the Commission only administers distribution but does not decide it, the Commission is a political actor of secondary order. Lindberg, by contrast, stresses the Commission's ability to put itself in a strategic central position in the decision-making of the CAP.

A direct comparison between *The Political Dynamics of European Economic Integration* and *The Choice for Europe* is difficult because the former treats a short period (1957-1963), while the latter treats a long period (1955-1991). However, even with this reservation, there is a difference in the degree of attention which the two works give to agricultural organisations. Lindberg made of the first attempts in political science to carry out a systematic comparison of national agricultural organisations. On the whole, Moravcsik gives little attention to agricultural organisations. Moravcsik assumes that national governments represent the agricultural interest, because political economy issues are cleared within the nation-state prior to European negotiations. In *The Choice for Europe* COPA is scarcely mentioned.<sup>37</sup>

In the economic analysis, Lindberg and Moravcsik come to more or less identical conclusions. According to Lindberg, the French and the Dutch were concerned primarily to secure their export markets, as were the Italians for

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<sup>36</sup> Moravcsik, 1998, pp. 204-217.

<sup>37</sup> Moravcsik, 1998, pp. 108-113, 177, 180, 182f.

some products. The French wanted a preferential common policy at the expense of exporters in non-EEC countries. The Dutch, who had a large trade in agricultural goods with non-EEC countries, preferred liberal CAP. Belgian and Italian farmers saw the CAP as a way to increase their efficiency through structural reform. Farmers' groups in countries with a high price level did not want to run the risk of a decline in income that might or might not be prevented by structural reform. Low-price countries saw the major benefit in an expanded production. Only the Dutch, who had both low prices and an efficient production, wanted to keep prices low.<sup>38</sup>

### 2.2.2. *Milward's interpretation of the CAP*

Milward treated the origins of the CAP in *The European Rescue of the Nation-State*. According to Milward, the concept of a CAP was mainly of Dutch origin while France would have been satisfied with a preferential EEC-based system of longterm trade contracts. In most Western European countries in the 1950s the income level in agriculture lagged behind the average income level. Many people hitherto engaged in agriculture were leaving the sector, but the so-called 'income gap' did not diminish. At the same time, there was a strong growth in international industrial trade, and international institutions were created to promote industrial trade. The task for farmers became to secure at the international level the political position they had acquired in the nation-state. For many farmers, a removal of barriers to foreign trade was not an opportunity but a threat to their income.<sup>39</sup> In *The Frontier of National Sovereignty* Milward and Vibeke Sørensen specified that agriculture could not in the long run remain excepted from trade deregulation as the freeing of industrial trade continued to proceed in the Organisation for European Economic Co-operation (OEEC) and in the General Agreement on Tariffs and Trade (GATT).<sup>40</sup>

Milward concluded that farmers were successful in securing at the European level the political position they had in the nation. The Europeanisation of agricultural protection and subsidisation led to an increase in both, and the result was that the income gap at least did not widen further until 1979. Milward argued that in the absence of the CAP, Western European farmers would have had less political influence and they would not have been able to defend their interests with such success. The CAP fixed their power for some time within the limits it had in the late 1950s. The farmers' purchasing and marketing organisations had an official role as executives of national policy, and this role was strengthened in the CAP. Farmers had strong

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<sup>38</sup> Lindberg, 1963, p. 265.

<sup>39</sup> Milward, 1992, pp. 224-317, esp. p. 253.

<sup>40</sup> Milward & V. Sørensen, 1993, pp. 14f.

influence through such lower-level organisations and this influence protected them against political effects of the longterm decline in the farm vote. The CAP became a flagship of European integration, with a large civil service and genuinely common policies. According to Milward, the European perspectives made the CAP politically much more difficult to attack than similar policies of expensive agricultural protection at the national level would have been. The relative decline of agriculture could have made the farmers an uncertain member of the postwar political consensus, but thanks to the CAP, the farmers actually became one of its most stable members.<sup>41</sup>

### 2.2.3. *Kaiser's interpretation of the CAP*

According to Kaiser, the transnational Christian Democratic network began to discuss the question of European sector integration in agriculture in April 1951. It immediately became clear that the Christian Democratic leaders could easily reach a consensus on the main objectives of agricultural policy integration. Firstly, the institutional framework should be supranational, in a similar way as the ECSC. Secondly, the supranational option required that agricultural integration take place between the six ECSC member states, the so-called "core Europe". Thirdly, any European agricultural policy should be interventionist and protectionist, because agricultural policy had social functions that precluded a market economy approach. In many Western European countries the farmers formed a core electoral constituency for Christian Democratic parties, and the farmers wanted economic protection. Dutch farmers were an exception by their more liberal preferences. However the Dutch Catholic People's Party, which had many farmers in its voting clientele, agreed that a European agricultural policy would have to be protection-oriented, at least in the beginning.

According to Kaiser, many Socialists and Social Democrats in the 1950s favoured sector integration over general economic integration. However, in the years 1954-1956 the Christian Democratic network strongly advocated general economic integration, with agriculture included, and the network was able to persuade many Centre-Left parties in "core Europe" to support the Common Market project. On the basis of their shared objectives, and in close cooperation with national Agriculture ministries and with the national and European-level farmers' lobby, the Christian Democrats played a crucial role in the evolution of the CAP in the 1960s.<sup>42</sup>

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<sup>41</sup> Milward, 1992, pp. 316f.

<sup>42</sup> Kaiser, 2007, pp. 287-299.

#### 2.2.4. Other works on the Green Pool and the origins of the CAP

The best account of the CAP's longterm evolution is found in Rosemary Fennell's book *The Common Agricultural Policy: Continuity and Change* (1997) The first chapter, which treated the foundations of the CAP in agricultural policy in the 1950s, employed a method of comparing national and European policies which has been a major source of inspiration for this study. Fennell combined the chronological narrative with a subject-by-subject approach, considering issues like farm size and income apart as well as together. Fennell maintained a strong political and historical perspective.<sup>43</sup> Another comprehensive, politically and historically oriented study of the CAP's evolution until 1984 can be found in Edmund Neville-Rolfe: *The Politics of Agriculture in the European Community* (1984).<sup>44</sup> Michael Tracy treated the evolution of agricultural policies in Britain, France, Germany, Denmark and the EEC since the 19<sup>th</sup> century in his work *Government and Agriculture in Western Europe 1880-1988*, of which the third edition was published in 1989.<sup>45</sup> The CAP is part of a longer historical account spanning across several countries in Ken A. Ingersent and A.J. Rayner: *Agricultural Policy in Western Europe and the United States* (1999).<sup>46</sup>

For this study a further source of inspiration has been the work of Hanns Peter Muth: *French Agriculture and the Political Integration of Western Europe – Toward “an ever closing Union among the European Peoples”* (1970). Employing the neofunctionalist concepts of Lindberg (1963), Muth investigated the position of French agriculture toward the Green Pool and the CAP. According to Muth, French agricultural leaders initially favoured a product-by-product approach. They aimed at the conclusion of preferential trade contracts and in this approach there would be no centralised decision-making. However, during the negotiation of the EEC Treaty in 1956-1957, French agricultural leaders changed their mind and accepted a CAP with a more centralised and supranational structure, provided it gave economic guarantees to French agriculture. When the CAP was implemented, French agricultural leaders appreciated the economic benefits it gave to them and became active supporters of the new framework.<sup>47</sup>

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<sup>43</sup> Fennell, 1997, pp. 1-22, 398-423.

<sup>44</sup> Neville-Rolfe, Edmund (1984): *The Politics of Agriculture in the European Community*, Bruxelles: European Centre for Political Studies.

<sup>45</sup> Tracy, Michael (1989): *Government and Agriculture in Western Europe 1880-1988*, 3<sup>rd</sup> ed., New York, London: Harvester Wheatsheaf.

<sup>46</sup> Ingersent, Ken A. & Rayner, A.J. (1999): *Agricultural Policy in Western Europe and the United States*, Cheltenham, UK, Northampton, MA, USA: Edward Elgar.

<sup>47</sup> Muth, Hanns Peter (1970): *French Agriculture and the Political Integration of Western Europe – Toward “an ever closing Union among the European Peoples”*, European aspects a collection of studies relating to European integration, series C: politics, no. 22, Leyden: A.W. Sijthoff, pp. 69-163, esp. pp. 82ff, 107ff, 137ff.

Hélène Delorme and Yves Tavernier: *Les paysans français et l'Europe* (1969) also observed a European reorientation of French agricultural leaders, motivated primarily by economic interest. However, according to Delorme and Tavernier, the reorientation only took place after 1961, when the CAP was implemented, and not before.<sup>48</sup>

Martin Peterson: *International Interest Organizations and the Transmutation of Postwar Society: 1. A Conceptual Framework, 2. Agriculture and the EEC* (1979) investigated the activities of national agricultural organisations in Belgium, Denmark, France, Britain, Italy, the Netherlands and Germany in the years 1945-1975. Peterson also treated the activities of COPA and the International Federation of Agricultural Producers (IFAP). The field of interest was the relation between agricultural organisations, the nation-state, and European integration. The main question was: “around what issues has European organised agriculture formed an ideological cohesiveness?”<sup>49</sup>

The answer, according to Peterson, was the notion of ‘family farm structural autonomy’. To this was added the political demand for equal income for agriculture in relation to other sectors. Peterson showed how the national agricultural organisations and IFAP in the early 1950s established a common principle for any national or international policy, namely, that the family farm as an autonomous economic unit should constitute the basis of the agricultural political economy. But the ideological cohesiveness was superficial. Agriculture was haunted by internal conflicts and in European negotiations the national perspective prevailed.<sup>50</sup>

Since the 19<sup>th</sup> century French agriculture had been organised in a framework of small family farms, and in this connection Peterson defined ‘structural autonomy’ as the ‘social and political advantages’ that this framework gave to family farms.<sup>51</sup> Peterson admitted that the underlying concept of peasant culture was only relevant to France, but he nevertheless used the notion of ‘structural autonomy’ as an ideal-type.<sup>52</sup> The notion was defined by its contradiction, which was vertical integration (contract farming, agribusiness) and large-scale or commercial farming. The dilemma to agricultural organisations was that the active participation of agriculture in the national

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<sup>48</sup> Delorme, Hélène & Tavernier, Yves (1969): *Les paysans français et l'Europe*, Fondation Nationale des Sciences Politiques, Travaux et recherches de science politique, no. 6, Paris: Armand Colin, pp. 17-43, 141ff.

<sup>49</sup> Peterson, Martin (1979): *International Interest Organizations and the Transmutation of Postwar Society: 1. A Conceptual Framework, 2. Agriculture and the EEC*, diss. Göteborgs Universitet, Stockholm: Almqvist & Wicksell, pp. ii, xvi-xvii.

<sup>50</sup> Peterson, 1979, pp. 671ff, 702f.

<sup>51</sup> Peterson, 1979, pp. 139f.

<sup>52</sup> Peterson, 1979, p. 102.

modernisation process after 1945 inevitably implied the sector's integration into state-supported programmes for economic development which aimed precisely at commercialisation. While achieving a high degree of political influence at national and international levels through their alliance with national governments, agricultural organisations built their ideology around the family farm norm. The CAP was a European extension of national modernisation policies and did not solve the dilemma.<sup>53</sup>

Dutch and Danish agriculture were in a different situation, Peterson argued, because they were able to meet all requirements of vertical integration within their own structures. The cooperative movement had strong control of the food chain and there had been a high level of commercialisation for many years. Vertical integration was not seen as an ideological problem by Dutch and Danish agricultural organisations. Since they did not need help from the state to preserve autonomy at the farm level, they could maintain a close relationship with the government and still remain relatively independent.<sup>54</sup>

Gilbert Noël has treated the negotiations on European agricultural integration in the 1950s in several books and articles. In his book *Du pool vert à la politique agricole commune. Les tentatives de Communauté agricole européenne entre 1945 et 1955* (1988), Noël investigated how the Green Pool was dealt with by various international organisations: IFAP; the Confédération Européenne de l'Agriculture (CEA); the Council of Europe; the European Movement; and the United Nations Economic Commission for Europe (UN-ECE). Noël also analysed the positions of national agricultural organisations and national governments toward the Green Pool.<sup>55</sup>

Noël concluded that national governments dominated European negotiations on agriculture in the 1950s. Noël drew a connection between, 1) the creation of national agricultural production programmes after 1945, 2) the inability of existing international organisations to create effective coordination between national programmes with regard to production and trade, 3) the Dutch and French search for European solutions to growing surplus problems, leading to proposals for supranational cooperation. According to Noël, the Green Pool negotiations failed to create coordination between national programmes because this would have required an integration of the entire agricultural policy framework into a European system.<sup>56</sup> Conservative parties were in government in most Western European states in the 1950s and they often

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<sup>53</sup> Peterson, 1979, pp. 677ff.

<sup>54</sup> Peterson, 1979, pp. 277f, 691ff.

<sup>55</sup> Noël, Gilbert (1988): *Du pool vert à la Politique Agricole Commune: Les tentatives de Communauté agricole européenne entre 1945 et 1955*, Collection économie agricole & agro-alimentaire, dir. Philippe Chalmin & Claude Mouton, Paris: Economica.

<sup>56</sup> Noël, 1988, pp. 3ff, 15ff, 28f, 35ff, 69ff, 289ff, 445f.

pursued traditional agricultural protectionism, in order to keep rural voters within reach. However, a new approach which Noël named ‘productivism’ was becoming influential. The new approach, which held that agriculture needed protection under state-supported and state-guided modernisation, was more open to supranational coordination of national policies.<sup>57</sup>

In his book *France, l’Allemagne et “Europe verte”* (1995), Noël treated the bilateral cooperation between French and German agricultural organisations in the 1950s. Joint committees were set up to investigate economic issues and coordinate political positions. Noël firstly asked how much influence the bilateral cooperation had on the Green Pool and other multilateral inter-state negotiations. Noël concluded that its direct influence was relatively limited. During multilateral negotiations, and even during negotiations on bilateral French-German trade agreements, the governments of the two countries were attentive to the political and economic relations with other Western European countries, and the two governments wanted to stay on friendly terms with the French and German industrial interest. When COPA was established between the national agricultural organisations of the six EEC member states in 1958, the French-German committees quietly passed away.

Secondly, Noël asked whether the bilateral cooperation in a broader sense influenced the content of domestic policies, and whether it contributed to the creation of a European farm identity. In this case, the answer was more affirmative. The agricultural organisations in France and Germany supported a strategy where the two countries to a certain extent expanded their bilateral trade and harmonised their national agricultural policies. In practice this meant that France made her price and market policies more similar to those of Germany. Moreover, the bilateral French-German cooperation dominated CEA, which was a confederation of private agricultural organisations and companies in Continental Western Europe. Around the family farm concept, CEA developed a conservative and protectionist agrarian ideology.<sup>58</sup>

In an article from 1995, Noël analysed the political position of French agricultural organisations toward the Green Pool. The umbrella union CGA (*Confédération Générale de l’Agriculture*) was becoming increasingly irrelevant in domestic French politics, as it was superseded by the national federation of farmers’ unions FNSEA (*Fédération Nationale des Syndicats d’Exploitants Agricoles*). However, in international politics the CGA could for some time still retain a degree of influence. The French representation in IFAP was lead by CGA, but FNSEA had the leadership in CEA affairs. Initially, CGA was relatively supportive toward a supranational Green Pool with a general common agricultural policy, whereas FNSEA took a product-

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<sup>57</sup> Noël, 1988, pp. 216-239, 446f.

<sup>58</sup> Noël, Gilbert (1995a): *France, Allemagne et „Europe verte“*, Berne: Peter Lang.

by-product approach that aimed at the conclusion of preferential European trade contracts. After 1953 CGA adhered to FNSEA's approach.<sup>59</sup>

In a book from 1999, *Le Conseil de l'Europe et l'Agriculture – Idéalisme politique européen et réalisme économique national (1949-1957)*, Noël described the efforts of the parliamentary assembly of the Council of Europe to influence international negotiations on agriculture in the 1950s. On the whole the assembly was sidetracked. Neither the national governments, nor inter-state governmental organisations like the OEEC, nor even private-based professional organisations like IFAP or CEA, wanted to undertake any political commitments in relation to the assembly.<sup>60</sup>

Guido Thiemeyer has treated the origins of the CAP in a number of articles and in his book *Vom "Pool Vert" zur Europäischen Wirtschaftsgemeinschaft – Europäische Integration, Kalter Krieg und die Anfänge der Gemeinsamen Europäischen Agrarpolitik 1950-1957* (1999). Thiemeyer emphasised that European agricultural integration in the 1950s should be seen in a wider context. The decisive issues were European economic reconstruction, the military defence of Western Europe, and the achievement of a French-German settlement through European integration. Leading politicians viewed European agricultural integration in the light of these objectives.

According to Thiemeyer, the existing research tended to overlook the relations between agriculture and other economic sectors; it tended to take a narrow national perspective; it analysed European integration either as decisions by individual politicians or as the product of impersonal economic structures.<sup>61</sup> In many ways Thiemeyer agreed with the "rescue" thesis. A world-wide structural crisis had decisive impact on agricultural policy in the 1950s. The stabilising measures in agriculture were so expensive that they brought national governments to the limits of their financial capacity. For agricultural exporting countries like France and the Netherlands, European integration could create a larger market for surpluses while the expenses to subsidies and guaranteed sales could be paid by the EEC's common budget.

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<sup>59</sup> Noël, Gilbert (1995b): "French Agricultural Pressure Groups and the Project for a European Agricultural Organisation", in: Richard T. Griffiths and Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press, Bloomsbury, pp. 51-76.

<sup>60</sup> Noël, Gilbert (1999): *Le Conseil de l'Europe et l'Agriculture – Idéalisme politique européen et réalisme économique national (1949-1957)*, Collection Euroclio: Études et documents, Berne: Peter Lang.

<sup>61</sup> Thiemeyer, Guido (1999): *Vom "Pool Vert" zur Europäischen Wirtschaftsgemeinschaft: Europäische Integration, Kalter Krieg und die Anfänge der Gemeinsamen Europäischen Agrarpolitik 1950-1957*, München: Oldenbourg Wissenschaftsverlag, Studien zur Internationalen Geschichte, publ. Wilfried Loth et al., vol. 6, pp. 1-13.

However, agricultural importing countries like Germany and Belgium were only interested in the project if it was part of a wider European framework.<sup>62</sup>

According to Thiemeyer, the leaders of French agriculture decided in favour of the creation of a common market in agricultural products in 1956. They found that only a common market and a common policy could absorb fluctuations in supply and demand and create longterm stability. The agricultural representatives in the French parliament made the inclusion of agriculture a precondition for the ratification of the EEC Treaty, and this was of decisive importance during the negotiation of the treaty in 1956-1957.<sup>63</sup> The economic interest of French agriculture conditioned the formulation of the agricultural chapter in the treaty, and the accommodation of French agriculture paved the way for the ratification of the treaty by a comfortable majority in the French parliament in 1957.<sup>64</sup>

The decision-making system in the CAP became strongly influenced by the conceptions of the Dutch minister of Agriculture (1945-1957), Sicco Leendert Mansholt, who was the EEC's Commissioner for Agriculture from 1958 to 1972. Thiemeyer has given particular attention to Mansholt's view on politics. By the pressure exerted on votes-seeking politicians the farm lobby had strong influence on national parliaments and governments, and this influence could lead to an exaggerated protection of special interests, at the expense of general welfare. In Thiemeyer's interpretation, by creating a supranational authority that had no need for electoral legitimacy, Mansholt intended to liberate public policy from the domination of special interests.<sup>65</sup>

Ann-Christina Lauring Knudsen's Ph.D. thesis: *Defining the Policies of the Common Agricultural Policy – A Historical Study* (2001) treated the period from 1958 to the fixing of the EEC's common cereals price in 1964. According to Lauring Knudsen, the CAP had the same overriding purpose as postwar national agricultural policies in Western Europe, namely, to improve farm income by means of price regulation and subsidies. The member states did not have clear ideas of how to create the CAP. Instead they relied on the European Commission for fulfilling this task. The Commission established a dialogue with organised agriculture, and the Commission took the lead in

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<sup>62</sup> Thiemeyer, 1999, pp. 71, 262f.

<sup>63</sup> Thiemeyer, 1999, pp. 177ff, 206ff.

<sup>64</sup> Thiemeyer, 1999, pp. 218-223, 262, 272, 275.

<sup>65</sup> Thiemeyer, Guido (1998): "Supranationalität als Novum in der geschichte der internationalen Politik der fünfziger Jahre", *Journal of European Integration History*, vol. 4, no. 2, pp. 5-21, esp. pp. 17-20; Thiemeyer, 1999, p. 273; Thiemeyer, Guido (2005): "Sicco Mansholt and European Supranationalism", in Wilfried Loth (ed.): *La gouvernance supranationale dans la construction européenne*, Collection Organisation internationale et Relations internationales no. 60, dir. Victor-Yves Ghebaï, Bruxelles: Établissements Émile Bruylant, pp. 39-53.

creating a new EEC-level of agricultural policy. The proposals which the Commission made for the CAP in 1960 much resembled the final policy.

In order to enhance its own role, the Commission based its proposals for the CAP on assumptions and objectives that were borrowed from national policies. In return, the member states and agricultural interest groups agreed to the market policy of the CAP such as it was proposed by the Commission. It was difficult to reach agreement on the level of the common price in cereals and on the financing of the CAP. But the fundamental principles on market policy and income policy in the CAP proposal from 1960 were never questioned. French, German, Dutch and Belgian agricultural groups all supported the CAP in order to improve farm income and achieve modernisation, and only this aim could explain why agricultural importers and exporters alike supported the CAP. The argument in the “rescue” thesis was confirmed, but Lauring Knudsen found that Milward overestimated the desire or ability of the nation-states to act, rather than react to Commission initiatives. In some EEC member states there was so poor coordination between ministries that the “national interest” became unclear.<sup>66</sup>

Piers Ludlow: *The European Community and the Crises of the 1960s – Negotiating the Gaullist challenge* (2006) treated the relations between the member states and the EEC’s institutions in the years 1963-1969. According to Ludlow, the EEC’s success in devising a CAP underlined that it was much more than a customs union. Most of the member states combined a pragmatic approach to institutional issues with a profound commitment to the political nature of the European project.<sup>67</sup>

There is relatively little research into the position of German agricultural organisations toward the Green Pool and the CAP before 1960. The best account can be found in an article by Werner Bühler from 1995. In view of the poor structure and high price level of German agriculture, agricultural organisations wanted a long transitional period with continued protection of national markets before the creation of the CAP.<sup>68</sup> However, once the CAP

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<sup>66</sup> Luring Knudsen, Ann-Christina (2001): *Defining the Policies of the Common Agricultural Policy. A historical study*. Ph.D. thesis, European University Institute, Florence, pp. 3-18, 419-432.

<sup>67</sup> Ludlow, N. Piers (2006): *The European Community and the Crises of the 1960s – Negotiating the Gaullist challenge*, London, New York: Routledge, pp. 213ff; Ludlow, N. Piers (2005): “The Making of the CAP: Towards a Historical Analysis of the EU’s First Major Policy”, *Contemporary European History*, vol. 14, no. 3, pp. 347-371.

<sup>68</sup> Bühler, Werner (1995): “Agricultural Pressure Groups and International Politics: The German Example”, in: Richard T. Griffiths & Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press Bloomsbury, pp. 77-90.

had been established, German agricultural organisations supported it, yet in a conservative way. This led some observers to the conclusion that there was a contradiction in German policy: While supporting supranational cooperation in general, Germany rejected reforms that aimed at a more efficient CAP. This is the view in Gisela Hendriks: *Germany and European Integration – The Common Agricultural Policy: An Area of Conflict* (1991).<sup>69</sup>

German agricultural leaders and the German Ministry of Agriculture saw it differently. From their viewpoint, the creation of the CAP was mistakenly accelerated in the 1960s (the CAP was completed 5 years before the end of the maximum transitional period), while structural adjustment could not take place so rapidly. Therefore the CAP had to rely more on price protection in order to maintain a certain level of farm income. Besides, they argued, unless the EEC developed common policies in connected sectors, the CAP would not bring undistorted competition. This view is represented in Ulrich Kluge's work on German agricultural policy from 1949 to 1989.<sup>70</sup>

Few scholars have treated the position of Belgian and Italian agriculture toward European integration. In an article from 1995, Thierry M. Mommens concluded that Belgian agricultural organisations took a sceptical position toward the Green Pool.<sup>71</sup> In a number of book and articles, Giuliana Laschi has treated the position of Italian agricultural organisations toward European integration. Their attitude toward the Green Pool was generally reluctant.<sup>72</sup>

The most important studies of Dutch agriculture in relation to European integration are the following. W.H. Vermeulen: *Europees landbouwbeleid in de maak – Mansholts eerste plannen 1945-1953* (1989) treated the Dutch policy toward the World Food Board proposal in 1946 and toward the Green Pool in 1950-1953. Vermeulen concluded that Dutch agriculture supported

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<sup>69</sup> Hendriks, Gisela (1991): *Germany and European Integration – The Common Agricultural Policy: An Area of Conflict*, New York, Oxford: Berg.

<sup>70</sup> Kluge, Ulrich (1989): *Vierzig Jahre Agrarpolitik in der Bundesrepublik Deutschland*, vols. 1-2, *Berichte über Landwirtschaft*, Sonderheft 202, Hamburg, Berlin: Verlag Paul Parey.

<sup>71</sup> Mommens, Thierry E. (1995a): "Politics under Influence: The Case of Belgium Agriculture during the Green Pool Negotiations?", in: Richard T. Griffiths & Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press Bloomsbury, pp. 181-202.

<sup>72</sup> Laschi, Giuliana (1995): "Italian Agricultural Pressure Groups", in: Richard T. Griffiths & Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press Bloomsbury, pp. 137-156;

Laschi, Giuliana (1996): "La radici di un paradosso: l'integrazione agricola europea e la partecipazione italiana", *Studi Storici*, Anno 37, Gennaio-Marzo 1996, pp. 227-272;

Laschi, Giuliana (1999): *L'agricoltura italiana e l'integrazione europea*, Bern: Peter Lang AG.

the Dutch government's proposal for European agricultural integration and accepted the Ministry of Agriculture's leadership in European negotiations.<sup>73</sup>

In three articles from 1990, all in a book edited by him, Richard T. Griffiths investigated why the Netherlands in the 1950s sought to achieve agricultural integration with the other five member states in the European Coal and Steel Community. Griffiths concluded that the Netherlands pursued European economic integration between the Six, because neither the Benelux cooperation with Belgium and Luxembourg, nor the general Western European economic cooperation in the Organization for European Economic Co-operation (OEEC), nor bilateral agreements, offered satisfactory longterm perspectives for Dutch agricultural exports.<sup>74</sup>

Johan Hendrik Molegraaf's Ph.D. thesis: *Boeren in Brussel – Nederland en het Gemeenschappelijk Europees Landbouwbeleid 1958-1971* (1999) treated the Netherlands's position toward the CAP. Molegraaf concluded that Dutch governments could not control the actions of the Ministry of Agriculture in the negotiations in the EEC's Council of Agriculture Ministers. In the 1950s the Ministry of Agriculture gained a relatively independent position in the Dutch government and in international representation. Dutch Government coalitions in the 1960s were unstable and the ministries of Foreign Affairs and Economic Affairs competed for the leadership in EEC policy. All this served to increase the autonomy of individual ministries. The tendency of the CAP to become a closed 'agricultural circuit' of decision-making also worked in that direction.<sup>75</sup>

In 1995 an anthology of 15 articles, edited by Richard T. Griffiths and Brian Girvin, was published. Named "The Green Pool and the Origins of the Common Agricultural Policy", the anthology drew a line from the Green Pool to the EEC Treaty and the CAP. It included the aforementioned articles by Mommens, Noël, Bühner and Laschi. The articles on the Green Pool and

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<sup>73</sup> Vermeulen, W.H. (1989) *Europees landbouwbeleid in de maak – Mansholts eerste plannen 1945-1953*, Groningen: NAHI: Historia Agriculturae, vol. XX.

<sup>74</sup> Griffiths, Richard T. (1990): "The Stranglehold of bilateralism", in: Richard T. Griffiths (ed.): *The Netherlands and the Integration of Europe, 1945-1957*, NEHA Series III: 8, Amsterdam: NEHA, pp. 1-26;

Griffiths, Richard T. (1990a): "The Mansholt Plan", in: Richard T. Griffiths (ed.): *The Netherlands and the Integration of Europe, 1945-1957*, NEHA Series III: 8, Amsterdam: NEHA, pp. 93-111;

Griffiths, Richard T. (1990b): "The Common Market", in: Richard T. Griffiths (ed.): *The Netherlands and the Integration of Europe, 1945-1957*, NEHA Series III: 8, Amsterdam: NEHA, pp. 183-208.

<sup>75</sup> Molegraaf, Johan Hendrik (1999): *Boeren in Brussel: Nederland en het Gemeenschappelijk Europees Landbouwbeleid 1958-1971*, diss. Universiteit Utrecht, pp. 17ff, 21ff, 141ff, 287ff, 293.

the CAP by Griffiths, Brian Girvin and Fernando Guirao enlarged Griffiths's previous findings to a cross-national investigation.<sup>76</sup>

The anthology also contained the article by Thierry E. Mommens: "Dutch Agriculture and the Green Pool Negotiations". Mommens concluded that Dutch agriculture could relatively easily find common positions with other Dutch interest groups on European integration, since Dutch agriculture supported that agricultural integration should take place within a wider European framework. This was considered necessary for suppressing national protectionism. However, according to Mommens, the question remains whether the Dutch agriculture for commercial reasons gave priority to the active participation of Britain in the Green Pool. Since Britain would not participate in supranational European cooperation, this could effectively mean accepting a weakening of the supranational element.<sup>77</sup>

The first thorough study of Denmark's policy toward European integration was Gunner Preben Nielsson's unpublished dissertation in political science from 1966: *Denmark and European Integration: A Small Country at the Crossroads*. Nielsson argued that while government planning and control of economic policy was a national affair, there was a dynamic evolution where national governments were drawn toward regional cooperation. As the nation states became increasingly interdependent upon regional economic structures, their autonomy in allocating resources was progressively limited. European multilateral cooperation expanded in both the supranational and intergovernmental version, but in either case the national governments' basic dilemma of efficiency versus autonomy persisted.<sup>78</sup>

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<sup>76</sup> Girvin, Brian & Griffiths, Richard T. (1995): "The Origins of the Common Agricultural Policy", in: Richard T. Griffiths and Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press, Bloomsbury, pp. vii-xl;

Griffiths, Richard T. & Guirao, Fernando (1995): "The First Proposals for a European Agricultural Community: The Pflimlin and Mansholt Plans" (pp. 1-19), in: Richard T. Griffiths and Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press, Bloomsbury, pp. 1-19;

Griffiths, Richard T. (1995): "Creating a High Cost Club: The Green Pool Negotiations: 1953-1955", in: Richard T. Griffiths and Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press, Bloomsbury, pp. 21-50.

<sup>77</sup> Mommens, Thierry E. (1995b): "Dutch Agriculture and the Green Pool Negotiations", in: Richard T. Griffiths and Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press, Bloomsbury, pp. 115-136.

<sup>78</sup> Nielsson, Gunnar Preben (1966): *Denmark and European Integration: A Small Country at the Crossroads*, unpublished diss., University of California, Los Angeles, pp. 46-53.

Nielsson's main argument was that the establishment of the EEC created a dilemma for Denmark. Politically the country was oriented toward Britain and Scandinavia. Danish industry and the trade unions looked toward industrial exports to Scandinavia, while at the same time they feared the competition from German industry. Nielsson analysed the trade statistics and was inclined to agree with the view that it was in Danish industry's objective interest to prefer a Nordic customs union to EEC membership. However, the currency earnings from agricultural exports to Germany were essential for Denmark's economy. Because European countries generally strived for expanding domestic food production and protected their farmers, Denmark could not rely on agricultural export earnings and was forced to industrialise. According to Nielsson, Denmark took a very active role in the negotiations on a Western European Free Trade Area (FTA) in 1956-1959 and worked for the creation of a supranational common agricultural policy in the FTA. In the end, however, Denmark's dilemma was impossible to resolve.<sup>79</sup>

According to Nielsson, the middle-sized Danish farmers from 1957 onward argued strongly in favour of EEC membership, mainly out of export considerations. With some hesitation the farmers' political allies in the Liberal Party adopted this position. Pro-Scandinavian feelings were strong in the Liberal Party and the party feared political isolation if the industrial employers and the trade unions became united in rejecting EEC membership. The smallholders and their political friends in the Social Liberal Party were sceptical toward EEC membership, because they feared the political consequences of membership in the supranational framework of the Six.<sup>80</sup>

The first archive-based analysis of Denmark's position toward the Green Pool in 1950-1954 was provided in an article by Vibeke Sørensen from 1991: *How to Become a Member of a Club without Joining: Danish Policy with Respect to European Sector Integration Schemes, 1950-1957*.<sup>81</sup> The aforementioned anthology from 1995 included an article by Vibeke Sørensen: *'Free Trade' versus Regulated Markets: Danish Agricultural Organisations and the Green Pool, 1950 to 1954*. In this article Vibeke Sørensen enlarged her article from 1991 with a treatment of the Danish political and economic background.<sup>82</sup>

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<sup>79</sup> Nielsson, 1966, pp. ix-xi, 1ff, 55, 84ff, 104ff, 191-226, 294ff, 307ff, 412ff, 606ff.

<sup>80</sup> Nielsson, 1966, pp. 343-349, 387-393.

<sup>81</sup> Sørensen, Vibeke (1991): "How to become a Member of a Club without Joining: Danish Policy with Respect to European Sector Integration Schemes, 1950-1957", *Scandinavian Journal of History*, 16, no. 1, pp. 105-124.

<sup>82</sup> Sørensen, Vibeke (1995): "'Free Trade versus Regulated Markets: Danish Agricultural Organisations and the Green Pool, 1950 to 1954'", in: Richard T. Griffiths and Brian Girvin (eds.): *The Green Pool and the Origins of the Common Agricultural Policy*, London: Lothian Press, Bloomsbury, pp. 203-222.

Vibeke Sørensen's articles from 1991 and 1995 strongly influenced Anders Thornvig Sørensen's MA thesis on the same subject: *Et spørgsmål om suverænitæt? Danmark, landbruget og Europa, 1950-53* (1998). Like Vibeke Sørensen, Anders Thornvig Sørensen concluded that Danish farmers began to consider participation in supranational cooperation in 1952, mainly for commercial reasons, since a preferential trade arrangement between the six ECSC countries could endanger Danish food exports to Germany. Political and ideological factors were not discounted, but the conclusion remained that fears of trade-political exclusion from the Six were ultimately decisive.<sup>83</sup>

Similar conclusions were reached in Anita Dethlefsen's work from 1988 on Danish agriculture and the EEC in the period 1957-1972. Dethlefsen also suggested an economic interest of Danish farmers in the EEC's price policy, but she did not go deeper into that question.<sup>84</sup>

On the basis of her unpublished MA thesis in history, Anita Lehmann in 2001 published an article on the European policy of the Liberal Party in the years 1945-1960. Her conclusions were similar to Nielsson's, namely, that the Liberal Party in that period was usually somewhat more prudent than the farmers in presenting the demand for EEC membership.<sup>85</sup>

Morten Rasmussen's Ph.D. thesis from 2004 treated Denmark's attempts to join the EEC between 1961 and 1973. Rasmussen stressed the importance of internal struggles over power and policy in the political parties in relation to European integration. Rasmussen made a detailed analysis of Denmark's commercial position in Europe in the period 1950-1970. His results confirmed Nielsson's conclusions as far as agriculture was concerned, but questioned the objective interest of Danish industry in participation in a unified Scandinavian market as apposed to membership of the EEC.<sup>86</sup>

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<sup>83</sup> Sørensen, Anders Thornvig (1998): *Et spørgsmål om suverænitæt? Danmark, landbruget og Europa, 1950-53*, Haderslev: Landbohistorisk Selskab.

<sup>84</sup> Dethlefsen, Anita (1988): *På vej mod EF: Landbruget og de europæiske markedsplaner 1957-72: Landbruget og de europæiske markedsplaner 1957-72*, Odense: Landbohistorisk Selskab.

<sup>85</sup> Lehmann, Anita (2001): "Venstres vej til Europa – Venstres europapolitik 1945-1960", *Den jyske Historiker* no. 93, pp. 32-52;

Lehmann, Anita (2000): *Venstres Europapolitik – en analyse af partiet Venstres stillingtagen til europæisk samarbejde, 1945-60*, unpublished MA thesis, University of Aarhus.

<sup>86</sup> Rasmussen, Morten (2004): *Joining the European Communities: Denmark's Road to EC-membership, 1961-1973*, Ph.D. thesis, European University Institute, Florence, pp. 41-85.

### 2.2.5. *Works on the origins of the CAP: Comparison*

The two themes which have served as basis for comparing the different approaches to European integration in general, as described above, will also be employed for comparing the various works on the origins of the CAP.

1. The nation state's degree of political cohesion, and the balance of power between different political actors within the nation state in relation to European policy — As far as the purely economic and commercial analysis is concerned, there is general agreement among the works quoted. The structurally oriented economic arguments of Lindberg (1963) and Moravcsik (1998) are supported by the conclusions in Ludlow's investigation of EEC negotiations on the basis of confidential sources. However, when it comes to the relation between economic and political forces in European integration, opinions diverge. Ludlow and Kaiser argue that national governments ultimately were able to reach agreement in EEC-level economic negotiations because they identified with the European political project. Generally, the other scholars cited consider the economic aspects of European integration to be either a decisive factor, or at least a parallel and equally important factor in comparison with the political aspects.

Many works on the Green Pool and the CAP employ primarily files from national governments and international governmental organisations. When analysing the motives of agricultural organisations, the government-oriented works tend to emphasise the economic motives for farmers to reject, respectively, support European integration. Far less attention is given to the question whether European integration was politically desirable from the viewpoint of agricultural organisations. This question is explored by Muth, Delorme and Tavernier, Peterson, Noël, Milward and Vibeke Sørensen.

Could agricultural organisation constitute a political driving force in European integration? In the starting point they could that in two ways: within their own sector and by encouraging industry and trade unions to support general integration. There is general agreement in the literature that French agricultural organisations became a driving force in the inclusion of agriculture in the EEC after 1955. On the other hand, they were sceptical toward the creation of a specialised supranational authority for agriculture during the Green Pool negotiations 1950-1954. They aimed at the creation of intergovernmental arrangements with a strong degree of producer participation. This was also the position of German, Belgian and Italian agricultural groups during the Green Pool negotiations. It seems that the latter groups took a softer position toward the creation of supranational institutions in the EEC framework after 1955.

In analysing Mansholt's motives for desiring the creation of a supranational authority, Thiemeyer does not distinguish between sector-specialised and general European frameworks. To judge from Thiemeyer's sources, it seems

that Mansholt's concept of a supranational authority serving the general interest was developed in the context of sector integration, before 1955. At first sight it would seem that the concept could easily be applied to general integration. As far as the Green Pool is concerned, protection-oriented agricultural organisations in France, Germany, Italy and Belgium may have been thinking in the terms described by Thiemeyer, with an opposite sign.

Muth, Peterson, Noël, Milward and several other scholars come to the conclusion that agricultural organisations in the six ECSC member states except the Netherlands feared that a specialised supranational authority in agriculture would be too powerful and too willing to take into account the industrial interest. However, protection-oriented agricultural organisations also resented the liberalisation programme of the OEEC. In 1953 they were able to turn the Green Pool into a project for the creation of a specialised intergovernmental framework for European agriculture. With the transfer of the Green Pool to the OEEC in 1954 this project failed.

To judge from the findings in the literature, it seems that after 1955 French agricultural organisations became decidedly more favourable toward the creation of a common agricultural policy, this time in the EEC framework. On the other hand, it also seems that agricultural organisations in Germany, Italy and Belgium opposed the creation of a common agricultural policy in the EEC framework less actively than they opposed the creation of a sector-specialised supranational authority in agriculture. Thus, when all agricultural organisations in the six ECSC member states are considered as a whole, they became a stronger force in favour of European agricultural integration within the EEC's framework of general economic integration, in comparison with their attitude toward the sector-specialised Green Pool.

Peterson may be right in pointing to the superficial character of transnational agricultural ideological cohesiveness around the family farm norm. However, in his work *France, l'Allemagne et "Europe verte"*, Noël pointed to the connection between the creation of a transnational protection-oriented farm ideology in CEA and the creation of political cooperation between French and German agricultural organisations. The common farm ideology was an expression of a political partnership between French and German agriculture. Rather than putting this partnership at risk by rejecting a strong French demand for the inclusion of agriculture in the EEC, it might be more useful for German agricultural organisations to take the partnership and the common farm ideology into the EEC context.

Noël also pointed to the fact that agricultural trade policy could not be taken out of the general context of trade and payments. A sector-specialised supranational authority in agriculture would have to take into account the development in industrial trade between the member states, as well as with non-member countries. Directly or indirectly the industrial interest would

have to be consulted. For agricultural organisations, it was not a question of avoiding consultations with industry, but of keeping influence on them.

In the literature on the CAP there are two alternative assumptions for interpreting the attitudes of agricultural organisations toward European integration. According to the older assumption, farmers are primarily oriented toward the general political system. Since the 1970s this assumption has lost much ground to another assumption: that of a 'closed agricultural circuit'. As their numbers decline, farmers increasingly retreat into a political sector fortress whose defence walls consist of iron rings between agricultural organisations, Agriculture ministries and specialised policy committees in parliament. This is the prevailing assumption in the works surveyed above, and it is most clearly expressed in Milward (1992).

In some of the older works, especially Delorme and Tavernier (1969), one finds the opposite assumption: French agricultural organisations had strong influence in the parliamentarian-based political system of the French Fourth Republic (1946-1958), and many French agricultural leaders wished to have similar system in the EEC with a strong European Parliament. This assumption underlines the relations between agricultural organisations and political parties at the expense of government bureaucracies. At a general conceptual level it is equivalent to Kaiser's emphasis on political parties as a driving force in European integration.

The ECSC had a parliamentary assembly, and a European Agricultural Community might also acquire a parliamentary assembly. But could sector-specialised parliamentarian assemblies achieve a combination of internal farm penetration and external legitimacy and influence which agricultural organisations would consider optimal? For the EEC's parliamentary assembly – the European Parliament – the situation was different. There were many uncertain factors, e.g., whether direct elections would be introduced, whether the Communists would be excluded, etc. But the European Parliament had at least the competence to state its own opinion on all aspects of economic integration, and its membership was constituted by political parties nearly identical to those in national parliaments and national governments. In sum, the European Parliament resembled those national parliaments in which agricultural organisations had strong influence in the 1950s. This question is given scarce attention in the literature.

One may argue that already in 1952-1953 a proposal for general economic integration had been presented by the Netherlands in connection with the planned creation of a European Defence Community (EDC) and a European Political Community (EPC) between the six ECSC member states. In August 1954 the French parliament turned down the EDC treaty, and together with the EDC, the EPC project was also abandoned. In the EPC the ECSC's parliamentary assembly would be changed into a general assembly. In a brief

period at the end of 1952 and in the beginning of 1953, the Green Pool could have been incorporated into a wider scheme for economic and political integration between the Six. By following the Dutch proposal for economic integration in the EPC framework, the Six would have established a customs union that also included agriculture. Thiemeyer (1999) found that in the 1950s the votes of the farmer-friendly block were always decisive for the ratification of European treaties in the French parliament. In sum, one may argue that French agricultural leaders in 1953 rejected and in 1956 supported the same scheme for general economic integration.

One of the differences between the two situations is that in 1953 the creation of an intergovernmental Green Pool constituted a plausible alternative to the inclusion of agriculture in a supranational framework for general integration. Presumably, an intergovernmental specialised organisation for agriculture would be more open to agricultural producer influence than the supreme authority of a general European Economic Community. This point is stressed in Milward (1992). Another difference is the uncoordinated manner in which the general integration framework emerged in late 1952. To the EDC – also called the “European Army” – was firstly added the EPC; then the Dutch proposal for a customs union was added to the EPC; and the customs union proposal was combined with a proposal for a general common agricultural policy, also of Dutch origin. Agricultural leaders in France, Germany, Italy and Belgium may have felt a need to block the initiatives from Dutch diplomacy in order to avoid being sidestepped themselves.

A sector-specific project for agricultural integration would be subject to many external influences and possible modifications under its insertion into national general policies. As long as agricultural integration stood alone as a sector-specific project, supranational decision-making would presumably only serve to regulate international agricultural trade and coordinate domestic price policies. This is also a general premise in literature on the Green Pool, even if it is not always stated directly. Therefore a sector-specific agricultural integration would have relatively limited political implications. By contrast, a common agricultural policy that was firmly embedded in a framework of general integration would entail inescapable political consequences. Therefore the degree of predictability in the overall domestic and international political context became more important when agricultural organisations considered the question of participation.

In terms of political time the three years 1953-1956 constituted a relatively long period. In France and Italy new political systems had been established in 1944-1946, while the German Federal Republic had been founded in 1949. Many leading agricultural organisations in the three countries had not existed before 1939. Among the scholars cited, especially Noël argues that geopolitical considerations mattered French and German agricultural leaders. In the early 1950s they considered German re-unification to be possible.

This made the political and economic context for European integration less predictable. After the political crises in Poland, Hungary and the Middle East in 1956 it was clear that the Eastern European block would persist. In the meantime agricultural leaders in Germany, France and Italy grew more familiar with postwar political parties, governments and parliaments.

The inclusion of agriculture in the EEC can be seen as the result of preceding changes in the internal power balance in the six member states, as pro-European forces became more influential. For instance, the German minister of Agriculture between 1953 and 1959, Heinrich Lübke, was said to be more pro-European than his predecessor. This point is stressed by Thiemeyer and Milward. Conversely, one might argue that it was the shift from sector integration to general economic integration with cross-sector “package deals” which made it impossible for protectionist sector-based interest groups to obtain exemption from integration. Many works on the origins of the CAP simultaneously endorse both arguments without a clear distinction between cause and effect.

Viewing the literature as a whole, the analysis of agricultural organisations is narrowly focused on national and sector-based economic interest. To the extent that political analysis is made, the means and objectives of political action are derived from sector-based economic interest. In neofunctionalist analysis this reasoning is extended to the European level, but it is not fundamentally changed: the creation of dual or multiple allegiances (national and European) is ultimately only the political effect of the creation of longterm positive expectations to active common economic policies.

To this limitation many works since the 1970s have added another one, by pointing to the bureaucratic and administrative element of agricultural policy-making and by stressing the autonomous and introvert character of agro-political subsystems. There is a tendency in the literature to see the preservation of sector autonomy as an end in itself and not as a means for outward-oriented action. In this way a very defensive attitude is in advance attributed to agricultural organisations in relation to European integration. This creates a dilemma in the case where agricultural organisations have an export-based economic interest in supporting European integration: their own desire for sector autonomy is contradictory to their desire to have protectionist iron-rings broken down in the importing countries.

2. The character of supranational institutions — Many scholars have noted a trend towards the formation of iron rings between national Agriculture ministries, the European Commissioner for Agriculture and agricultural organisations. But from this observation different conclusions are drawn. On the one hand, Moravcsik argues that the European Commission’s ability to perform cross-sector economic policy coordination was weakened and hence the supranational character of the EEC was also weakened. On the other

hand, Lindberg and Lauring-Knudsen see the formation of agricultural iron rings at the EEC level as a sign of the Commission's success in promoting European integration.

The scholars quoted are generally closer to Lindberg and Lauring-Knudsen than to Moravcsik. They find that despite the EEC's problems in reaching agreement among the member states on the level of common prices in the CAP, etc., it became established practice that the member states did not undertake trade negotiations with the outside world until they had defined a common position. They also find that the European Commission was able to perform a degree of cross-sector coordination in the form of "package deals" in connection with the EEC's participation in trade negotiations in GATT.

As described previously, the European Commissioner for Agriculture from 1958 to 1972, Mansholt, had assumed that the supranational authority would defend the general interest against sector-based interest groups. It should be underlined that this Thiemeyer's interpretation of Mansholt's political thinking. Mansholt's assumption originated from the time of sector integration. It would seem that as European Commissioner for Agriculture Mansholt did exactly the opposite: being member of a body charged with defending the general interest of the EEC, he passively or actively assisted to the formation of a new European-level agricultural subsystem.

This might indicate that Thiemeyer's interpretation is too rigid. Perhaps Mansholt wanted to create a system where agricultural organisations took co-responsibility for government policies without being able to dictate them. In view of the functional limitations of agricultural integration as a sector-specific project, it is doubtful whether Mansholt at the time of the Green Pool intended to use a sector-specialised supranational authority as a means to force through the replacement of national price systems with a European price system. Lauring Knudsen has stressed that the member-states governments in 1958 gave the European Commission a very free mandate to formulate proposals for the CAP. This gave Mansholt a relatively strong starting position from which to establish contacts with COPA.

Lindberg, Muth, Delorme and Tavernier, Milward and Vibeke Sørensen mention the possibility that for agricultural organisations the central question may perhaps not have been the voting procedure in the Council of Ministers, but rather the organisations' degree of independent representation in the overall decision-making system. By establishing contacts with COPA and enhancing the agricultural representation in the EEC's advisory organs, Mansholt could give co-responsibility to agricultural organisations without becoming politically dependent on them.

### 2.3. Works in political science and history on agricultural politics

#### 2.3.1. Pluralism and corporatism

Agricultural politics is a subfield in comparative politics and interest group theory. In agricultural politics analysis there are two overarching issues. The first one is the distinction between pluralism, democratic corporatism and authoritarian corporatism as alternative society systems. The second issue is the mechanisms by which the agricultural sector establishes and maintains political organisation.

An overall reference can be made to the political science overview in Colin Hay's book *Political Analysis* (2002). Regarding interest group theory more specifically, a general reference can be made to the following works. In the *Handbook of Political Science* from 1975, David Greenstone treated the interaction between interest groups and the political system, while Robert H. Salisbury treated the internal politics of groups, membership recruitment and general driving forces in the emergence of groups.<sup>87</sup> In an article from 1977, Charles W. Anderson surveyed the literature on relations between interest groups and political systems.<sup>88</sup> In 1998, Frank R. Baumgartner and Beth L. Leech published a book surveying American interest group literature since the 1950s.<sup>89</sup> In 2004, Andrew S. McFarland published a book surveying American literature on political process theory since the 1950s.<sup>90</sup> Barbara Geddes's book *Paradigms and Sand Castles: Theory Building and Research Design in Comparative Politics* (2003) summarised evolutions in theories of interest group mobilisation and group-society relations.<sup>91</sup> On agricultural policy, Wyn P. Grant and John T.S. Keeler in 2000 edited a large collection of articles published since the 1980s.<sup>92</sup>

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<sup>87</sup> Greenstone, J. David (1975): "Group theories", in: Fred I. Greenstein & Nelson W. Polsby (eds.): *Handbook of Political Science vol. 2: Micropolitical Theory*, Reading, Massachusetts: Addison-Wesley, pp. 243-318;

Salisbury, Robert H. (1975): "Interest Groups", in: Fred I. Greenstein & Nelson W. Polsby (eds.): *Handbook of Political Science vol. 4: Nongovernmental Politics*, Reading, Massachusetts: Addison-Wesley, pp. 171-228.

<sup>88</sup> Anderson, Charles W. (1977): "Political design and the Representation of Interests", *Comparative Political Studies*, vol. 10, no. 1, April 1977, pp. 127-152.

<sup>89</sup> Baumgartner, Frank R. & Leech, Beth L. (1998): *Basic Interests: The Importance of Groups in Politics and Political Science*, Princeton, New Jersey: Princeton University Press.

<sup>90</sup> McFarland, Andrew S. (2004): *Neopluralism: The Evolution of Political Process Theory*, University Press of Kansas.

<sup>91</sup> Geddes, Barbara (2003): *Paradigms and Sand Castles: Theory Building and Research Design in Comparative Politics*, The University of Michigan Press.

<sup>92</sup> Grant, Wyn P. & Keeler, John T.S. [eds.] (2000): *Agricultural Policy I-II*, The International Library of Comparative Public Policy vol. 14, ed. B. Guy Peters, Cheltenham, UK, Northampton, MA, USA: Edward Elgar Publishing.

In the 1950s theoretical approaches supportive of interest group pluralism gained a strong position in political science. These approaches generally assumed that interest groups and the conflicts between them made up the bulk of politics. It was assumed that interest groups were independent from the government and competed for political influence. Political scientists who supported interest group pluralism argued that in the long run there would be at least some influence to every group, because the political market was open to potential newcomers. Organised groups would emerge as a result of economic differentiation and specialisation; or in reaction to economic or social disequilibrium; or in reaction to the organisation of opposing groups.<sup>93</sup>

In 1974 the political scientist Philippe C. Schmitter presented a contrary model of political systems in his influential article: *Still the Century of Corporatism?* In corporatism the state acted as an architect of political life. The state gave exclusive rights of political consultation and/or delegated administrative functions to designated professional organisations, and possibly the state made it compulsory for individual members of the profession in question to be member of the designated organisation.

Schmitter constructed two ideal-types: ‘societal corporatism’ and ‘state corporatism’. In societal corporatism the legitimacy and function of the state were primarily or exclusively dependent on the activity of singular non-competitive, hierarchically ordered representative “corporations”. In state corporatism similarly structured “corporations” were created and kept as auxiliary and dependent organs of the state which founded its legitimacy and effective functioning on other bases. In societal corporatism the corporation was autonomous and penetrative, while in state corporatism it was dependent and penetrated. Generally, societal corporatism was identified with democratic states, and state corporatism with authoritarian states.<sup>94</sup>

A vast literature on corporatism emerged after 1974. The word ‘corporatism’ was traditionally associated with authoritarian regimes and/or the creation of trade parliaments. In order to stress the new context and purpose, the term ‘neo-corporatism’ was invented to describe the policy concertation which took place between governments and interest organisations in democratic states. Here the term corporatism will be used in its ‘societal’ meaning, synonymously with ‘neo-corporatism’, except when otherwise indicated.

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<sup>93</sup> Truman, David B. (1953): *The Governmental Process – Political Interests and Public Opinion*, New York: Alfred A. Knopf, pp. 3-108, 501-535.

<sup>94</sup> Schmitter, Philippe C. (1974): ”Still the Century of Corporatism?”, *Review of politics* 36:1, January 1974, pp. 85-131, esp. pp. 102-104, 107f, 111-113.

### 2.3.2. “*The Logic of Collective Action*”

For a long time economists and political scientists have been dealing with the paradox that individual rationality can lead to collective irrationality. This also happens when the individuals are collective actors like states or professional organisations. A part of the explanation lies in the ways in which different groups in society are able or unable to organise themselves and articulate their interests. In this field of research an important change was marked by the work of the economist Mancur Olson: *The Logic of Collective action: Public goods and the Theory of Groups* (1965).

In pluralist group theory it was assumed that the existence of a common objective for all individuals in a group would lead them to organise in order to achieve that objective. Olson objected to this assumption. Olson argued that in a large group the contribution of the individual to the group’s total effort will be unimportant for the achievement of the common goal. At the same time, the individual will obtain the same share as all other members of the group of the collective good produced by the achievement of the group’s common goal, independently of whether the individual contributes anything at all to the group’s total effort. Olson argued that unless the number of individuals in a group is quite small, rational self-interested individuals will not act to achieve their common or group interest – *unless* there are coercion or separate incentives, non-collective (only for the individual) and distinct from the group interest. In the absence of coercion or separate incentives, large groups will not form organisations to further their common goals.<sup>95</sup>

According to Olson, there are three separate but cumulative factors that keep larger groups in passivity. First, the fraction of the total group benefit that any person acting in the group interest receives will be smaller. Second, the possibility is smaller that oligopolistic interaction can produce the collective good. Third, the initial costs of organisation are larger. In many cases the members of a group are not equally large, for instance in terms of property. The small members tend to “exploit” the large members, in that the small members contribute less to the group’s total effort. Olson argued that high membership density of large pressure-group organisations does not derive from their political activities, but is rather a by-product of their other activities. This is because the selective incentives to membership are derived from those other activities.<sup>96</sup> Olson did not consider ideology, propaganda and moral values to be irrelevant factors, but insisted that they cannot be the sole or primary explanation for the mobilisation of large groups.<sup>97</sup>

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<sup>95</sup> Olson, Mancur (1965/1971): *The Logic of Collective Action: Public Goods and the Theory of Groups*, Harvard Economic Studies vol. CXXIV, Cambridge, Massachusetts: Harvard University Press, reprint 1971, pp. 1f.

<sup>96</sup> Olson, 1965/1971, pp. 3, 22-36, 43-52.

<sup>97</sup> Olson, 1965/1971, pp. 162-165.

According to Olson, social status and social acceptance are individual, non-collective goods, and social sanctions and social rewards are selective incentives. Olson argued that social pressure and social incentives generally operate only in groups which are so small that the members can have direct contact to one another. An exception from this argument is so-called “federated” large groups. These are large groups that are divided into a number of small groups. In such small groups it will be possible to develop social pressures as a selective incentive.<sup>98</sup>

Philosophical pluralists and also many philosophical corporatists assumed that pressure groups counterbalanced one another, and that the equilibrium between them more or less corresponded to the interest of society as a whole. Political science pluralists assumed that if large groups were not (yet) organised, the very awareness of their potential for organisation would keep organised interests from making excessive demands.<sup>99</sup> Olson’s arguments were targeted against these assumptions. Prior to Olson, prominent works in pluralist interest group theory in the 1950s had pointed to the use of non-collective benefits as a means to attract members and maintain internal discipline in organisations. Pluralist interest group theorists noted that powers delegated from the government could be used as means to maintain high membership density and discipline by coercion. But for pluralist interest group theorists, non-collective benefits to membership did constitute not a central theoretical concept.<sup>100</sup>

Olson drew a distinction between so-called “by-product” theories concerning large groups, and “special interest” theories concerning small groups. Labour unions, farmers’ organisations and profession-based lobbies were large groups, while business lobbies were small groups. According to Olson, a common characteristic of large economic groups with significant lobbying organisation is that these groups are also organised for some other purpose than lobbying. The lobbies of large economic groups are the by-products of organisations that have the capacity to mobilise a large group with selective incentives. Positive selective incentives to membership and/or the ability to be coercive all derive from non-political functions. According to Olson, the by-product theory does not need to apply to small groups, because these can often organise on a voluntary basis without any selective incentives.<sup>101</sup>

According to Olson, farmers’ organisations were generally successful in using business institutions to provide non-collective benefits to members. Farmers had special needs arising out of farm business, needs which

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<sup>98</sup> Olson, 1965/1971, pp. 12-16, 60-64.

<sup>99</sup> Olson, 1965/1971, pp. 111-131.

<sup>100</sup> Truman, 1953, pp. 188-210, esp. pp. 199, 202-204.

<sup>101</sup> Olson, 1965/1971, pp. 132-134, 143.

agricultural cooperatives could satisfy. Farmers needed marketing facilities for their production and many different kinds of supplies. The American Farm Bureau Federation had developed a private-based system in which affiliated agricultural cooperatives offered various business preferences and dividends to farmers who were member of the Farm Bureau. In this way the Farm Bureau attracted a large membership among farmers.<sup>102</sup>

Political scientists adopted and refined Olson's concepts, but their works went in different directions. Some stressed the importance of non-economic factors in group mobilisation, like ideology or idealism. Among others, Robert H. Salisbury developed the concept of material, social and expressive benefits of membership. Terry M. Moe argued that the individual could attach more importance to political purpose than to economic benefits.<sup>103</sup> Other scholars explored the implications of economic determinism. The concept of 'asymmetry of interest' was generalised. In small groups the benefits from a public policy privileging them are concentrated whereas in the total population the costs of such a policy are diffused.<sup>104</sup> In *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities* (1982) Olson argued that over time democratic nations will accumulate specialised groups whose efforts to gain privileges will impede general economic growth.<sup>105</sup> Olson believed that in a corporatist system peak unions would succumb to the internal lobbyism of specialised, small groups.<sup>106</sup>

### 2.3.3. "The corporatist imperative"

On the basis of Olson's "logic of collective action" and Schmitter's ideal-type models of 'pluralism' and 'corporatism', the American political scientist John T.S. Keeler developed a theoretical argument on inherent tendencies in agricultural policy toward corporatism. Keeler named these tendencies the "corporatist imperative". Keeler developed the concept in his book *The Politics of Neocorporatism in France – Farmers, the State, and Agricultural Policy-making in the Fifth Republic* (1987) in which he treated French agricultural policy in the period 1958-1985.

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<sup>102</sup> Olson, 1965/1971, pp. 148-159.

<sup>103</sup> Salisbury, Robert H. (1969): "An Exchange Theory of Interest Groups", *Midwest Journal of Political Science*, vol. 13, no. 1 (February 1969), pp. 1-32;

Moe, Terry M. (1981): "Toward a Broader View of Interest Groups", *The Journal of Politics*, vol. 43, no. 2 (May 1981), pp. 531-543.

<sup>104</sup> Geddes, Barbara, 2003, pp. 195-198, 204.

<sup>105</sup> Olson, Mancur (1982): *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*, New Haven, London: Yale University Press.

<sup>106</sup> Olson, Mancur (1986): "A Theory of the Incentives Facing Political Organizations: Neo-Corporatism and the Hegemonic State", *International Political Science Review*, vol. 7, pp. 165-189.

In Keeler's definition, 'corporatism' is a system in which a limited number of groups within a sector 1) are formally incorporated into the public policy-making process – i.e., receive seats on public committees, commissions, or councils – and 2) are provided by the state with certain benefits in exchange for their cooperation and their restraint in articulation of demands. Such groups are termed "clients of the state". Keeler assumed that in the most fully developed types of corporatism there will be only one single client. "Corporatisation" is a process where groups increasingly become official clients. Keeler outlined a pluralism-corporatism continuum with specified points that runs from "strong pluralism" to "structured pluralism", "weak corporatism", "moderate corporatism" and "strong corporatism".

In 'strong pluralism' the state simply receives inputs from competing interest groups. No interest groups are formally incorporated into the public policy-making process. If public committees or commissions exist, they do not provide interest groups with influence. Interest groups act as defenders of their members in relation to the state, and they compete for members and influence without interference from the state. Incentives to membership are derived from sources within the group or from non-state outside sources.

In 'strong corporatism' the state designates and supports an official client interest group. This group obtains privileged access to state decision-makers and/or devolved power for the administration of public policy. Leaders of the official client group enjoy a great degree of "immunity" from members' criticism through benefits received from the state. For these reasons, the official client group has a large competitive advantage in relation to non-official interest groups. The official client group often mobilises members in support of state policy and tries to discipline dissidents.

The transformation from 'strong pluralism' to 'structured pluralism' begins when the state recognises certain interest groups as sector representatives and to a limited degree incorporates them into the policy-making process. These groups receive only modest benefits (biased influence and competitive advantage) and are expected to provide only a modest degree of cooperation and restraint. Keeler assumed that corporatisation will rarely advance to the point of 'weak corporatism' unless an interest group can serve as the sole client of the state. In 'weak corporatism' the client group no longer only decides its actions from its members' interests and ideologies, etc.

Among the incentives to membership in an official client group are the allocation of prestigious and career-promoting offices such as seats on public committees and councils, etc. The state can provide a client with material resources. In addition to direct subsidies, a client can indirectly be provided with resources when the state grants money, personnel, or infrastructure to semi-public agencies which the client controls, and which enable the client

to offer services and other material benefits to members. Client organisations which are in control of public bodies at the local level may be in a position to deny material goods to non-members.<sup>107</sup> Keeler pointed to the French experience. In the 1960s the French government gave the national farmers' union FNSEA (Fédération Nationale des Syndicats d'Exploitants Agricoles) a monopoly of representation and allowed it to co-manage (*cogérer*) sector affairs. The development of policy coordination (*concertation*) between FNSEA and the state in the 1960s ran parallel to the creation of co-management (*cogestion*) of agricultural administration by the two parties.<sup>108</sup>

Keeler found that the level of corporatisation in agriculture in a democratic country was determined by four factors: 1) the state's capacity to cultivate ties with clients, a capacity which was determined by political culture and governmental structure; 2) the degree of group-state consensus; 3) the extent of the state's need for a client; and 4) the capacity of groups to mobilise and discipline members. Keeler pointed to the existence of market failures in the agricultural economy. Production units were numerous, small, dispersed and uncoordinated. Strong and unpredictable price fluctuations discouraged technical improvement and undermined the security of the farm income. Such considerations, together with the strategic importance of food production and the political power of the farm vote, combined to produce state intervention. This again required the client's assistance.

Keeler acknowledged that the cultural identity, ideology and propaganda of farmers' unions could attract many members. However, Keeler found that selective incentives of a material kind were the most important explanation for the generally high membership density in farmers' unions. Farm management included many business activities, and the farmer had many service needs, but farmers often had relatively low levels of education and income, and their enterprises were generally small and isolated. Even without external resources from the state, farmers' unions could recruit many members through services. In the United States, Britain, Germany and Italy, as in France, farmers were better organised than labour. According to Keeler, it was not clear whether the relatively high membership density in farmers' unions was an effect or a cause of corporatisation.<sup>109</sup>

The problem in combining Keeler's and Olson's concepts is to distinguish between cause and effect. Following Olson's logic, the farm votes matters, because the agricultural organisations – as a by-product of their non-political activities – are able to establish a political lobby. Keeler adopts this logic,

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<sup>107</sup> Keeler, John T.S. (1987): *The Politics of Neocorporatism in France: Farmers, the State, and Agricultural Policy-Making in the Fifth Republic*, New York: Oxford University Press, pp. 3-15.

<sup>108</sup> Keeler, 1987, pp. 31-33, 42-124.

<sup>109</sup> Keeler, 1987, pp. 34, 255-285.

but also formulates a new logic which goes in the opposite direction. Concern for the farm vote leads politicians to initiate interventionist programmes which require the practical cooperation of agricultural organisations; so the state designates a client and provides it with resources which enable it to create material selective incentives for membership. Therefore, Keeler is not able to decide whether corporatisation is the cause or the effect of a high membership density in farmers' unions.

#### 2.3.4. *Market intervention and the political-institutional framework*

In an article from 1993, Pepper D. Culpepper questioned Keeler's model. Culpepper found that Keeler underestimated the degree of political competition between FNSEA and other national unions such as the French Chambers of Agriculture. Culpepper also found that Keeler overestimated FNSEA's internal authority over autonomous member organisations like the specialised producer associations. According to Culpepper, publicly funded corporate organs like the Chambers of Agriculture were insulated from competition for members, since individual farmers were forced to join. Specialised producer groups were better able to offer selective incentives to membership, and were more likely to channel any biased influence directly to the benefit of their specific producers. However, general organisations like FNSEA had a particular ability to mobilise farmers in great numbers, employing peasant ideology.

Culpepper suggested the concept of a "muted competition among multiple, independent groups, all of which are enmeshed in a collaborative system that grants them some authority over policy implementation". Such groups together constituted a "privileged policy community". If a group wanted to acquire a dominant position, it would have to take the coordinating role. FNSEA approximated to this role during part of the 1970s, but never completely. Dissenting groups could leave the system, but the state would seek other clients in their place. All groups in a privileged policy community had an interest in limiting the state's ability to play them out against each other, and in keeping other groups out of the system. Therefore they would maintain institutions for policy coordination, but these institutions would be unstable, because competition continued within the system. Culpepper argued that Keeler by constructing a pluralist-corporatist continuum had erroneously equated inter-group competition with state neutrality. Culpepper's alternative model only applied to French agriculture.<sup>110</sup>

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<sup>110</sup> Culpepper, Pepper D. (1993): "Organisational competition and the neo-corporatist fallacy in French agriculture", *West European Politics* vol. 16, no. 3 (July 1993), pp. 295-315.

An important contribution to agricultural policy analysis is the comparative historical study by Adam D. Scheingate: *The rise of the agricultural welfare state – Institutions and interest group power in the United States, France and Japan* (2001). Scheingate analysed American, French and Japanese agricultural politics from circa 1870 to 2000. Keeler’s “corporatisation” concept was combined with a division of agricultural politics into sub-periods and with a distinction between different types of political structures.

Scheingate divided agricultural policy in the period ca. 1870-2000 into four sub-periods. The first period, which lasted until the 1910s, was one of agricultural promotion. Governments established departments to deal with agriculture, and supported agricultural education, research and development. The second period lasted from the 1920s to the 1940s and was characterised by market intervention in order to stabilise prices, agricultural income and food supply under conditions of economic crisis and world war. The third period lasted from the 1950s to the 1960s and was a so-called ‘mature subsidy regime’. Agricultural protection and intervention continued, but the means grew out to include both price policy and structural policy, and the aim became agricultural modernisation. The fourth period lasted from the 1970s to the 1990s and was marked by attempts at agricultural retrenchment.

During the initial period of market intervention in the 1930s, agriculture’s organisational capacity relative to other interests remained low. The costs and benefits of market intervention were concentrated. As a result, conflicts arose between different groups of farmers as well as between farmers and industrial consumers. With the shift to a mature subsidy regime in the 1950s, the distribution of costs and benefits became asymmetric. The costs were diffused, but the benefits were concentrated. As agricultural employment declined from the 1950s onward, the benefits of farm subsidies became concentrated in the hands of fewer producers, while the costs became more widely distributed among taxpayers and consumers. The decline in agricultural employment also furthered a high organisational capacity in agriculture relative to other interests. Contrasting the French and Japanese party-political and administrative systems with the United States, Scheingate found that the more open and less centralised American system in the long run tended to produce less protectionist agricultural policies. Scheingate argued that by regulating the permeability of the policy-making process, institutions influenced which ideas gained political access.<sup>111</sup>

The economic historian Giovanni Federico summarised the discussion in his work: *Feeding the World: An Economic History of Agriculture, 1800-2000*

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<sup>111</sup> Scheingate, Adam D. (2001): *The rise of the agricultural welfare state: Institutions and interest group power in the United States, France, and Japan*, Princeton: Princeton University Press, pp. xi-xii, 5-37, 239-248.

(2005). Federico supported the view that agricultural policy was determined by the interaction between rent-seeking farm lobbies and vote-seeking politicians. According to Federico, the most traditional and most common version of the argument assumed that farmers took the initiative. However, some studies argued that politicians actively sought the voters' support for economic transfers to agriculture, even without any lobbying farmers. If the farmers took the initiative, the argument would be that small lobbies were easier to organise than large ones. But if politicians took the initiative, a politician would find a large group more attractive than a small one. Federico stressed the impact of external shocks like wars etc., which could lead to drastic policy changes followed by periods of institutional inertia.<sup>112</sup>

#### 2.3.5. Working questions

Culpepper pointed to a fundamental weakness in Keeler's explanatory model: The distinctions between open and closed political settings, between decentralised and centralised agricultural organisation, and between multiple and monopolised representation in relation with the government, are static and formalistic. Agricultural organisations may adjust their political working methods to fluctuations in the surrounding world. They may not necessarily do so by changing their formal rules and procedures, as they can do it more fluently on an informal basis.

Comparing the arguments concerning the possible influence of ideology in Olson (1965), Keeler (1987) and Scheingate (2001), there seems to be a change of accent. Olson did not accept that ideology alone could produce organisation, but he conceded that values in the political system could influence the conditions for farm lobbyism. Keeler made Olson's argument explicit by stressing functionality-related factors in political organisation. Scheingate went further and emphasised the ability of the institutions to filter out unwanted ideas.

The following three working questions will guide the survey of selected works on French, German, Dutch and Danish agricultural politics: 1) the power basis of agricultural organisations; 2) the origins of particular agricultural policies; 3) the relations between institutions and ideology. Prior to describing the literature, the survey will begin with a brief outline of French, German, Dutch and Danish agricultural organisation after 1900.

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<sup>112</sup> Federico, Giovanni (2005): *Feeding the World: An economic history of agriculture, 1800-2000*, Princeton: Princeton University Press, pp. 196-198, 215ff.

### 2.3.6. Works on agricultural politics in France, Germany and the EEC

1. Historical background — Before 1939 the general picture in French agricultural politics was that the cooperatives and service organisations were controlled by the political centre-left, while the farmers' unions were allied with the centre-right. The specialised producer organisations for sugar beet and wheat were also oriented toward the centre-right. There was a national and publicly elected corporate union of Agricultural Chambers. Absentee landlords had strong influence in the farmers' unions, but from the late 1930s onward the leadership passed to the large farmers. When the conservative-authoritarian Vichy government was established after the French capitulation in 1940, the farmers' unions proposed the creation of a corporatist system. The Vichy government established such a system, but not in the decentralist version that the farmers' unions had wished. The national corporate union, the *Corporation Paysanne* became centralised and hierarchical. After the liberation in 1944 it was liquidated, and instead the hitherto clandestine *Confédération Générale de l'Agriculture* (CGA) became a new peak union.

The national organisations of mutuality, cooperation, credit and farmers' unions were members of CGA. In the early 1950s the national organisations of mutuality, cooperation and credit re-established an older umbrella union as the *Confédération Nationale de la Mutualité, de la Coopération, et du Crédit Agricole* (CNMCCA). Over time the cooperatives and service organisations became unwilling to engage in politics as they identified primarily with their professional and technical tasks. It was a central element in farmers' unions' activities to purchase and sell agricultural goods, but in 1945 they were forbidden to engage in commercial activity. This stimulated to a division of work between the cooperatives and the farmers' unions where the latter became the political spokesman of the sector.

The farmers' unions were reorganised as the *Fédération Nationale des Syndicats d'Exploitants Agricoles* (FNSEA). During the elections in FNSEA in 1946 the new leadership of large farmers was reconfirmed, and in alliance with the specialised producer organisations FNSEA began to dominate CGA. When the leftist minister of Agriculture who had established CGA was replaced with a minister from the centre-right, the process accelerated. By 1950 FNSEA had gained the political leadership in French agriculture.

Figures for FNSEA membership density are uncertain, varying from 35% to 48%, depending on definitions and time of measurement. In central and southern regions of France, where many areas were characterised by small family farms, low productivity, poor infrastructure, etc., membership density was generally lower than in the wealthier and more developed northern regions. The specialised producer organisations for large-scale farming in sugar and wheat also had most of their members in the northern regions. FNSEA's elite mainly came from these regions, and FNSEA was financially dependent on contributions from the specialised producer organisations.

The Chambers of Agriculture were suppressed by the Vichy government and bypassed by the liberation government. After the demise of CGA, the Chambers of Agriculture, also named APPCA (*Assemblée Permanente des Présidents des Chambres d'Agriculture*), came to occupy a certain position in French agricultural politics. In 1951 FNSEA and APPCA agreed that FNSEA should be the primary representative of French agriculture. APPCA would not pronounce on agricultural matters without prior consultation with FNSEA and with agricultural cooperatives.

While inclined toward the centre-right, FNSEA was not in alliance with any political party. FNSEA gained influence in the French parliament through the creation of a cross-party group of pro-agrarian politicians, the so-called "Amicale Parlementaire Agricole". It was formally neutral, but included almost only centre-right politicians. Many of them belonged to the Peasant Party or to the group of Republican Independents. The group made sure that the unstable French governments in the 1950s never had a minister of Agriculture who was not approved by FNSEA. The centre-left governments in 1956-1957 did not have a minister of Agriculture, but assigned the tasks of that post to a state secretary under the Ministry of Finance.

In the late 1950s the organisation of young Catholic farmers in France became a politically engaged union under the name CNJA (*Centre National des Jeunes Agriculteurs*). Like the specialised producer associations, CNJA was an autonomous member organisation within FNSEA. The leadership in FNSEA and APPCA represented an older generation of farmers, and the leadership in CNJA to a greater extent represented small farmers and poorer regions. CNJA's leaders represented the future FNSEA leadership, but the succession took years. After the Gaullist takeover in May 1958 and the instauration of the Fifth Republic, the powers of the French parliament were curbed. De Gaulle was elected president with strong powers and his Gaullist party won the elections to the national parliament. However, the Gaullist party had a broad composition which permitted agricultural penetration. It turned out that FNSEA had many allies in the parliament also after 1958.

In 1957 FNSEA had obtained the so-called "indexation" of farm-gate prices, which meant their near-automatic upward adjustment to rising production costs, but under the Gaullist government's policy of economic stabilisation the "indexation" was ended. This strained the relations between FNSEA and the government, and the latter established separate contacts with CNJA.

Unlike FNSEA, CNJA put relatively little emphasis on the protection of high prices. CNJA desired an active structural policy, since the prime concern for CNJA was to secure the availability of land and capital for newly established farmers. According to Keeler (1987), the contacts between CNJA and the Gaullist government in the early 1960s prepared for the creation of a

corporatist partnership between the state and FNSEA when the farm leaders in CNJA succeeded the older generation of leaders in FNSEA.<sup>113</sup>

Before 1933 German agriculture was divided between different unions, and the large Prussian land-owners formed the strongest group. However, in the late 1920s the agricultural organisations combined their forces and promoted the creation of cross-party farmer-friendly group in the national parliament, the so-called the 'green front'. Under the Third Reich German agriculture was forcibly united in a single state-controlled organisation. After 1945 the agricultural organisations were re-established on an independent basis, and the Prussian land-owners were no longer a factor. In the northern regions of the Federal Republic there was a class of middle to large farmers whereas small holdings predominated in the southern regions.

The newly founded national federation of farmers' unions, the *Deutscher Bauernverband* (DBV), soon came to have about 80% of German farmers as members. The DBV's president was also the president of the German union of cooperatives. By 1960 this personal union was ended at the national level, but it continued to exist in many federal states (*Länder*). German farmers mostly voted for the Christian Democratic Union, the Christian Social Union and the Liberal Party. The DBV was politically allied with these parties, and until the late 1990s all German ministers of Agriculture either came from the Christian Democrats or from the Liberal Party.

Like the German state, the DBV had a federal structure, and the DBV's regional member organisations were to a great extent equivalent to the federal states (*Länder*). Each of the *Länder* had its own government with a Ministry of Agriculture. The DBV's general assembly mostly served to acclaim the decisions which the member organisations took collectively in the presidium. Membership density was generally higher in the northern farmers' unions. All *Länder* except Baden-Württemberg and Bavaria had Agricultural Chambers which were corporate bodies under public jurisdiction. The DBV dominated the Agricultural Chambers, and during the growth in farm subsidies in the 1950s they became a means by which the DBV could penetrate the agricultural administration at local levels. The Agricultural Chambers, the DBV, the national union of agricultural cooperatives and the technically oriented German Agricultural Society together constituted a national confederation under the DBV's leadership.

It was official German policy to increase agricultural production and improve productivity. The prices of agricultural products should cover the production costs of well managed average farms and at the same time allow

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<sup>113</sup> Muth, 1970, pp. 19ff; Peterson, 1979, pp. 285ff; Keeler, 1987, pp. 37ff; Milward, 1992, pp. 242ff.

that the products could be bought by the lower income groups in the population. The German government sought to equalise or at least reduce as much as possible the disparity between industrial and agricultural revenue. The Agricultural Act from 1955 formalised these objectives, but it did not create legal obligations to secure a specific agricultural income level.<sup>114</sup>

2. Literature — Some works on French agriculture have been quoted: Muth, Peterson, Noël, Keeler, Scheingate, and others. There is a vast literature on the subject. There are comprehensive anthologies from 1958, 1972 and 1990.<sup>115</sup> By 1960 Mendras, Tavernier, Quiers-Valette and Rimarex wrote informative articles on contemporary events. Their emphasis was on the political rivalry between the new generation of farmers represented by CNJA and the old leadership in FNSEA.<sup>116</sup> Generally, the complex relations between traditional farm ideology and economic modernisation constitute a central theme in the works on French agricultural history in the 19<sup>th</sup> century. Important monographs include Wright (1964), Faure (1966), Barral (1968),

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<sup>114</sup> Peterson, 1979, pp. 452ff; Keeler, 1987, pp. 261f, 268-271; Hendriks, 1991, pp. 26-40, 85ff; Milward, 1992, pp. 237ff; Bühler, 1995, pp. 79ff;

Perraud, Daniel (2004): “La Transition des politiques agricoles en Allemagne”, in Hélène Delorme (ed.), *La politique agricole commune – Anatomie d’une transformation*, Paris: Presses de Science Po, pp. 101-124.

<sup>115</sup> Mendras, Henri & Fauvet, Jacques [dirs.] (1958): *Les paysans et la politique dans la France contemporaine*, Cahiers de la Fondation Nationale des Sciences Politiques no. 94, Paris: Librairie Armand Colin;

Tavernier, Y., Gervais, M., Servolin, C. [dirs.] (1972): *L’univers politique des paysans dans la France contemporaine*, Fondation Nationale des Sciences Politiques no. 184, Paris: Armand Colin;

Coulomb, P., Delorme, H., Hervieu, B., Jollivet, M., Lacombe, P. [dirs.] (1990): *Les agriculteurs et la politique*, Paris: Presses de la Fondation Nationale des Sciences Politiques.

<sup>116</sup> Mendras, Henri (1955): “Les Organisations Agricoles et la Politique”, *Revue française de science politique* vol. V, no. 4, pp. 736-760;

Quiers-Valette, Suzanne (1962): “Les Causes Economiques du mécontentement des agriculteurs Français en 1961”, *Revue française de science politique* vol. XII, no. 3 (septembre 1962), pp. 555-598;

Tavernier, Yves (1962): “Le Syndicalisme Paysan et la Politique Agricole du Gouvernement: juin 1958 – avril 1962”, *Revue française de science politique* vol. XII, no. 3 (septembre 1962), pp. 599-646;

Mendras, Henri & Tavernier, Yves (1962): “Les manifestations de Juin 1961”, *Revue française de science politique* vol. XII, no. 3 (septembre 1962), pp. 647-671;

Rimarex, Gaston & Tavernier, Yves (1963): “L’Elaboration et le Vote de la Loi Complémentaire à la Loi d’Orientation Agricole”, *Revue française de science politique* vol. XIII, no. 2 (juin 1963), pp. 389-425;

Tavernier, Yves (1964): “Le XVIII<sup>e</sup> congrès de la FNSEA (25-27 février 1964)”, *Revue française de science politique* vol. XIV, no. 5 (octobre 1964), pp. 972-988;

Tavernier, Yves (1966): “Le Syndicalisme Paysan et la Cinquième République”, *Revue française de science politique* vol. XVI, no. 5 (octobre 1966), pp. 869-912.

Tavernier (1969), Berger (1972), Gervais, Jollivet and Tavernier (1976), Boussard (1980, 1990), Cleary (1989), and Paxton (1997).<sup>117</sup>

It has become habitual to associate the French farm vote with the centre-right. However, in the older literature there was a considerable debate on the degree of active political engagement and on the political orientation of French farmers. In the 1950s the Communists, Socialists and Radicals still had a considerable minority share of the farm vote. A sizeable minority went to the extreme right until 1958, but the as a whole the centrist parties' share of the farm vote was at least equal to their share of the total vote.<sup>118</sup> The question remains whether the dispersion of the French farm vote over many political parties in the 1950s weakened or strengthened the influence of FNSEA and APPCA. The literature agrees on the absence of liberal ideological alternatives to agricultural protectionism in the 1950s. FNSEA's general demand for "fair" farm-gate prices found universal acclaim across the political spectrum.

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<sup>117</sup> Wright, Gordon (1964): *Rural Revolution in France – The Peasantry in the Twentieth Century*, Stanford, California: Stanford University Press;  
Faure, Marcel (1966): *Les paysans dans la société française*, 2<sup>nd</sup> ed., Collection U, Série "Société Politique" dir. Alfred Grosser, Paris: Librairie Armand Colin;  
Barral, Pierre (1968): *Les agrariens français de Méline à Pisani*, Cahiers de la Fondation Nationale des Sciences Politiques no. 164, Paris: Armand Colin;  
Tavernier, Yves (1969): *Le syndicalisme paysan: FNSEA, CNJA*, Fondation Nationale des Sciences Politiques, Travaux et recherches de science politique, Études syndicales no. 5, Paris: Armand Colin;  
Berger, Suzanne (1972): *Peasants against Politics – Rural Organization in Brittany, 1911-1967*, Cambridge, Massachusetts: Harvard University Press;  
Gervais, M., Jollivet, M., Tavernier, Y. (1976): La fin de la France paysanne – de 1914 à nos jours, *Histoire de la France rurale, vol. IV*, ed. George Duby and Amand Wallon, Paris: Éditions du Seuil;  
Boussard, Isabel (1980): *Vichy et la Corporation paysanne*, Paris: Presses de la Fondation Nationale des Sciences Politiques;  
Boussard, Isabel (1990): *Les agriculteurs et la république*, collection économie agricole & agro-alimentaire, dir. Philippe Chalmin & Claude Mouton, Paris: Economica;  
Cleary, M.C. (1989): *Peasants, politicians and producers – The organisation of agriculture in France since 1918*, Cambridge, New York: Cambridge University Press;  
Paxton, Robert O. (1997): *French Peasant Fascism – Henry Dorgères's Greenshirts and the Crises of French Agriculture, 1929-1939*, New York, Oxford: Oxford University Press.

<sup>118</sup> Tarrow, Sidney (1971): "The Urban-Rural Cleavage in Political Involvement: The Case of France", *American Political Science Review* vol. 65 (June 1971), pp. 341-357;

Lewis-Beck, Michael S. (1981): "The Electoral Politics of the French Peasantry: 1946-1978", *Political Studies* vol. 29, no. 4 (December 1981), pp. 517-536.

Frances Lynch has analysed French economic policy in relation to European integration in the 1950s. According to Lynch, French governments had three different options. The first one was to end agricultural protection and force people out of farming, in order to improve productivity. French governments rejected this option, for fear of creating unemployment, and because food imports would burden the trade balance. The second option was to continue agricultural protection without state involvement in farm production. This option was rejected, because it would create distributional conflicts between industrial and agricultural labour, and because inefficient structures made it difficult for a new generation of farmers to establish viable holdings. The third option, which was chosen, was to treat French agriculture as an infant industry under state guidance. The rural population constituted a larger market for French industry than the export market and agricultural expansion would be beneficial to the general economy.<sup>119</sup>

It is difficult to judge whether the relative success of FNSEA's political actions stemmed from their economic compatibility with the priorities of government planners; or whether the planners adjusted their objectives and tools to political conditions determined by parties and interest groups. It seems that the Fourth Republic's economic planners were unable to put their programmes into practice beyond a certain limit, because the rapidly succeeding governments before 1958 would meet strong resistance from political parties and interest groups if they tried to impose austerity measures and/or economic deregulation.

The literature on German agricultural politics is smaller than its French counterpart. The works of Kluge, Hendriks and Bühner have been mentioned previously. A special position is occupied by Heide Barmeyer's political biography from 1971 on the DBV's founder and first president, Andreas Hermes. The main subject is Hermes's political activities before 1933, but his activities after 1945 are also treated. After he had been outmanoeuvred by Adenauer in the leadership of the newly founded Christian Democratic Union (CDU) in 1946, Hermes dedicated himself to the organisation of German agriculture. His participation in the inner German resistance gave him great prestige after 1945.<sup>120</sup> In a book from 1963 Karl-Heinrich Hansmeyer analysed the public subsidies to German agriculture. Hansmeyer observed a stark contrast between a strongly articulated farm demand for

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<sup>119</sup> Lynch, Frances M.B. (1997): *France and the International Economy – From Vichy to the Treaty of Rome*, London, New York: Routledge, pp. 146-168, 210ff; Lynch, Frances M.B. (2000): "De Gaulle's First Veto: France, the Rueff Plan and the Free Trade Area", *Contemporary European History* vol. 9, no. 1, pp. 111-135.

<sup>120</sup> Barmeyer, Heide (1971): *Andreas Hermes und die Organisation der deutschen Landwirtschaft – Christliche Bauernvereine, Reichslandbund, Grüne Front, Reichsnährstand 1928-1933*, Quellen und Forschungen zur Agrargeschichte Bd. XXIV, Stuttgart: Gustav Fischer Verlag.

public aid to reduce the agricultural income gap and an apparent lack of interest from the general opinion.<sup>121</sup> In 1970 Paul Ackermann published his dissertation on the DBV's position in German politics, especially in relation to the introduction of a common cereals price in the EEC. Ackermann concluded that the DBV had a strong position which owed to the DBV's high membership density in combination with the strong internal coherence in the organisation, and to the DBV's ability to mobilise the farmers as a united voting block that could tip the balance in parliamentary elections.<sup>122</sup>

In an article from 1981, Erich Andrlik argued that the DBV offered important services to its members as selective incentives to membership. The DBV's internal structure favoured large-scale, full-time farmers over small-scale, part-time farmers, and public German agricultural policy also favoured the former group. However, since part-time farmers had important sources of income other than agriculture, they had little reason to invest resources into the creation of rival unions.

Andrlik further treated the relationship between the small Liberal Party (*Freie Demokratische Partei*, FDP) and the DBV. According to Andrlik, the FDP in the 1950s lacked a unifying ideology and the FDP's leadership had great difficulty in creating a coherent national party organisation. This meant that economic interest groups could infiltrate the FDP at the local level. In 1956 the FDP withdrew from the national government coalition with the Christian and Social Democrats (*Christlich-Demokratische Union/Christlich-Soziale Union*, CDU/CSU), and as a result the FDP lost its financial contributions from German industry. However, the FDP found a new financial source in German farmers. It has been estimated that by 1957 farmers and businessmen constituted about 50% of the total FDP membership but only 25% of the total population. According to Andrlik, the strong European orientation of the DBV's usual allies in CDU/CSU worried the DBV, and the DBV therefore helped the FDP to obtain a successful result at the national elections in 1961, at the expense of CDU/CSU. The FDP was often in danger of falling below the 5% access limit in national elections and was therefore dependent on the rural vote. Thus, while DBV was officially neutral in national elections, at the local level the organisation could manipulate the electoral competition between the FDP and CDU/CSU.

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<sup>121</sup> Hansmeyer, Karl-Heinrich (1963): *Finanzielle Staatshilfen für die Landwirtschaft – Zur Theorie einer sektoralen Finanzpolitik*, Tübingen: Verlag J.C.B. Mohr (Paul Siebeck).

<sup>122</sup> Ackermann, Paul (1970): *Der Deutsche Bauernverband im politischen Kräftespiel der Bundesrepublik – Die Einflussnahme des DBV auf die Entscheidung über den europäischen Getreidepreis*, diss. Universität Tübingen, Tübinger Studien zur Geschichte und Politik Band 27, Tübingen: Verlag J.C.B. Mohr (Paul Siebeck).

Andrlik found that while the DBV was generally successful in attaining its political and economic objectives, the organisation had been unable to prevent two important decisions. The first was the introduction of structural reform in the 1950s and the second was the inception of the CAP. But the DBV adapted its strategies to the new circumstances and maintained its influence on agricultural price and income policy. Andrlik found that much of literature on 'societal corporatism' contained a tacit assumption that political parties were 'bypassed' by interest associations, and Andrlik argued that this assumption was wrong. According to Andrlik, political parties appeared instrumental in enabling the DBV to determine the actions of the state only in non-conflict situations. Inter-sector conflict of interest took place at the level of political parties, which in turn influenced the reflection of this conflict at the level of the state, parliament and government. There was a latent dichotomy between the governing and electoral roles of political parties, and corporatist models underestimated their importance in the outcome of decision-making processes. The goal of every political party was to assume the role of the state, and according to Andrlik, this objective could give a political party a certain autonomous sphere in its actions.<sup>123</sup>

In an article from 1982, Helmut Bujard argued that in Germany the accumulated economic effect of price regulation, financial aid, tax relief and expenditure on agricultural social policy tended to increase in election years. However, the conclusion was only tentative, because the statistical material was limited.<sup>124</sup> In a book from 1983 Katharina Haase applied a political economy analysis to German and European agricultural policy. She found that the DBV's high membership density, the privileged relationships with government administration and the penetration of political parties all combined to create inertia in the sense of lacking organisational and political alternatives to the DBV. However, according to Haase, the fundamental factor was the DBV's ability to offer selective incentives to membership.<sup>125</sup>

Since the 1960s many scholars have investigated the inner workings and the external political influence of COPA. Since this literature has a tendency to deal only with contemporary events, the following survey will be limited to the older works. COPA was created in September 1958 by the agricultural organisations of the six EEC member states, and soon entered into contact with the EEC's institutions. The first comprehensive analyses of COPA were

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<sup>123</sup> Andrlik, Erich (1981): "The farmers and the state: Agricultural interests in West German politics", *West European Politics* vol. 4, no. 1 (January 1981), pp. 104-119.

<sup>124</sup> Bujard, Helmut (1982): "Politikverhalten in der westdeutschen Agrarpolitik", *Wirtschaftsdienst* vol. 62, no. 8, pp. 378-383.

<sup>125</sup> Haase, Katharina (1983): *Die politische Ökonomie der Agrarpolitik – Eine Untersuchung zur Anwendbarkeit der Neuen Politischen Ökonomie auf die Entscheidungen in der deutschen und europäischen Agrarpolitik*, *Agrarwirtschaft Sonderheft 98*, Hannover: Verlag Alfred Strothe, pp. 70-76, 83f.

an article by H el ene Delorme from 1969, an article by Terkel T. Nielsen from 1971, and a book by Andreas Leitolf from 1971.<sup>126</sup> William Averyt's article from 1975 on interest groups in the EEC and his book from 1977 on agricultural politics in the EEC used their findings.<sup>127</sup> In 1983, Barbara Burkhardt-Reich and Wolfgang Schuman published a detailed description of the CAP's decision-making process in the EEC and the member states.<sup>128</sup>

In April 1959 COPA established a secretariat in Brussels. The members of COPA were mainly general ('horizontal') national organisations, most often farmers' unions. Agricultural organisations in non-EEC countries were excluded from membership. When the EEC was enlarged with Britain, Denmark and Ireland in 1972, the general organisations in these countries joined COPA. In 1960 the institutional structure of COPA was established. Besides the secretariat there was an Assembly, a Presidium or executive board, and a president. Composed of representatives of the member organisations, the Presidium formulated COPA's policy. The president spoke in the name of COPA, summoned the Presidium once a month, and presided over the assembly. The secretariat became permanent. In 1973, qualified majority voting was introduced in the Presidium, but only on budgetary questions, not on major policy matters. COPA's financial resources came entirely from its member organisations. In 1959 COPA only paid for a single staff member. The budget grew during the 1960s, and especially after 1972. By 1975 the secretariat comprised 35 people.

In September 1959 a common committee of agricultural cooperatives in the EEC was formed: COGECA (*Comit e G en eral de la Coop eration Agricole*). COGECA's institutional structure was similar to that of COPA, and in 1962 the secretariats of the two organisations merged. Outside COPA there was a

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<sup>126</sup> Delorme, H el ene (1969): "Le r ole des forces paysannes dans l' laboration de la politique agricole commune", in: *Revue fran aise de science politique* XIX(2), April 1969, pp. 356-391;

Nielsen, Terkel T. (1971): "Aspects of the EEC Influence of European Groups in the Decision-Making Process: The Common Agricultural Policy", *Government and Opposition*, 6, autumn 1971, pp. 539-558;

Leitolf, Andreas (1971): *Das Einwirken der Wirtschaftsverb nde auf die Agrarmarktorganisation der EWG*, Schriftenreihe Europ ische Wirtschaft Bd. 58, publ. Heinrich Rieber, Baden-Baden: Nomos Verlagsgesellschaft.

<sup>127</sup> Averyt, William F., Jr. (1975): "Eurogroups, clientela, and the European Community", in: *International Organization* 4/1975, pp. 949-972;

Averyt, William F., Jr. (1977): *Agropolitics in the European Community: Interest Groups and the Common Agricultural Policy*, New York: Praeger Special Studies.

<sup>128</sup> Burkhardt-Reich, Barbara & Schumann, Wolfgang (1983): *Agrarverb nde in der EG: Das agrarpolitische Entscheidungsgef uge in Br ssel un in den EG-Mitgliedstaaten unter besonderer Ber cksichtigung des Euro-Verbandes COPA under seiner nationalen Mitgliedsverb nde*, Schriftenreihe Europa-Forschung Bd. 5, Kehl am Rhein, Strassbourg: N.P. Engel Verlag.

European association of sugar beet producers, but in general COPA was able to prevent the creation of independent European sector associations. According to Averyt (1977), French wheat producers would have preferred a more independent position for specialised interests, but the German farmers' unions would not accept that. Averyt (1977) observed that in general the COPA leaders represented large farms, mostly in areas such as grains and commercial livestock operations. National unions were often led by elites of large farmers and this pattern was reflected in COPA.

The COPA Presidium had meetings with the European Commissioner for Agriculture on a regular basis. When the national organisations were able to agree on a common position in COPA, they could put pressure on their respective ministers of Agriculture to have a similar policy decided in the Council of Ministers. These procedures made up the majority of the relations between COPA and EEC institutions. COPA's influence was limited by the fact that it only participated in the first phase of the decision-making process, that of framework decisions. The second phase – detailed legislation and administration – was carried out by the Commission, the national governments and the EEC's Management Committees.

In an article from 1984 Susan Senior Nello analysed the influence of farm interests on the CAP. Like Katharina Haase (1983) and all other scholars mentioned, Senior Nello found that the political alliance between national agricultural organisations and the respective national Agriculture ministries constituted a strong factor in the CAP's decision-making process. According to Senior Nello, the common financial responsibility in the CAP had the perverse effect of encouraging each member state to demand higher price support for its products and expand its own production, as the financial costs of price support to a great extent were paid by others. In theory the European Commission could sidestep the agricultural lobby, since the Commission was not dependent on the farm vote in elections. However, in practice, so Senior Nello, the European bureaucrats' own considerations of prestige and career made them inclined to seek collaboration with organised agriculture in the practical implementation of the CAP.<sup>129</sup>

3. Working questions — In the literature on German agricultural politics there is agreement on the existence of several components of the power basis of agricultural organisations: their high membership density; their privileged relations with the Ministry of Agriculture and with major political parties; their ability to control the farm vote and use it to manipulate the electoral competition between political parties; etc. Since the 1970s the literature has

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<sup>129</sup> Senior Nello, Susan (1984): "An application of Public Choice Theory to the question of CAP reform", *European Review of Agricultural Economics* 11, pp. 261-283.

pointed to the ability of the German farmers' unions to offer selective incentives of a material kind to members. The high membership density constituted the internal part of the total power basis, and this part was most close to the agricultural organisations themselves. Privileged relations with the FDP and CDU/CSU constituted an external part of the total power basis. Farm ideology seems to have been that factor which assured that farmers not only joined the DBV and agricultural cooperatives, but also to a great extent voted as a block following the DBV's recommendations in public elections. For the individual farmer, tangible economic and social benefits from DBV membership and the practical experience of agricultural organisation at work probably gave content and meaning to farm ideology. In this way, ideology served to politicise a farm identity which was essentially social.

The national and *Länder* Agriculture ministries may have been 'captured' by the DBV in the sense of farm penetration at the level of bureaucrats and technicians. However, even though the 'capture' influenced the course of politics when the ministry prepared for legislation and when decisions were delegated to ministerial administration, the 'capture' was a consequence rather than a cause of the DBV's political influence. Apart from the obviously important question of the candidate's qualifications in terms of experience and expertise, the appointment of top civil servants in the Ministry of Agriculture was a very political affair. At the national level the appointment of a minister and his top civil servants constituted a delicate compromise between regions and religious confessions in the ruling government coalition and especially within CDU/CSU. These processes are described in detail in Kluge (1989).

The DBV supported the appointment of Heinrich Lübke to German minister of Agriculture in 1953, but in 1957 the DBV unsuccessfully tried to have him removed from that post. When the German parliament in 1959 elected Lübke to become the president of the country, he was succeeded as minister of Agriculture by Werner Schwarz, a large farmer from Northern Germany. Hermes was the DBV's president until 1954 and continued to represent the DBV in international agricultural organisations. After 1954 DBV had a collective leadership, but the strong man was Edmund Rehwinkel who represented the large farmers in Northern Germany. In 1959 Rehwinkel became the DBV's president.<sup>130</sup> As minister of Agriculture, Lübke gained a reputation for being strong-willed and independent. He kept a certain distance to the DBV, accelerated structural policy and tried to follow a middle course between the interests of producers and consumers. It might seem as if the DBV made a miscalculation by supporting his appointment to minister of Agriculture in 1953, but this is probably not the case.

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<sup>130</sup> Kluge, 1989, pp. 85f, 167f, 236, 259f, 262f.

Lübke had a past record of trying to defend German democracy in 1933 and had spent 20 months in prison. Hermes had gone further in the German resistance and had figured on the list of people to form a national government after the intended take-over in July 1944. He was waiting on death row in Berlin when he was liberated by the Soviet Army in 1945.<sup>131</sup> Lübke joined CDU in 1945 and was minister of Agriculture in Nordrhein-Westfalen in 1947-1952. During this time he made pioneering efforts at agricultural structural reform. Subsequently he worked as a director in the national union of agricultural cooperatives until he became German minister of Agriculture in 1953.

Hermes, who as president of the cooperatives in 1952-1953 had worked together with Lübke, had every opportunity to evaluate Lübke's policies, opinions, personality, background and qualifications, before he supported Lübke's appointment to the post of German minister of Agriculture. It was clearly an attempt to maintain a synthesis between the agricultural interest and general national policy, giving the first priority to agriculture's strategic position in the political system. It was perhaps also a tacit recognition that farm rationalisation was inevitable in the long run. In that case the real issue was not to prevent an active structural policy, but to secure that additional expenditure was allocated to structural policy on the state budget, instead of having an expanded structural policy financed by a reduction of other farm subsidies. The main opponent against the growth of structural policy expenditure seems to have been not the DBV, but the Ministry of Finance.<sup>132</sup>

Public expenditure to social security in agriculture was growing, especially after the German parliament passed a law on agricultural pension in 1957. Kluge (1989) stressed that the introduction of obligatory and state-supported pension schemes in relation to farmers broke with old conceptions. The prevailing opinion had been that farmers as independent businessmen should secure themselves. Much of the initiative to an active social policy in agriculture came from CDU/CSU, and it was supported by the DBV despite opposition from many farmers.<sup>133</sup> The conclusion is that DBV could exert strong pressure on central political parties (CDU/CSU and FDP) because of their competition for the farm vote. However, these parties also voluntarily laid themselves open to agricultural penetration, and their involvement in agricultural policy went beyond a simple bidding for farm votes.

In comparison with the German counterpart, the literature on agricultural politics in France in the 1950s is not only more voluminous, but also more in

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<sup>131</sup> Hermes, Anna (1971): *Und setzt ihr nicht das Leben ein: Andreas Hermes – Leben und Wirken: Nach Briefen, Tagebuchaufzeichnungen und Erinnerungen*, Stuttgart: Seewald Verlag; Barmeyer, 1971, pp. 120ff, 145ff, 150ff.

<sup>132</sup> Kluge, 1989, pp. 187ff.

<sup>133</sup> Kluge, 1989, pp. 210f.

disagreement with itself. One of the unresolved questions is the relationship between APPCA and FNSEA. Keeler notes that in the elections to local Chambers of Agriculture a considerable number of farmers who were not member of FNSEA voted for candidates promoted by that organisation. Penetration of local Chambers of Agriculture provided some of the poorest local branches of FNSEA with indirect but indispensable logistic support.<sup>134</sup>

On this point, Keeler refers to the work from 1976 of Michel Gervais, Marcel Jollivet and Yves Tavernier on French agricultural history since 1914, but Keeler does not refer to another point stressed by these authors in the same context: according to Gervais, Jollivet and Tavernier, the Chambers of Agriculture in the 1950s became a motor in the French farmers' movement and they expressed their own opinion in independence from FNSEA. As a result, APPCA and FNSEA were often in conflict with each other, despite the fact that both organisations were led by nearly identical elites of large farmers, had their respective headquarters located in the same building in Paris, had a considerable overlap of leadership, and had similar views on agricultural policy.<sup>135</sup>

As a corporate body, APPCA received a special tax from farmers and was therefore financially independent. In his work from 1964 on French agricultural history, Gordon Wright had been among the first scholars to point to a structurally determined rivalry between APPCA and FNSEA.<sup>136</sup> Muth (1970) concluded that while none of the two organisations would admit to the existence of a power struggle between them, elements of a continuing conflict, frequently based on personal antagonisms, could be detected without difficulty. René Blondelle, who as general secretary and then president of FNSEA had brought this organisation to a leading position in French agricultural politics, became president of APPCA in 1952. During two years he was president of both organisations, but in 1954 he resigned as president of FNSEA while he remained president of APPCA.

With growing insistence APPCA claimed to speak on behalf of all people engaged in French agriculture. FNSEA responded by trying to have APPCA's statutes altered in order to secure penetration by FNSEA. According to Muth, the agricultural lobby in the French parliament became divided. FNSEA's political friends in the National Assembly initially had some success in obtaining a change in APPCA's statutes and election procedures, but after 1954, APPCA's political friends in the Senate stalled all further attempts at this. However, when CNJA in the late 1950s entered the political scene with demands for an active structural policy, etc., the

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<sup>134</sup> Keeler, 1987, pp. 51-54.

<sup>135</sup> Gervais, Jollivet, Tavernier, 1976, pp. 459f.

<sup>136</sup> Wright, 1964, pp. 134-136.

traditionalist elites in APPCA and FNSEA joined forces against the newcomer.<sup>137</sup> In an article by Pierre Coulomb and Henri Nallet and in an article by Christiane Mora, both to be found in the same anthology from 1972, the fundamental question was laid clear.

According to Coulomb and Nallet, FNSEA had not decided the conditions of its creation, nor its statute. In the original CGA framework, FNSEA had been a member organisation that represented the farmers in the strict sense of land owners who lived and worked on their possession. Farm labourers, absentee landlords, share-croppers and tenant farmers were excluded. In the early 1950s, when CGA had been defeated while APPCA was becoming a potential rival, FNSEA sought to expand its membership. At the ideological level, FNSEA used the family farm concept to downplay the difference between tenants and self-owning farmers, etc.<sup>138</sup> According to Mora, APPCA's statute from 1924, which remained valid after 1945, permitted the delegation of considerable powers of farm legislation to the organisation. It was not only a question whether APPCA or FNSEA should represent French agriculture in relation to the government. APPCA's statute and ideology contained the perspective of the organisation becoming an autonomous legislature for the sector.<sup>139</sup>

Scholars generally agree that specialised producer associations had a highly autonomous and influential position in FNSEA. In particular the wealthy producer associations for wheat and sugar beet, whose leaders were part of FNSEA's elite of large farmers, exerted strong influence in FNSEA. In 1950s FNSEA to a great extent delegated the formulation of European policy to the leaders of the specialised producer association for wheat growers, the *Association Générale des Producteurs de Blé* (AGPB). Muth argued that the dependence on financial support from the associations for wheat and sugar beet producers placed FNSEA in a vicious circle. As the influence of these organisations was reflected in FNSEA's official policy, small and non-specialised farmers were alienated from membership. The declining number of paying members among farmers again increased FNSEA's need for financial support from the specialised associations.<sup>140</sup>

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<sup>137</sup> Muth, 1970, pp. 37-43.

<sup>138</sup> Coulomb, Pierre & Nallet, Henri (1972): "Les organisations syndicales agricoles à l'épreuve de l'unité", in: Yves Tavernier, Michel Gervais, Claude Servolin (dirs.): *L'univers politique des paysans dans la France contemporaine*, Fondation Nationale des Sciences Politiques no. 184, Paris: Armand Colin, pp. 379-413, esp. pp. 384f.

<sup>139</sup> Mora, Christiane (1972): "Les Chambres d'Agriculture et l'unité paysanne", in: Yves Tavernier, Michel Gervais, Claude Servolin (dirs.): *L'univers politique des paysans dans la France contemporaine*, Fondation Nationale des Sciences Politiques no. 184, Paris: Armand Colin, pp. 507-531.

<sup>140</sup> Muth, 1970, pp. 30f.

As Keeler put the main emphasis on material and selective incentives to membership, he did not subscribe to Muth's argument. According to Keeler, the financial contributions from specialised producer associations to the federation allowed the latter to undertake a certain redistribution of resources between the richer and poorer departmental farmers' unions. There was a relatively low minimum sum which every departmental farmers union should pay to the national federation, and in addition to this sum each departmental member union paid another amount which was decided by the income level of its individual members. The national federation provided vital logistical support to its poorer member unions, so that the latter could offer a minimum of selective incentives to membership.<sup>141</sup>

The conclusion is that as long as FNSEA, APPCA, CNMCCA and the specialised producer associations worked together, they would possess a solid power basis. One part of their power basis was not located at the political level, but consisted of their farm membership and their economic and political functions. This part of their power basis was divided along regional, functional and economic lines. Another part of their power basis was located externally at the political level. This part was divided along party-political lines, and the farm lobby was only able to create a certain degree of cross-party unity on the centre-right side of the political spectrum. French agriculture sent increasingly composite delegations to international committees and confederations. FNSEA and the specialised producer associations could work out arrangements among themselves, but APPCA and CNMCCA also demanded representation. Perhaps because the rivalry between FNSEA and APPCA precluded other solutions, the fiction of CGA officially representing French agriculture in IFAP was maintained.

Particular agricultural policies did not originate solely from the agricultural organisations. Firstly, some policies were introduced in response to partly uncontrolled mobilisations of farmers. Secondly, the political parties also acted on their own behalf. However, until 1958 the general picture was that most political initiatives came from FNSEA or were channelled through that organisation before they reached the parliamentary level. The centre-right side of the political spectrum was divided between several parties. There was no political giant party like CDU/CSU with the ability to carry out farmer-friendly policies on its own account. As in Germany, the concept of market organisation was widely accepted. However, the French political context was more confrontational, and French farm ideology constituted a political and rhetorical weapon that was used by all actors.

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<sup>141</sup> Keeler, 1987, pp. 53f.

### 2.3.7. Works on Dutch agricultural politics

Since the 1920s the Netherlands had three national farmers' organisations. The largest was the Catholic farmers' organisation, the KNBTB (*Katholieke Nederlandse Boeren- en Tuindersbond*); the second-largest was the inter-confessional KNLC (*Koninklijk Nederlands Landbouw-Comité*); the smallest was the Calvinist CBTB (*Christelijke Boeren- en Tuindersbond*). There were also three national farm labourers' organisations: one Catholic, one inter-confessional, and one Calvinist. In 1944 these six organisations established common umbrella organisation, the *Stichting voor de Landbouw*. The six organisations remained independent and maintained their non-political and political functions. But in consultations with the Dutch government they were represented by the *Stichting voor de Landbouw*.

In 1954 the *Landbouwschap* was established. It replaced the *Stichting voor de Landbouw*, with the same six member organisations and with an identical function as the representative of Dutch agriculture consultations with the government. However, unlike the *Stichting voor de Landbouw*, the *Landbouwschap* served as a medium for channelling large sums of government expenditure to technical improvement down to the local level, and the *Landbouwschap* was under public jurisdiction. A policy of public support to agricultural technical improvement, education, etc. had begun in the late 19<sup>th</sup> century. The farmers' unions grew up around the creation of educational, advisory and technical services. Since the 1880s the agricultural cooperative movement flourished, and the agricultural cooperatives were in many cases connected to the farmers' unions.

The Netherlands traditionally pursued a policy of agricultural free trade, but in the 1930s the world-wide economic depression and the fall in agricultural prices led to government intervention. Profound regulation of agricultural prices, production, imports and exports was introduced, and regulating agencies were set up along with large funds and marketing boards. This system did not have a ministry of its own, but was an autonomous entity under the Ministry of Economic Affairs. Only in brief periods did the Netherlands have a Ministry of Agriculture. In 1945 the Dutch liberation government established an independent Ministry of Agriculture once and for all. The ministry established regular contacts with the *Stichting voor de Landbouw* and after 1954 with the *Landbouwschap*.

The Netherlands was a pillarised society, almost divided into three parallel societies: Catholic, inter-confessional and Calvinist. Each pillar had its own dominant political parties which were at the centre of wide networks of confessional private organisations. The farmers' unions and farm labourers' organisations were parts of the respective confessional pillars. The KNBTB was connected to the Catholic People's Party (*Katholieke Volkspartij*, KVP). The CBTB was connected to the Calvinist Antirevolutionary Party (*Anti-revolutionaire Partij*, ARP) and to the likewise Calvinist Christian-Historical

Union (*Christelijk-Historische Unie*, CHU). The KNLC had connections to the Liberal Party (*Volkspartij voor Vrijheid en Democratie*, VVD). The Landbouwschap had no authority over the member organisations' actions in their respective confessional pillars, but a voluntary coordination of their actions was the natural consequence of their united representation in the Landbouwschap in consultations with the Dutch government.

When Germany invaded the Netherlands in 1940, the Dutch government fled to Britain; the military liberation in 1944-1945 was slow and devastating; in the western regions thousands of people died from hunger in the winter 1944-1945. The Germans and Dutch collaborators tried to create a single, unified corporate agricultural union. The Dutch farm workers' unions were suppressed, and the farmers' unions dissolved themselves on paper in order to remain independent. However, the Dutch state administration continued to work under the occupation and until 1944 the economic cooperation between the Netherlands and Germany was efficient. The machinery that had been set up to regulate agricultural production and prices in the 1930s succeeded in supplying the Dutch population with food while serving the German war economy. The famine in the winter 1944-1945 did not mainly result from lacking food production, but rather from the disruption of transportation.<sup>142</sup>

Alan David Robinson: *Dutch Organised Agriculture in International Politics* (1961) analysed the political activities of Dutch agricultural organisations on international economic cooperation after 1945. Robinson's framework was pluralist group theory. However, Robinson put much emphasis on the fact the Landbouwschap, as well as the commodity boards (*Produktschappen* – the successors of the marketing boards from the 1930s), were so-called 'corporate groups'. Such groups were organisations of producers and traders, endowed with legal powers, and designed to promote the interests of their members within the limits of the general interest. The relationship between a corporate group and the persons covered by it resembled the relationship between the state and its citizens. Persons covered by the corporate group could not avoid being subject to its rules except by leaving the profession.

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<sup>142</sup> Trienekens, Gerardus Maria Theresa (1985): *Tussen ons volk en de honger: De voedselvoorziening, 1940-1945*, diss. Landbouwhogeschool te Wageningen, Utrecht: Stichting Matrijs;

Barnouw, David & Nekkers, Jan (1991): "The Netherlands: State Corporatism against the State", in: Wyn Grant, Jan Nekkers, Frans van Waarden (eds.): *Organising Business for War: Corporatist Economic Organisation during the Second World War*, New York/Oxford: Berg, pp. 137-162;

Knibbe, Merijn (1993): *Agriculture in the Netherlands 1851-1950 – Production and Institutional Change*, Amsterdam: NEHA, pp. 206ff;

van Zanden, Jan L. (1998): *The economic history of the Netherlands 1914-1995: A small open economy in the 'long' twentieth century*, London: Routledge, pp. 118ff.

Robinson defined 'interest groups' as politically active organised groups other than those established by law and other than political parties. Dutch farmers' and farm workers' organisations were interest groups. Robinson declined to use the term 'pressure group' which he found narrow and one-sided. Groups seeking to influence public institutions often did many things beside political activity. On the other hand, Robinson admitted that the term 'interest group' had economic connotations which might lead to a mistaken restriction of the term to groups whose main concern was the promotion of their members' economic interest. Robinson enumerated four features of an interest group's political activities: intensity, channels, styles and effectiveness. *Intensity* could be fervour and persistence, or the relative importance of an issue. *Styles* could be direct contact (bargaining or advice), penetration, persuasion of public opinion, provision of finance, pressure, or use of rule-making power. *Channels* could be direct or indirect. *Effectiveness* meant success in exerting influence.

Since it was difficult to measure the 'influence' of an interest group, Robinson considered it to be the best solution to look on the combination of an interest group and a "clientele" department. There could be a two-way relationship between an interest group and an institution with "feedback" from the latter to the former. It might also be that the institution anticipated the interest group's reactions and selected a course of action which left the interest group satisfied and passive. As for the relations between interest groups and political parties, Robinson pointed to party discipline as an important factor. Strong party discipline tended to protect the ordinary member of parliament against demands from interest groups claiming to control marginal votes in the parliament member's constituency.<sup>143</sup>

Robinson stressed the two-way interaction in the relationship between the agricultural organisations and the Dutch government. The agricultural organisations enjoyed a close relationship with the Ministry of Agriculture, in which each partner had influenced the other and coordination of views was secured. Until circa 1955 the political initiative in international matters mostly came from the ministry. But in the years thereafter, partly as a consequence of their increasing experience with international work, Dutch agricultural organisations were able on several occasions to take the initiative and convince the ministry of the merits of their views.

Robinson found that the principal styles of political activities of Dutch organised agriculture were penetration and direct contact. Application or threat of sanctions rarely occurred. Persuasion of public opinion was only an exceptional and supplementary method. Organised agriculture completely

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<sup>143</sup> Robinson, Alan David (1961): *Dutch Organised Agriculture in International Politics*, diss. Vrije Universiteit Amsterdam, The Hague: Martinus Nijhoff, pp. 1-26.

penetrated the Landbouwschap and partly penetrated the commodity groups. The six private agricultural organisations normally only had direct contact with governmental groups through the various bodies which they penetrated. The most important use of direct contact was the close relationship between the Ministry of Agriculture and organised agriculture acting through the Stichting voor de Landbouw/Landbouwschap. According to Robinson, Dutch organised agriculture was cohesive, had considerable expertise and skilful political leaders, and the membership had significant potential electoral strength. Some of the central political parties in the Netherlands were highly dependent on rural support.<sup>144</sup> But in the international area the political views of Dutch agriculture were opposed by organised agriculture in most other countries.<sup>145</sup>

Robinson's analysis of Dutch organised agriculture toward the Green Pool and the EEC emphasised commercial interests. The transfer of national sovereignty to a European Community was considered as a means to overcome national protectionism, so as to promote agricultural exports. The relatively limited attention given to the inner workings of Dutch agricultural politics was paralleled by a relatively limited treatment of the CAP as a political system. Still, Robinson laid clear an underlying line of thought in the Dutch position toward the EEC. The traditional Dutch belief in the moral authority of the government was projected upon the European Commission, and the preference for well-behaved political styles of penetration and direct contact was maintained in the Dutch actions in the European context.<sup>146</sup>

The political scientist S.L. Louwes analysed Dutch agricultural politics in his article *Het gouden tijdperk van het groene front: het landbouwbeleid in de na-oorlogse periode* (1980). According to S.L. Louwes, agricultural organisations sought to penetrate political parties and parliaments, etc. By the creation of an independent Ministry of Agriculture and the appointment of a friendly-minded minister they sought influence in government.

Dutch agriculture achieved these aims when an independent Ministry of Agriculture was established in 1945. But the ways in which the Dutch agropolitical subsystem was structured were influenced by general developments in Dutch society. The expansion of government intervention in the Dutch economy in the 1930s led to an ideological debate on the relations between state and society. Between the respective ideologies of liberalism, socialism, communism, fascism, etc., corporatism in its societal version seemed to offer a middle-solution. In a system of corporate trade organisations with autonomous regulatory powers under government supervision there would

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<sup>144</sup> Robinson, 1961, pp. 35-69.

<sup>145</sup> Robinson, 1961, pp. 172-181.

<sup>146</sup> Robinson, 1961, pp. 78-139.

be neither laissez-faire nor total state control. The revised Dutch constitution from 1938 opened the way for the creation of corporate bodies.

In the 1950s it became clear that sector-based corporate bodies could only take root in one sector, agriculture, and most of the regulation of the farm labourers' wages and working conditions was transferred to cross-sector bodies. The central corporate body, the Landbouwschap, became an organ of unified agricultural political representation, and not so much an organ of self-regulation. The fact that the political partner of the Dutch government in agricultural policy was a corporate organisation for farmers and farm workers made the Netherlands unique in the EEC.<sup>147</sup>

S.L. Louwes operated with the notion of a 'green front' which signified agricultural representation in parliament. According to S.L. Louwes, the political activities of Dutch agricultural organisations took place in two phases. Firstly, they needed to convince their own members of the usefulness of the policy they proposed. Secondly, they needed to infiltrate the political parties and prepare the ground for a favourable treatment in the parliament. In both phases it was necessary to obtain consensus within agriculture. At the level of policy principles the inherent trade-off in agricultural policy between economic effectiveness and security was described in general terms that everyone could subscribe to, while no specific obligations were imposed on decision-makers. At the level of concrete policy the question of the relation between production costs and net income was referred to calculations by technical agencies. This again meant that agricultural income distribution policy was formulated in non-ideological language. Although S.L. Louwes did not use this expression, the argument was that the internal distributional conflicts within Dutch agriculture were solved by externalising to general society the costs suffered by the losers.<sup>148</sup>

S.L. Louwes analysed the decision-making process in the CAP in his book *Landbouwbeleid in de EG: het besluitvormingsproces* (1986). S.L. Louwes first analysed the emergence of a so-called 'agricultural circuit' in the Netherlands before 1960, a development which he regarded as representative of similar developments in all EEC member states. Thereafter S.L. Louwes analysed the emergence of an 'agricultural circuit' in the CAP. According to S.L. Louwes, official policy objectives were often facades that provided justification in retrospect of the policies chosen. There were two trends in the decision-making process in political economy. First, there was a trend towards compartmentalisation and segmentation (*verkokering*), i.e., the

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<sup>147</sup> Louwes, S.L. (1980): "Het gouden tijdperk van het groene front: het landbouwbeleid in de na-oorlogse periode", in: H.B.G. Casimir, A.K. Constandse, H. Daudt (eds.): *Nederland na 1945: Beschouwingen over ontwikkeling en beleid*, Deventer: Van Loghum Slaterus, pp. 223-249, esp. pp. 223-229.

<sup>148</sup> Louwes, 1980, pp. 228, 234-238, 245.

formation of closed, nearly independent political circuits within which a certain field of political activities was influenced by interest organisations. Second, there was a trend towards the formation of interest groups where a common social basis at the level of individual voters was translated into distribution-oriented group egoism at the political level.

The segmentation of government created an ideal climate for distribution-oriented group egoism, especially when public spending led to a separation between payers and receivers. At the government level a striving for minimising conflicts between ministers and parties led to the toleration of nearly independent policy sectors. At the parliament level there was a similar tendency to mutual acquiescence between special interests. In the individual sectors there was a constant search for harmony between the resort ministry and the permanent parliamentary committee, and each individual department tried to make its own budget as large as possible. These factors combined to create an upward trend in public budgets.<sup>149</sup>

According to S.L. Louwes, Dutch agricultural organisations never tried to establish a farmers' party, because political influence could be obtained in a far more effective way by working through the respective political parties to which the organisations were connected. The political parties had so-called 'fraction specialists' which represented their parliamentary groups in the respective permanent policy committees of the Dutch parliament. The permanent policy committees had a certain monopoly in the preparation of legislation in parliament, and the parliamentary groups usually followed the opinions of their fraction specialists. By providing the fraction specialists in agricultural matters in the KVP, ARP, CHU and VVD, the agricultural organisations could obtain strong influence on agricultural policy in these parties, in the permanent policy committee of the Dutch parliament, and in the legislation. The agricultural influence in the political parties was exerted in the formulation of the section on agriculture in the party programme and in the nomination of party candidates in elections.

The establishment of an independent Ministry of Agriculture in 1945 was important for the agricultural influence, because from then on the ministry could defend its own budget in the government. Previously the ministry was only a department in another ministry (Economic Affairs), and as such it competed with other departments at lower levels in that ministry for the greatest possible share of the ministry's budget. The establishment of the Ministry of Agriculture in 1945 and the regular and privileged contacts of the Landbouwschap to the ministry meant that Dutch agriculture obtained direct access to the Dutch government. According to S.L. Louwes, this

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<sup>149</sup> Louwes, S.L. (1986): *Landbouwbeleid in the EG: het besluitvormingsproces*, The Hague, January 1986, Wetenschappelijke Raad voor het Regeringsbeleid, pp. 1-9.

reflected a general willingness on part of the Dutch political system to let itself be penetrated by the agricultural interest after 1945. As a result, there was a relatively closed 'agricultural circuit' in Dutch politics in the 1950s.<sup>150</sup>

S.L. Louwes found that there existed an agricultural policy subsystem in the EEC already in 1960. Almost all the elements which existed in such a subsystem at the national level were present in the EEC. There were a general agricultural organisation at the EEC's level (COPA), an agricultural section in the EEC's consultative Economic and Social Committee, an agricultural committee in the European Parliament, a Commissioner for Agriculture and an independent Directorate-General for Agriculture in the European Commission, and a separate Council of Agriculture Ministers within the Council of Ministers. All parties involved in the creation of the CAP had practical experience from working in agricultural subsystems at the national level, and they applied their usual working methods to the EEC.<sup>151</sup>

Further, S.L. Louwes analysed the political functions, structure and ideology of Dutch farmers' unions. Their cooperation in the Landbouwschap was important for their political influence, because the corporate financing of the Landbouwschap (by compulsory membership fee for all Dutch farmers) made it possible to employ a strong and highly skilled secretariat in that organisation. The social and political contacts with the individual farmer went through the farmers' unions and the cooperatives. Each of the three national farmers' organisations had a well developed structure with active local associations and periodicals, offering many services to farmers.<sup>152</sup>

Dutch farmers' organisations named themselves "trade organisations", *standsorganisaties*. This was an expression of the identity of Dutch farmers as a class or profession which was internally coherent as a social group and which was distinct from other groups in society. According to S.L. Louwes, Dutch farmers constituted a socially integrated group, because they generally were in non-competitive economic relation to one another, had cooperative and coordinated interactions, had converging views of the world, had mutual esteem as professionals, and were willing to act in common. By comparison, the members of middle classes in small trade were in competitive relation to one another and their common views of the world did not stretch over so great a range of economic policy.

According to S.L. Louwes, the coherence of a socially integrated group would vanish in a changing society unless there was a continuous adjustment of group values and norms to the external conditions. For instance, the Dutch

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<sup>150</sup> Louwes, 1986, pp. 21-29.

<sup>151</sup> Louwes, 1986, pp. 46-46, 56-66.

<sup>152</sup> Louwes, 1986, pp. 19f, 24.

arable farmers with large holdings had previously been employers with more than ten hired workers per farm. Progressive mechanisation had turned them into their own “first” workers, and their lifestyle and social status had been drastically altered, but they always identified themselves as farmers.

Scholars gave different definitions to the term ‘ideology’, but according to S.L. Louwes, all definitions placed ‘ideology’ in the psychological sphere of thought, will and feelings. Ideology provided content to values and norms in human life and gave justification to human existence. For a group a common ideology could have a strong integrating function. An ideology could justify the group’s position in society, and by expressing common feelings it could provide motivation to common action aiming at defending the group’s own values and expectations. In order to fulfil its integrating function an ideology did not need to consider the real world in objective terms. Like power relations, ideologies often came into being in crisis situations, and ideologies were not constantly adapted to the present world.

According to S.L. Louwes, the confessional differences did not prevent Dutch farmers from sharing a common ideology as a class or profession. The farmers’ ideology emphasised the fundamentally different position and character of the group in comparison with the rest of society. Farmers constituted a special group in society, because they worked with living material, depended on weather and climate, and administered a production factor which could not be replaced, the land. Agricultural production was organised in the family farm and this meant that social life, culture and occupation were integrated. Farmers were independent businessmen and were suppliers of food. To these elements German farm ideology added the mission of farmers as preservers of conservative values, etc. Dutch farm ideology did not go so far, but Dutch farmers did feel that they constituted a particular and valuable group in society. They demanded a special position in economic policy, because the unrestricted, free workings of market forces would not give farmers the income level to which they were entitled.<sup>153</sup>

In 2001 the Dutch historian Rolf E. van der Woude published a book on the history of the Calvinist farmers’ organisation (CBTB): *Op goede gronden: Geschiedenis van de Christelijke Boeren en Tuindersbond (1918-1995)*. In an introductory chapter van der Woude outlined a theoretical model for analysing the CBTB as an interest organisation. According to van der Woude, political leaders in the Antirevolutionary Party (ARP) in 1918 took the initiative to establish the CBTB along with Calvinist organisations for middle-class businessmen and for employers. The growing state involvement in economic life under the war 1914-1918 worried the ARP’s leaders. They saw the creation of trade-based interest organisations as a means to insert a

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<sup>153</sup> Louwes, 1986, pp. 13-19.

mediating link between the state and the ordinary citizen, so that the state did not become all-powerful. The economic regulation in 1914-1918 led to an accelerated creation of interest organisations in Dutch society, and the formation of the CBTB was part of this trend.

The first objective of the CBTB, as for most other interest organisations, was to obtain recognition from the government, because the position as an equal partner was the precondition for gaining concessions in negotiations with the government. Over time a trustful relationship could be developed between the government and the interest organisation, and this could then lead to the delegation of executive and/or legislative tasks from the former to the latter. According to van der Woude, the ARP's leaders in 1918 had such visions for the future when they established the CBTB.

In relation to the floor members, an interest organisation will usually employ a combination of different means: ideology, leadership, collective and selective material incentives, and, in a corporatist system, possibly coercion. Like other interest organisations, the CBTB had the perennial problem of finding the right balance between political passivity and action. If the organisation is too passive, members may take radical action on their own account. If the organisation is too active, the relation with the government can be strained. Once the government has recognised the organisation as an equal partner, the organisation is in constant danger of being too tightly embraced by the government.

According to van der Woude, an interest organisation can have three primary tasks: 1) to handle and communicate values and norms, 2) to defend the members' material interests, and 3) to deliver services. All organisations in the middle sphere of society have these three functions, but for lack of resources the organisations must establish an order of priorities. An organisation will give priority to that function which is most closely related to the organisation's principal purpose. However, the optimal strategy for an interest organisation will probably be a compromise between the three tasks rather than one-sided specialisation into one of them. The CBTB was ideologically and politically deeply embedded in the Calvinist pillar of Dutch society, but at the same time, the CBTB had to adapt its interest formulation and service functions to the technical and economic evolutions in Dutch agriculture. Van der Woude analysed the CBTB's history as a continuous search for internal consensus on the prioritising between principles and material policies.<sup>154</sup>

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<sup>154</sup> van der Woude, Rolf E. (2001): *Op goede gronden: Geschiedenis van de Christelijke Boeren en Tuindersbond (1918-1995)*, Hilversum: Verloren, pp. 17-29, 84-90, 551, 558.

In 2005 the Dutch historian Evert Jan Krajenbrink defended a dissertation on the history of the Landbouwschap: *Het Landbouwschap: 'Zelfgedragen verantwoordelijkheid' in de land- en tuinbouw 1945-2001*. Krajenbrink's findings confirmed S.L. Louwes's evaluation of the processes leading to the creation of the Landbouwschap in 1954. However, Krajenbrink emphasised the Landbouwschap's chronic legitimacy problem in relation to the farming population. Farmers who were organised in the Landbouwschap's member organisations could only exert indirect influence, and unorganised farmers, who paid a corporate charge to the Landbouwschap, had no influence at all. Generally Dutch farmers could better accept the vertical commodity boards (produktschappen) than the Landbouwschap. Firstly, the corporate charge to the produktschappen was only paid indirectly through trade and industry. Secondly, as a horizontal organisation the Landbouwschap was mainly dealing with macro-polity matters, while the produktschappen were closer to farm-level agricultural issues.<sup>155</sup>

According to Krajenbrink, no single theoretical model can provide a complete analysis of all the Landbouwschap's power resources. The corporatist model can explain a great part, however. The Landbouwschap had the typical signs of a corporatist group: integration between state and private business, granting of privileges from the state to an official client, internal and external discipline, elitist leadership, and a relatively closed so-called 'green network'. Krajenbrink concluded that the powers and financial resources which the Landbouwschap possessed in its position as a corporate group were an indispensable precondition for its ability to combine the member organisations' power resources and bring them to full use.

The Landbouwschap's strength rested on three pillars: consensus; a national, international and subnational network of contacts between agricultural leaders; and the function as a top-level think-tank. The Landbouwschap's position as a corporate group made it possible to combine these functions, and as long as the external environment needed them the Landbouwschap's monopoly position was safe.<sup>156</sup>

The conclusion can be drawn that the power basis of Dutch agricultural organisations had four components. The first component was the organisation of agricultural producers in cooperatives, which was effective. The second component was the relatively high membership density in the farmers' unions. The economic, technical, advisory and educational services of Dutch farmers' unions predated their political activities. The farmers'

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<sup>155</sup> Krajenbrink, Evert Jan (2005): *Het Landbouwschap: 'Zelfgedragen verantwoordelijkheid' in de land- en tuinbouw 1945-2001*, diss. Rijksuniversiteit Groningen, Nieuwerkerk a/d IJssel: Studio Anton Sinke, pp. 375-389.

<sup>156</sup> Krajenbrink, 2005, pp. 390-400.

unions had a decentralist structure which enabled them to provide not only economic, but also social incentives to membership at the local level. Affiliation to the agricultural cooperatives and affiliation to the confession-based local networks of education, cultural life, etc: all these factors combined to create social incentives to membership. Farm ideology served to link together multiple confessional, cultural and professional identities.

In the 1920s and 1930s the farmers' unions established political lobbies and strengthened their political cooperation. The farmers' unions penetrated their respective connected political parties and the permanent agricultural policy committee of the Dutch parliament. However, penetration of political parties and parliament committees was not an equally fundamental component of Dutch agricultural organisations' power basis as the 'selective incentives', because it rested with the political system rather than with the organisations.

The fourth component of Dutch agricultural organisations' power basis was the corporate groups created in the 1940s, primarily the Landbouwschap, but also the commodity boards. It worked in two directions. It worked upwards, because the Landbouwschap's privileged access to the government provided the Landbouwschap and its member organisations with prestige, influence, confidential information, etc. It worked downwards in two ways. Firstly, the Landbouwschap's authority as a corporate group made it possible to use coercion to mobilise Dutch agriculture. Secondly, the Landbouwschap channelled large expenditures from the state to local projects for technical improvement, etc. For the individual farmer this indirectly created incentives to membership in the Landbouwschap's member organisations. In this sense, the Landbouwschap as a corporate group was a more fundamental component of Dutch agricultural organisations' power basis than the penetration of the political parties and parliament.

Exactly how important the direct affiliation between farmers' unions and agricultural cooperatives was for Dutch agricultural organisations' power basis is difficult to evaluate. As will be described in the background chapter, the affiliation between farmers' unions and agricultural cooperatives was never complete, and in the 1950s the farmers' unions increasingly accepted that the agricultural cooperatives became independent. At any rate, the agricultural cooperatives did not become significant independent political actors (as they became in Denmark). Perhaps the increasing value of the Landbouwschap as a power source, together with the growing economic need for rationalisation and mergers in agricultural cooperatives after 1945, brought the farmers' unions to the conclusion that the old structures in the agricultural cooperatives did more harm than good to agriculture's general economic and political position in Dutch society.

Possession or delegation of administration was not a component in Dutch agricultural organisations' power basis. In the fields of food and feed price

regulation, land price regulation, international trade and payments regulation, and structural policy implementation, the Ministry of Agriculture possessed its own administration and had the last word in issues of competence. Social legislation could have been regulated autonomously by the farmers' unions and farm labourers' unions in the Landbouwschap, but was transferred to the institutionalised cooperation between the Dutch government, the general trade unions and the employers' organisations. The ministry was a strong political ally, not least because the ministry possessed so much administrative authority and capacity. To a high degree the importance of the Landbouwschap as a power source depended on the cooperation between this organisation and the Ministry of Agriculture.

Large state expenditures to technical improvement in agriculture reflected political and economic priorities. Did policies produce political power, or vice versa? This leads to the second working question, namely, the origins of particular agricultural policies. At least to some extent Dutch agricultural policy, e.g., cereals price policy, originated from internal consensus-seeking negotiations within the Landbouwschap, as described by S.L. Louwes. The Landbouwschap's contacts with the Ministry of Agriculture, the penetration of political parties, etc., gave Dutch agriculture ample opportunities to raise demands and create obstacles against unwanted policies.

The Dutch policy of coordinated price and wage policies in the 1950s constituted the framework of agricultural price and income policy. As S.L. Louwes (1980) pointed out, the conditions set by other countries in trade and payments policy required internal Dutch policy adjustment in view of the country's export dependence. When international agricultural prices by 1955 declined to a level below the Dutch guaranteed prices, it became clear that penetration of political parties was an important factor in the context of agricultural price policy. With regard to the relationship between institutions and ideology, it is clear from S.L. Louwes's arguments that the willingness of Dutch political parties to incorporate farm ideology into their programmes reflected penetration. Generally, it can be concluded that ideological factors are present on all levels of agricultural policy analysis.

#### 2.3.8. *Works on Danish agricultural politics*

Since the late 19<sup>th</sup> century the middle-sized farmers and the smallholders in Denmark established separate national organisations: the *Danish Farmers' unions* and the *Danish Smallholders' Unions*. These national organisations were federations of regional associations: Jutland, Zealand, Funen, etc. As in the Netherlands, the cooperative movement became strong in Denmark after 1880. The cooperative dairies were small and numerous. They formed regional associations which created a national federation, the *Dairy Board*. The cooperative slaughterhouses were much fewer and larger, and their

principal production was bacon. They created a national federation, the *Bacon Factories Federation*, consisting of the individual slaughterhouses.

The agricultural cooperatives' membership consisted of both smallholders and middle-sized farmers. The cooperatives were not affiliated to farmers' unions, and the national cooperative federations were independent, but their leadership was dominated by middle-sized farmers. In 1919 the Danish Farmers' Unions, the Dairy Board and the Bacon Factories Federation established a common national umbrella organisation, the *Landbrugsraad* (Agricultural Council). The president of the Jutland Farmers' Unions was usually the president of the Landbrugsraad, and the Jutland Farmers' Unions had a leading position in the Danish Farmers' Unions.

In the Landbrugsraad's leadership the Danish Farmers' Unions were in minority in the against the combined votes of the Dairy Board and the Bacon Factories Federation, and the Danish Farmers' Unions were the smallest contributor to Landbrugsraad's budget. The Danish Smallholders' Unions joined the Landbrugsraad in 1932, but left it again in 1939. The Landbrugsraad was an organisation of organisations, and there was no general assembly where the individual farmer could be represented.

The Danish Farmers' Unions were politically connected to the Liberal Party (*Venstre*), while the Danish Smallholders were connected to the Social Liberal Party (*Det Radikale Venstre*). A tiny and politically marginalised group of large estates had some connections to the Conservative Party. Most smallholders had worked as farm labourers before establishing themselves as independent businessmen, and many smallholders continued to have part-time work as farm labourers. In this sense the Danish Smallholders' Unions could be described as a trade union for farm labourers. However, it was primarily an organisation for small farmers, and the farm labourers were incorporated into the general trade unions.

Since the 19<sup>th</sup> century Denmark had a Ministry of Agriculture and the state gave economic support to technical improvement, research, education, advisory service, etc. in agriculture. The advisory service took place through consultants. The service was established by the agricultural organisations, and they administered the service independently even though the state paid half of the expenses. The Ministry of Agriculture was poorly staffed and relied on the agricultural organisations in much practical administration.

Denmark traditionally pursued a policy of free trade, but under the economic world crisis after 1929 Denmark followed the international trend and began to regulate agricultural exports and imports. Agricultural export boards were set up under public jurisdiction, but with internal autonomy. While the export boards included both agricultural cooperatives and private traders, the agricultural cooperatives had the leadership in the export boards. For

instance, the Butter Export Board was led by the Dairy Board, while the Bacon Export Board was led by the Bacon Factories Federation. Under the German occupation in 1940-1945 the Danish government stayed in the country, but in 1943 it stepped down and let the civil service run the country. Denmark came out of the war with virtually no physical destruction. Production stabilised by 1943 and famine was almost unknown. The occupier did not interfere with Danish agricultural organisation, and Danish-German economic cooperation continued until the end of the war.<sup>157</sup>

In 1950 Denmark abandoned state trade. The export boards were moved from public to private jurisdiction, and the ministerial supervision ended. The membership remained almost unchanged, and the leadership continued to lie with the agricultural organisations. The export boards had accumulated large funds. In most cases it was decided that if an export board was dissolved, 1/3 of the fund would be given to the Danish Smallholders' Unions, and 2/3 to the Danish Farmers' Unions. Directly or indirectly, the Landbrugsraad in the 1930s and 1940s became involved in many export boards, and the Landbrugsraad took upon itself many obligations. When the export boards were privatised in 1950 the Landbrugsraad was on the verge of bankrupt. The Landbrugsraad tried to gain a part of the accumulated funds in the export boards, at the expense of the Danish Farmers' Unions. In late 1949 the latter threatened to leave the Landbrugsraad. However, a compromise was found and the Landbrugsraad was saved.

In the spring of 1958 a new peak organisation was created in Danish agriculture: *Landbrugets Afsætningsråd* (Agricultural Exports Council). Like the Landbrugsraad, the Afsætningsråd was an organisation of organisations. The Afsætningsråd only undertook market research, etc., and it did not deal with agricultural policy. The Afsætningsråd was not consulted by the government in political matters. But unlike the Landbrugsraad, the Afsætningsråd had all major agricultural organisations as member, including the Danish Smallholders' Unions. The Afsætningsråd intended to take control over the export boards, but the cooperative federations would not accept that. The Afsætningsråd was constructed in such a way that if the Danish Farmers' Unions and the Danish Smallholders Unions coordinated their actions, they would together have the leading influence.

Some agricultural leaders proposed that the Afsætningsråd should be transformed to become the general representative of agricultural interest, the smallholders included, in all areas of economic and social policy. The Landbrugsraad should be reduced to a trade policy department in the

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<sup>157</sup> Jensen, Sigurd (1971): *Levevilkår under besættelsen: Træk af den økonomiske og sociale udvikling i Danmark under den tyske besættelse 1940-45*, Copenhagen: Udgiverselskab for Danmarks nyeste historie, Gyldendal.

Afsætningsråd. In May 1958 the Danish Farmers Unions considered whether they should carry out this idea, but they decided no to do that. The Landbrugsraad survived and the Afsætningsråd was dissolved in 1961.

In 1974 the political scientist Jacob A. Buksti published a book on relations between Danish agricultural organisations in the years 1957-1961: *Et enigt landbrug? Konflikt og samarbejde mellem landbrugets organisationer: En studie i landbrugets organisationsforhold med udgangspunkt i perioden 1957-61*. Buksti's main point was this: the Danish Smallholders' Unions did want to become member of the Landbrugsraad, because the leaders of the cooperative federations were middle-sized farmers, which meant that the smallholders would be in clear minority in the Landbrugsraad. But the smallholders felt that they were not really on equal footing with the much more resourceful Landbrugsraad in relations with the political system.

The Zealand Farmers' Unions and the Funen Farmers' Unions felt that since their national federation was functionally equivalent to the Danish Smallholders' Unions, it should be equally influential. However, the Jutland Farmers' Unions were assured of the presidency in the Landbrugsraad and therefore shared an interest with the cooperative federations in maintaining the Landbrugsraad as it was. So the Zealand Farmers' Unions and the Funen Farmers' Unions sided with the Danish Smallholders' Unions and with the Afsætningsråd against the Landbrugsraad. As part of a general compromise, the Landbrugsraad was reorganised in 1961 in parallel to the dissolution of the Afsætningsråd. The Danish Farmers' Unions obtained the political leadership in the Landbrugsraad, and in turn they recognised the leadership of the cooperative federations in commercial regulation.<sup>158</sup>

Buksti considered the longterm impact of the rural exodus on the political influence of Danish agriculture in an article from 1980: *De erhvervspolitiske konsekvenser for dansk landbrug af afvandringen fra erhvervet efter 2. verdenskrig*. Buksti observed a paradoxical inverse relation between the size of the farm population and the degree of influence which the agricultural organisations had. In reaction to the problems that protectionism created for Danish agricultural exports, state support to the sector increased strongly in the 1960s, and most of the support was administered by the agricultural organisations. While their number of members began to decline in the 1960s, due to the rural exodus, the organisations became stronger than ever in terms of internal coherence, administrative capacity and technical expertise.

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<sup>158</sup> Buksti, Jacob A. (1974): *Et enigt landbrug? Konflikt og samarbejde mellem landbrugets organisationer: En studie i landbrugets organisationsforhold med udgangspunkt i perioden 1957-61*, Universitetsforlaget i Aarhus, pp. 9ff, 134ff, 231ff.

According to Buksti, pluralist-oriented research treated single cases, whereas corporatist-oriented research treated the political system as a whole. A case-specific power analysis would predict that the numeric decline in the farm population in the 1960s should lead to a decline in the political influence of Danish agriculture. However, the opposite happened. According to Buksti, the support to Danish agriculture in the 1960s meant that ‘the corporative structures in that sector already existing from the 1930s were strengthened’. Back to the regulation of production and exports in the 1930s there was a tradition for an active participation on part of the agricultural organisations in all phases of the decision-making process. It was in conformity with this tradition when a subsidy system was established in the 1960s where the agricultural organisations had a central decision-making position.<sup>159</sup>

In 1979 the historian Erik Helmer Pedersen defended a dissertation on the history of the Landbrugsraad between 1919 and 1933: *Landbrugsraadet som erhvervspolitisk toporgan 1919-33*. Helmer Pedersen found that from a historian’s perspective the difference between pluralist and corporatist group theory was not great. Helmer Pedersen regarded the transition from pressure group to state client as an evolution between two extreme poles. One pole is the creation of the organisation as expressed by the formulation of a purpose clause. The other pole is the binding in a context of co-responsibility where the oppositional principles from the organisation’s origin are downplayed. Between these two extreme poles the historical development contains a dialectics between the initial position and the organisational evolution on the one side, and reactions from the external world on the other side. In the process the organisation reflects on its identity and on the relations between its interests, its means of articulating them, and the results achieved.<sup>160</sup>

Helmer Pedersen found that corporatist theory better than pluralist theory could describe the challenges faced by the Landbrugsraad as an interest-political peak organisation during the years of economic crisis 1930-1933, when Denmark shifted from a liberal to a regulated agricultural system. In Helmer Pedersen’s words, it was a characteristic element of the process in 1930-1933 that the integration between state and organised agriculture did not take place on basis of purely pragmatic considerations concerning influence-effect. Rather, the integration took place on basis of a combination of organisation-political and crisis-related functional considerations.

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<sup>159</sup> Buksti, Jacob A. (1980): ”De erhvervspolitiske konsekvenser for dansk landbrug af afvandringen fra erhvervet efter 2. verdenskrig”, *Bol og By (Landbohistorisk Tidsskrift)* series II, no. 3, pp. 93-112.

<sup>160</sup> Helmer Pedersen, Erik (1979): *Landbrugsraadet som erhvervspolitisk toporgan 1919-33*, diss. Københavns Universitet, Landbohistoriske Skrifter 6, Copenhagen: Landbohistorisk Selskab, pp. 22-26.

Helmer Pedersen concluded that there was no indirect integration between the Danish state and agricultural organisations in the 1930s, but only an indirect integration: through the creation of semi-official regulation bodies placed mid-way between the organisational level and the political system, and endowed with autonomous internal channels of command. In this way, both parties retained a certain room for independent position-taking. The regulation bodies did not have a monopoly of representing the interests involved. They only had a monopoly of exerting those regulatory functions which the agricultural organisations and the political system agreed to endow them with. The connections of the agricultural organisations to allied politicians became even more decisive for their degree of general influence than under the previous liberal system.<sup>161</sup>

In 1984 the Danish historian Flemming Just and the Norwegian historian Knut Omholt published a book containing a comparative analysis of Danish and Norwegian agricultural policy in the period 1930-1980: *Samspillet mellem staten, landbrugsorganisationerne og landbrugskooperationen*. Just and Omholt operated with a model of power exchange between state and interest groups which resembled Keeler's model of "corporatisation", but Just's and Omholt's model was more descriptive.<sup>162</sup> However, the model was deepened in Flemming Just's dissertation from 1992 on the relations between the Danish agriculture, the state and the export boards in the period 1930-1950: *Landbruget, staten og eksporten 1930-1950*.<sup>163</sup>

Just (1992) supported Helmer Pedersen's conclusions. According to Just, there was a change of the attitude of the agricultural organisations toward the export boards during the period 1930-1950. During years of cooperation with the state administration they grew accustomed to the idea of centralised exports. The state accepted that the accumulated financial pools in the export boards were used for purposes which served as selective incentives to union membership toward individual farmers. The privatisation of the export boards in 1950 fundamentally defined the position of Danish agriculture toward centralism and state intervention.<sup>164</sup>

According to Just, the evolution of Danish economic interest organisations was deeply influenced by the external political, economic and social context. Many organisations were created under the wars 1914-1918 and 1939-1945, during the economic crisis in the 1930s and during the growth in public

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<sup>161</sup> Helmer Pedersen, 1979, pp. 632-634, 644ff.

<sup>162</sup> Just, Flemming & Omholt, Knut (1984): *Samspillet mellem staten, landbrugsorganisationerne og landbrugskooperationen*, Esbjerg: Sydjysk Universitetsforlag, reprint 1989, pp. 8-35, pp. 141-151.

<sup>163</sup> Just, Flemming (1992): *Landbruget, staten og eksporten 1930-1950*, Esbjerg: Sydjysk Universitetsforlag.

<sup>164</sup> Just, 1992, p. 14f, 484ff, 497ff, 513f.

activity after 1945. Both on the input side of the political process and on the output side (implementation), economic interest organisations were represented in at least half of all mixed commissions in the 1950s. The agricultural organisations were part of this trend. But the pattern did not conform to Schmitter's corporatist ideal-type of monopolised interest representation. In many sectors there were more than one peak organisation, and in some sectors there was none at all.<sup>165</sup>

Just found that pluralist theory could not adequately describe Danish agricultural politics after 1930. There were many examples that established organisations did not need to fight for access to the political centre, and that the state was not a neutral receiver of inputs. Nor could pluralist theory account for the strong presence of organised agriculture on the output side, as in the export boards. However, the absence of a clear hierarchy between Danish agricultural organisations contradicted corporatist theory. Corporatist literature had overstressed the state bureaucracy as a public actor at the expense of the government and political parties. Just concluded that segment theory could better catch the complexity of state-society relations.<sup>166</sup>

Omholt and Just (1984) and Just (1992) investigated the relations between the cooperative movement and corporatism. In Just's expression, did a cooperative organisation further a development toward corporatism, and/or did the cooperatives further self-governance? Just found that self-governance in the cooperative agricultural organisations had been a decisive alternative to state-controlled corporate organisation during the period 1930-1950. The cooperative movement and corporatism each offered a third alternative to unregulated capitalism and socialism. Corporatism sought to create harmony of interest at the national and sector level while cooperatives sought to create harmony of interest at the level of individual owners and producers. Provided that cooperatives were efficient and true to their own ideals, the cooperative movement would offer a viable alternative to state-controlled corporatism at both the material and ideational level.<sup>167</sup>

In an article from 1993 Erik Helmer Pedersen reviewed Just (1992). Helmer Pedersen found that Just (1992) overestimated the independence of the export boards toward the state, as well as the control of agricultural organisations over the export boards. The influence of private traders in the export boards was neglected, and Just (1992) underestimated the influence of the individual export board over the connected cooperative federation. According to Helmer Pedersen, the parliamentary representation of farmers in friendly-minded political parties and the representation of farmers in

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<sup>165</sup> Just, 1992, pp. 21-30.

<sup>166</sup> Just, 1992, pp. 502-510.

<sup>167</sup> Just & Omholt, 1984, pp. 155-162; Just, 1992, pp. 534-539.

agricultural organisations did in fact constitute two different systems of representation which competed for the farmers' allegiance. Moreover, according to Helmer Pedersen, Just (1992) neglected the fact that the Danish smallholders were dependent on political support to their programme of land parcelling out, so that their political freedom of action was restricted. However, Helmer Pedersen agreed with Just's general conclusion: that Danish agricultural policy could best be described by segment theory.<sup>168</sup>

Why were the Danish export boards privatised in 1950? The Danish historian Vibeke Sørensen treated the question in her Ph.D. thesis from 1987, published in 2001: *Denmark's Social Democratic Government and the Marshall Plan 1947-1950*. She also treated the question in her article from 1995 on Danish agriculture and the Green Pool. Vibeke Sørensen argued that the privatisation of the export boards was a reaction from agriculture against attempts from the government to control the direction of exports.

The Danish Farmers' Unions, which Vibeke Sørensen regarded as the leading organisation in Danish agriculture, were in opposition to the Social Democratic government at both the ideational level – liberalism against planned economy – and at the material level. The concrete occasion for privatising the export boards was disagreement between the government and organised agriculture over the geographical direction of exports. This was again related to the planning of agricultural production and to the distribution of Marshall Aid between agriculture and industry. According to Vibeke Sørensen, the privatisation of the export boards marked the end of social-liberal consensus policy which had ruled Denmark since the 1930s.<sup>169</sup>

In 1991 the historian Leon Dalgas Jensen defended a Ph.D. thesis on Denmark's import policy in 1945-1948. The Liberal government (1945-1947) was compelled to re-introduce tight import regulation because Denmark's deficit in the trade and payments balance with Britain became unbearable. Dalgas Jensen supported Vibeke Sørensen's argument: while industry, the trade unions and the Social Democrats sought to employ the agricultural export boards as a trade-political instrument, the agricultural interest also sought to use them to make business.<sup>170</sup>

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<sup>168</sup> Helmer Pedersen, Erik (1993): Review of Flemming Just: *Landbruget, staten og eksporten 1930-1950*, in: *Historisk Tidsskrift*, vol. 93, series 16, no. 11, pp. 397-413.

<sup>169</sup> V. Sørensen, 1995, pp. 204-213;

Sørensen, Vibeke (2001): *Denmark's Social Democratic Government and the Marshall Plan 1947-1950*, Ph.D. thesis European University Institute, Florence, 1987, University of Copenhagen: Studies in 20<sup>th</sup> and 21<sup>st</sup> Century European History Vol. 3, ed. Mogens Rüdiger, Museum Tusulanum Press, pp. 194-200, 229-263.

<sup>170</sup> Dalgas Jensen, Leon (1993): *Politisk Kamp om Danmarks Importpolitik 1945-48*, Copenhagen: Statens Humanistiske Forskningsråd, pp. 329-333, 357-361.

Just (1992) placed the privatisation of the export boards in the context of the return to peace-time economy, at which point there was political consensus, according to Just. In 1947 the Danish Farmers' Unions came out in favour of privatising the export boards, but subsequently the initiative passed to the political parties. The Conservatives and the Social Liberals pressed the Liberals into supporting the privatisation, and a struggle for the control over the export boards unfolded between the agricultural organisations and the organisations of industry and private traders. In this struggle the agricultural organisations received decisive political and practical support from the Social Democratic minister of Agriculture and the Liberal Party.<sup>171</sup>

Helmer Pedersen (1993) presented another interpretation. Helmer Pedersen argued that the Danish Farmers' Unions in 1947 were provoked by a proposal from the minister of Agriculture for forced sales of cereals to the state, and their demand for freer exports should be seen in relation to their general demand for greater economic freedom. This implied that the demand for freer exports was of a more tactical nature, and the demand was not to be understood as a specific demand for a privatisation of the export boards.<sup>172</sup>

Returning to first working question, the power basis of agricultural organisations, it seems that the advisory services provided through the farmers' unions and smallholders' unions constituted the most important factor. This point was stressed by Vibeke Sørensen. She did not directly analyse the advisory services as a selective incentive to union membership, but she stated that for the agricultural sector it was important that the advisory service represented the sector itself and not the Ministry of Agriculture. Furthermore, Vibeke Sørensen saw the advisory service as one of many examples of how the organisation of agriculture and the sector's insistence on producers' control pre-empted interference from the state.<sup>173</sup>

According to Just (1992), the local farmers' union was often larger than the local smallholders' union in the same area. For the local farmers' union the main task was technical and advisory activities, while the local smallholders' union also had socially and culturally oriented activities. For the technical and advisory activities the local smallholders' union limited resources often forced it to rely on assistance from the more resourceful local farmers' union. Analysing the Danish Farmers' Unions' budget in the years 1946-1947, Just concluded that the central organisation had a weak financial basis. Most of the revenue consisted of money transfers between external sources and local unions. Just's analysis also showed the ability of the local farmers' unions to provide selective incentives to membership. They not only offered

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<sup>171</sup> Just, 1992, pp. 285-291, 344-471.

<sup>172</sup> Helmer Pedersen, 1993, pp. 409f.

<sup>173</sup> V. Sørensen (2001), pp. 184-200, esp. p. 194.

advisory service, but through mediation with outside parties they also provided such things as advantageous life insurance policies.<sup>174</sup>

The membership density in the Danish Farmers' Unions and Danish Smallholders' Unions was high, and it was a fundamental component in the power basis of organised agriculture. The high membership density in the agricultural cooperatives was another fundamental component. It does not seem that affiliation to cooperatives was a selective incentive to membership in the farmers' unions or the smallholders' unions. In the early 20<sup>th</sup> century the cooperatives and their national federations developed political lobbying on their own account as a by-product of their non-political activities.

The independence of the cooperatives and their national federations meant that the power basis of Danish agricultural organisations was fragmented. This again meant that the power basis could only be fully employed if a coordinating mechanism was created between farmers' unions, smallholders' unions and cooperative federations. Helmer Pedersen (1979) analysed the Landbrugsraad as a top-level coordinating body whose function essentially was of a compensatory nature, because the unity of agricultural production (mixed farming) at the farm level was fragmented in the organisational structure.<sup>175</sup> Penetration of political parties was a third component of Danish agricultural organisations' power basis. Penetration was only deep in two political parties: the Liberal Party and the Social Liberal Party. This meant that penetration alone could not produce a majority in the parliament. The fourth component of Danish agricultural organisations' power basis was the penetration of the export boards and of various mixed commissions.

Helmer Pedersen (1993) argued that the parliamentary representation of farmers and agricultural organisations constituted two different systems of representation which competed for the support of farmers. Not only did farmer-friendly political parties have an identity of their own which referred to the general interest. Farmer-friendly parties also had an independent identity as that: farmer-friendly parties. Robinson (1961) suggested that the political parties' self-discipline reduces farm lobby domination, and thus the structural conditions were set for a permanent political rivalry between farmer-friendly political parties and agricultural organisations. The potential for a conflict of loyalty did not disappear when a farmer-friendly party had a farmer as leader, as in case of the Danish Liberal Party in the 1950s. It must be stressed that the subject of this study is the power basis of agricultural organisations – and not the power basis of agriculture.

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<sup>174</sup> Just, 1992, pp. 59-62.

<sup>175</sup> Helmer Pedersen, 1979, pp. 47-68.

As to the second working question, much agricultural policy was formulated inside and between the agricultural organisations. In the 1930s and 1940s a crisis-management strategy aiming at social and political consensus had created compensatory mechanisms between general economic policy and agricultural policy. During the dismantlement of the war economy around 1948 a general formula was not found for continuing this strategy. The result was repeated confrontations between agricultural and industrial interests. As to the third working question, Helmer Pedersen (1979), Just (1992) and Vibeke Sørensen (2001) showed that ideology was present in all interactions in agricultural policy and in Danish economic policy generally, including the decision to delegate administration to agricultural organisations.

#### *2.3.9. Works on Dutch and Danish agricultural politics: Summary*

The most recent works on Dutch and Danish agricultural policy conclude that segment theory offers the best description. In the 1950s Dutch agriculture employed a relatively quiet political style of penetration and contact. Danish agriculture and in particular the Danish Farmers' Unions relied less on penetration in the 1950s, but non-parliamentarian means of pressure were not employed. Yet, from 1955 onward there were signs that Danish agriculture might ultimately employ a production stop as a means for demanding economic compensation for rising production costs. In this way Danish agriculture would act as a pressure group employing hard and non-parliamentarian means. In 1961 the Landbrugsraad and allied employers' associations did launch an agricultural production stop and they obtained considerable economic concessions from the government, but that event is beyond the period treated in this study.

Assumedly, the premise for participation in European integration was that it should not endanger the power basis of agricultural organisations. In the first instance, the positive selective incentives and/or the means of coercion which made it possible to maintain high membership density in agricultural cooperatives and farmers' unions should not be reduced. As for positive selective incentives, there was little danger of a European policy affecting these incentives. Public spending to e.g. advisory service administered by farmers' unions was one of the oldest and most uncontroversial elements of agricultural policy, both in the national and international context.

In a sense, the Landbouwschap was an artificial construction designed to compensate by means of coercion for inability of Dutch farmers' unions to organise more than two thirds of the total group by means of positive selective incentives. The maintenance of this corporate body was important for Dutch organised agriculture. A European regime should acknowledge the existence of corporate bodies at the national level, and should acknowledge their equal right to political influence. The Agricultural Chambers in France

and Germany were corporate bodies, but they did not serve as the supreme political representative of agriculture in the way the Landbouwschap did.

The membership density in Danish agricultural cooperatives and farmers' unions was so high that there was no need to enforce mobilisation by means of corporate organisation. But the power basis of Danish agricultural organisations was fragmented and this created a dependence on compensatory mechanisms of coordination at top level. The effectiveness of these mechanisms related to the interaction with the political system.

Under the Danish policy of agricultural regulation in the 1930s and 1940s there was a tendency to employ the penetration of political parties in such a way that the coordinating mechanisms were partially transferred from the agricultural organisations to the political system. The integration with the political system in the 1930s and 1940s took place in a context of bilateral, state-centralised exchange. In that context, where Danish industry's supply of raw materials depended on agriculture's ability to secure the implementation of food export contracts, the agricultural cooperatives' control of trade could be translated into influence on general economic policy. Around 1950 this method could no longer work well in Denmark, because payments in Western Europe were partly multilateralised while trade was partly liberalised.

If the European regime included price regulation, the coordination problem would require a solution in Danish agricultural organisations in separation from their relations with the political system. If Danish agricultural organisations did not create viable internal mechanisms of coordination between the cooperative federations, the farmers' unions and the smallholders' unions, then their power basis could not be fully employed under participation in a price-regulating European agricultural policy.

Agricultural organisations had strong influence in Germany and other member states, so the agricultural interest would always be a factor in the European regime. Other factors were the industrial interest; balance of payments policy; foreign policy; and the financing of a European policy if it included price-stabilising measures; etc. Agricultural leaders could propose procedures for their relations with political parties and with the government in their own country concerning such questions under participation in a European regime. They might also propose guiding principles for working out compromises on a current basis, for instance between agricultural and industrial interests. All this would presuppose that the agricultural leaders had a strategy for their own internal coordination between the respective interests of various sub-sectors and between small and large farms.

In terms of farm ideology, Dutch agriculture had a middle position between Danish efficiency-thinking and German security-thinking. Dutch political

parties agreed to a compromise between economic efficiency and social security as a basis for agricultural policy. Danish agriculture did not request such a compromise, because the approach of Danish agriculture to economic policy in general was based on liberalism. If Danish agriculture subscribed to a security-oriented European farm ideology inspired by German farm ideology, then Danish agriculture would come in ideological contradiction to the sector's political allies, the Social Liberal Party and the Liberal Party.

In terms of internal organisational coordination, policy-making procedures with government and parliament, and ideological relations with the political system, Dutch agriculture had an easier task formulating a strategy for participation in a European agricultural policy, than Danish agriculture had. For Danish agricultural organisations the problem related to the possibility of fully exploiting their power basis under a European regime. If they decided to participate in a European regime, another problem might arise: how to present politically acceptable arguments in favour of this. Danish agriculture was ideologically predisposed against the formulation of a longterm positive European policy, but only as far as the contradiction between state interventionism and free trade was concerned.

Denmark followed the general pattern with agricultural production organised in the family farm, so that social life, culture and occupation were inseparable. The experience in the 1930s and 1940s demonstrated that there were deeper elements in Danish farm ideology than economic liberalism. When international political realities and considerations of economic fairness did not permit economic liberalism, attention turned to the more fundamental goal of preserving the farmers' position as independent businessmen, and if necessary, this position would be defended by means of coercive collective self-organisation of production and trade. In this vision, the creation of autonomous producer groups under public jurisdiction could be the lesser evil, if it became the last line of defence against total state control or economic breakdown.

In the Danish farmers' vision this philosophy only pertained to emergency situations. On that condition it might perhaps be an acceptable element of a European farm doctrine defining the general principles of a longterm common European agricultural policy. A threatening exclusion from vitally import export markets could constitute an emergency situation. From the findings in Just (1992) it can be concluded that the political system in Denmark acknowledged this reasoning. Participation in the CAP could be an ideological problem at the level of economic policy principles, but only if there was a viable liberalist alternative to the CAP, and in terms of society philosophy, participation in the CAP would not necessarily be a problem.

#### 2.4. Working thesis: Assumptions

Important commercial aspects of European agricultural integration were the following: 1) geographical direction and composition of agricultural exports; 2) the geographical area of the European regime; 3) geographical origin, composition and purpose of imported raw materials – and the possibility of replacing them with domestic production and/or other types of raw materials; and 4) the agricultural trade balance of the European regime.

With regard to the political and institutional aspects, the first question was whether *governmental* European bodies with *collective authority* should be empowered to take regulatory measures immediately affecting the economic situation of the individual farmer. The second question was the relationship between the agricultural regime and other supranational frameworks like the ECSC. The third question was whether regulatory measures should be based on loosely defined principles of economic fairness and proportionality between means and ends; or whether they should be based on a longterm agreement on the maintenance of predefined price levels and price relations. Related questions were the degree of coordination between agricultural sub-sectors, the degree of separation into national and/or local price zones, and the choice between price-based and quantity-based trade regulation.

A distinct issue was the financing of the common policy. A European regime could have the following sources of revenue: 1) direct contributions from tax payers in the member states, either directly or (more likely) indirectly in the form of contributions from the member states' national budgets; 2) revenue from export levies and/or import levies in the trade between the member states; 3) revenue from import levies and/or export levies in the trade with non-member countries; 4) direct contributions from producers and traders. Among possible expenses the following could be significant: 1) market price regulation, e.g., stockpiling; 2) 'deficiency payments' compensating for the difference between market prices and guaranteed prices; 3) production subsidies; 4) financial aid to structural and/or technical improvement; 5) direct payments to farmers with no relation to production.

Supranational European cooperation in agriculture could take place either as part of general economic integration or as a single-sector integration project. As a single-sector project a European agricultural regime would be impeded by the continued existence of separate general price and wage policies in the member states. In the absence of a common European labour market, etc., the social and economic implications of a common European price level in agricultural products would be different for the individual member states.

Instead of fixing a common price, the European regime could establish minimum and maximum levels for national prices in agricultural products. As for the trade between the member states, there would in the main be two alternative options. Either there could be a negotiated European price for the

trade between them, combined with fixed trade quotas. Or there could be a system of national minimum import prices, without fixed trade quotas. The minimum prices would be upheld by means of import levies in the importing member state, or by means of export levies in the exporting member state. A related question was whether farmers in low-cost and exporting member states should pay compensation to farmers in high-cost and importing member states. The idea would be that the latter should be compensated for the loss of sales and/or lower prices which resulted from increased imports. The compensation, called “perequation”, could be paid by a common fund, financed by levies paid by farmers in exporting member states.

The negotiating process leading to the creation of a European regime was important in itself. If agricultural organisations abstained from participation, governments might proceed with the project anyway. The result could be that the agricultural interest was sidestepped in order to reach international agreement. It could become part of the new regime’s identity to keep a distance to non-governmental actors. However, if agricultural organisations were ideological and political co-founders of the regime, it could become part of the regime’s identity to consult them on a regular basis.

#### *2.4.1. Dutch agriculture and European integration: Assumptions*

Because it was so important for Dutch agricultural organisations’ power basis to have the Landbouwschap acknowledged as corporate agricultural body with equal right to political influence, and in view of the fact that the Landbouwschap was a unique type of organisation in the member states, the organisations had a strong political motive to engage themselves actively in the European negotiations from the outset. For the same reason, if the Dutch government decided in favour of supranational institutions in the European regime, the desirability of active involvement in the negotiations would be a motive for Dutch agricultural organisations to support this policy despite the possible advantages of non-supranational solutions.

The argument presupposes a certain correlation between the geographical direction of Dutch agricultural exports and the geographical area of the European regime. If the other member states accounted for, say, two thirds of Dutch agricultural exports, then the political advantages in supporting supranational cooperation would be more important for Dutch agriculture than anything else. If further countries with agricultural imports from the Netherlands would join the European regime, but only if the supranational element was weakened: then Dutch agriculture would not cease to support an official Dutch demand for supranational cooperation.

Provided that the European regime could function as an “enlarged home market” for Dutch agriculture, profound interventions on part of European

agencies would be acceptable. Dutch agriculture would not like to have the actions of common agencies tightly restricted by the conclusion of longterm agreements between the member states on prices and price relations. The European regime should be committed to efficiency as well as security. On this basis Dutch agriculture could have positive longterm expectations to a European policy and take part in the creation of a European farm doctrine. The choice between policy instruments would mostly depend on commercial and budgetary considerations which again would relate to the composition of Dutch agricultural imports, exports and production. Since the coordination between sub-sectors was one of the Landbouwschap's most important tasks, and since the Netherlands was an open economy, Dutch agriculture would favour a coordinated European approach to agriculture as a whole.

#### *2.4.2. Danish agriculture and European integration: Assumptions*

It was important for Danish agricultural organisations to have influence on the government in international negotiations, and they would as a rule seek to maintain cooperative relations with the government. If their priorities differed with those of the government in a question they considered vital, they would try to obtain the government's recognition of their demands being fair. This would prepare the ground for subsequent demands for economic compensation, for instance in case of lost export opportunities.

Since the Landbrugsraad and the Danish Smallholders' Unions were non-corporate organisations like most of their foreign counterparts, they could count on political recognition on equal terms, if Denmark participated in a European regime. Therefore they did not have a strong interest in becoming political or ideological co-founders of such a regime. The most important question for Danish agriculture was the sector's own internal organisation. In a sense, Danish agriculture did not have one organisational structure, but four separate and parallel ones: farmers' unions, smallholders' unions, cooperative dairies and cooperative bacon factories. As long as a longterm solution was not found to the problem, Danish agriculture's position would be either fragmented or based on the lowest common denominator.

If all major agricultural importing countries in Europe became part of the regime, Danish agriculture would find it easy to agree on participation: not only for commercial reasons, but also because it could change the nature of agricultural policy from adaptive domestic measures to condition-shaping international measures. If some large buyers of Danish agricultural produce stayed outside the European regime, while other larger buyers were part of it, Denmark might still have a better negotiation position toward the outside buyers if Denmark participated in the regime. However, this would depend on many factors: the international context, Danish policy priorities, etc.

Since the European regime might establish a preferential trade zone, the fear of losing exports could bring Danish agriculture to support participation. If the regime became protectionist, the situation could be similar to the emergency which led to the retreat from economic liberalism in the 1930s. It would be easier for Danish agriculture to reach agreement on participation on this basis than to take on ideological and political co-responsibility for founding a price-regulating European regime. Yet, the decisive factor would be the overall European context. For all Danish agricultural organisations the coordination problem would make longterm expectations more negative, but the effect would be stronger for some organisations than for others.

#### *2.4.3. Comparison with agriculture in France, Germany, Italy and Belgium*

For agricultural organisations in the Six and Denmark, one component of their power basis would be affected by European integration: their penetration of political parties and parliament. In a sense, this was the least fundamental of the different components of their total power basis, because it was located outside the organisations and their membership. Its importance derived from the political system. However, unlike Danish farmers whose political friends could not muster a majority in the parliament, farmers in the Six were generally successful in penetrating majority coalitions. In the French parliament the influential “neutral” farmer-friendly block served as a substitute for a political party until 1958. It seems that for agricultural organisations in the Six, the practical organisation of lobbying in political parties and parliament had a certain feed-back effect on the organisations which generally tended to strengthen the cooperation between them.

For these reasons, in comparison with their Danish counterparts, agricultural organisations in the Six would presumably take a more positive view of supranational governmental decision-making in a European regime. They would also be more positive toward a creation of European Parliament with powers of decision-making. They would be more negative toward sector-specific projects for European agricultural integration, because the implied greater element of bureaucratic decision-making would merely reduce the political utility of their penetration of parties and parliaments. Agricultural organisations in France, Germany, Italy and Belgium were not interested in trade deregulation, but wanted income guarantees under the European regime, but on that point a European integration treaty could hardly be more specific than the domestic laws in the four countries. For Dutch and French agricultural organisations the economic dependence on exports to Germany meant that European integration could strengthen their influence on decisions that affected their scope for domestic policies.

## 2.5. Methods in comparative history

Prior to entering into empirical detail, this study has started by making a number of choices concerning the method of comparison. The first and most fundamental choice concerned how rigorous means the study should employ in finding, verifying or falsifying causalities. It was essentially a choice between hard ‘deterministic’ methods or soft ‘probabilistic’ methods. The second choice concerned the possible use of potential outcome matrixes based on so-called ‘typological theory’. Finally, the study has taken inspiration from so-called ‘even-structure analysis’, but without adopting the explicit use of counterfactuals which may accompany such analysis.

### 2.5.1. Macro-causal analysis

In social science there is a long-standing debate about the pros and cons of the respective methods of “large-N” and “small-N” studies, where “N” is the number of cases investigated. The general problem with the small-N method, briefly speaking, is that the number of cases can be smaller than the number of independent (explaining) variables. The general problem with the large-N method is that the use of numerous cases as numbers in a correlation scheme can neglect the contextual and possibly unique features of individual cases.

In an article from 1980, Theda Skocpol and Margaret Somers argued that comparative history can pursue at least three different methodological logics: ‘parallel comparative history’, ‘contrast-oriented history’, and ‘macro-causal analysis’. In the words of Skocpol and Somers, parallel comparative history seeks similarity; it tries to elaborate theoretical models and hypotheses before turning to historical case illustrations. Contrast-oriented comparative history often suggests that particular nations, empires, civilisations or religions constitute relatively irreducible wholes, each a complex and unique sociohistorical configuration in its own right. Macro-causal analysis follows a middle-path, as it primarily seeks to make causal inferences about macro-level structures and processes by controlled comparisons: groups of cases are manipulated in order to control sources of variation.<sup>176</sup>

In an article from 1990, Svein S. Andersen treated macro-causal analysis. Dealing with the question of how to analyse political and social systems, Andersen pointed to the existence of fundamental systemic characteristics which are often difficult to distinguish because they are all-penetrating. Historical analysis seeking to reconstruct the development of systems may run into confusion between the collective self-understanding of a system and

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<sup>176</sup> Skocpol, T. and Somers, M. (1980): “The Uses of Comparative History in Macrosocial Inquiry”, *Comparative Studies in Society and History*, vol. 22 (April 1980), pp. 174-197.

the actual organisational consequences of it. When the system has institutionalised historical conflicts, and especially when such conflicts have been of a fundamental nature and have become ideological in character, the historian may wrongly read them into the organisational structure. Therefore, Andersen recommended a comparative approach that isolates organisational effects from basic systemic characteristics through modelling and strategic selection of cases. Variations that originate in contextual differences must be isolated. Andersen's prime concern was to select cases for comparison where fundamental conditions are challenged by new developments and where habitual strategies break down, so that fundamental systemic characteristics become easier to discern.<sup>177</sup>

In a series of articles James Mahoney has described the methodological alternatives available in macro-causal analysis. In the main, Mahoney identified three alternative strategies of causal inference: nominal comparison, ordinal comparison, and within-case analysis. According to Mahoney, the three strategies are distinguished along two dimensions: level of measurement, and level of aggregation. Nominal and ordinal strategies involve highly aggregated comparisons across cases. Within-case analysis turns to disaggregation and makes comparison within particular cases. A nominal strategy assumes deterministic causation, using concepts of so-called 'necessary' and 'sufficient' conditions. An ordinal strategy is more compatible with a probabilistic understanding of causation. Within-case analysis can involve at least three different procedures: pattern matching, process-tracing and causal narrative.<sup>178</sup>

Mahoney argued that investigators employing nominal methods can never know for sure whether they have identified all necessary and/or sufficient causes. Nor can investigators be certain that their selection of cases is representative. Moreover, many causal factors are neither necessary nor sufficient, but probabilistic (e.g., drunk-driving in relation to car accidents). Nominal methods can be used in a probabilistic manner, like operating with 'usually sufficient' causes instead of 'always sufficient' causes. But this

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<sup>177</sup> Andersen, Svein S. (1990): "Komparative case-studier og generalisering: Strategier for modellering og utvelgning", *Tidsskrift for samfunnsforskning*, vol. 31, pp. 367-378.

<sup>178</sup> Mahoney, James (1999): "Nominal, Ordinal, and Narrative Appraisal in Macrocausal Analysis", *The American Journal of Sociology*, vol. 104, no. 4 (January 1999), pp. 1154-1196;

Mahoney, James (2000): "Strategies of Causal Inference in Small-N Analysis", *Sociological Methods & Research*, vol. 28, no. 4, May 2000, pp. 387-424;

Mahoney, James (2003): "Strategies of Causal Assessment in Comparative Historical Analysis", in: James Mahoney & Dietrich Rueschemeyer (eds.): *Comparative Historical Analysis in the Social Sciences*, Cambridge University Press, pp. 337-372.

raises questions concerning how to define degrees of probability. In ordinal comparison variables are conceptualised as present to different degrees across cases. The degrees are not usually specified with numerical coefficients, but cases are rank-ordered into three or more categories based on the degree to which a given phenomenon is present. On the basis of such categorisation, possible co-variation is investigated. According to Mahoney, the strategy often does not produce a sound statistical basis, but it is open to the inclusion of additional variables to explain deviant cases.<sup>179</sup>

Pattern matching employs nominal and/or ordinal comparison at a more disaggregated level. Within-case implications may entail yes/no propositions which can be tested by nominal comparison. Or within-case implications may entail low-middle-high degree propositions that can be tested by ordinal comparison.<sup>180</sup> Process-tracing and causal narratives are within-case methods which bring small-N comparative studies in social science near to historical study. In causal narrative, variables are separated into events, and these are compared across cases, and historical narrative is employed.<sup>181</sup>

In their book *Case Studies and Theory Development in the Social Sciences* (2005), Alexander L. George and Andrew Bennett expressed a similar opinion as James Mahoney. According to George and Bennett, practically all efforts to make use of the controlled comparison method fail to achieve its strict requirements.<sup>182</sup> In her book *Paradigms and Sand Castles: Theory Building and Research Design in Comparative Politics* (2003), the political scientist Barbara Geddes came to a similar conclusion on the usefulness of controlled comparison in small-N studies. According to Geddes, practitioners of the comparative historical method always seemed to reach a point where the variables outnumber the cases, and explanation degenerates into description. This happens when additional hypotheses are formulated to account for deviant cases. According to Geddes, the degeneration into description occurs because of a failure to internalise fully the implications of the probabilistic nature of social science theories.

As possible remedies Geddes suggested, firstly, that hypotheses should never be tested on the same cases as those which were used to develop the hypotheses in the first place. Secondly, the investigator should not rely on vague measurement of basic concepts. Thirdly, when assessing a historical process in several stages, all stages of the argument need not always be tested on the same cases. It might be possible to find other cases that can be

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<sup>179</sup> Mahoney, 2000, pp. 395f, 399-406; Mahoney, 2003, pp. 344-346, 356ff.

<sup>180</sup> Mahoney, 2000, pp. 410-412; Mahoney, 2003, pp. 361-363.

<sup>181</sup> Mahoney, 2000, pp. 415-417; Mahoney, 2003, pp. 365-367.

<sup>182</sup> George, Alexander L. & Bennett, Andrew (2005): *Case Studies and Theory Development in the Social Sciences*, Cambridge, Massachusetts: BCSIA Studies in International Security, MIT Press, pp. 151-165, esp. pp. 154, 156f.

used to test the arguments advanced at critical points in the historical process. Geddes found that a specification of theoretical, not geographical domains would improve theories. Analysts should search for the general conditions which limit the domain of the theory, rather than offering case-specific reasons for exceptions.<sup>183</sup>

#### 2.5.2. *Process-tracing and typological theory*

Process-tracing consist in identifying all the intervening steps in a causal mechanism that links an explanatory variable with an outcome variable. According to George and Bennett (2005), process-tracing can: 1) document alternative causal paths to the same outcomes and alternative outcomes for the same causal factor, 2) point out forgotten variables, 3) detect false (or spurious) causal relations, and 4) permit causal inference on the basis of a few cases or even a single case.<sup>184</sup>

In an article from 2003 the political scientist Peter A. Hall argued that since the 1960s social science has come to perceive the world in new ways. Comparative politics has moved away from ontologies that assume causal variables with strong, consistent, and independent effects across space and time, and toward ontologies that acknowledge more extensive endogenous influences and a widespread presence of complex interaction effects. Hall recommended a research method called ‘systematic process analysis’, which appears to be more or less the same as process-tracing. According to Hall, systematic process analysis is different from most historical studies, because it does not have an inductive purpose, but seeks to test propositions derived from deductive theory formation. Where historical studies seek comprehensive accounts for particular events and their context, usually in detailed narratives, systematic process analysis seeks generalisation.<sup>185</sup>

George and Bennett (2005) recommend the use of middle-range theories comprising generalisations on causal conditions and so-called ‘typological theories’.<sup>186</sup> A ‘typological theory’ specifies independent variables; it delineates them into categories for measuring cases and their outcomes; and it provides hypotheses on how each independent variable operates, as well as generalisations on how and under what conditions they combine to produce

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<sup>183</sup> Geddes, 2003, pp. 131-173, esp. pp. 132f, 140ff, 151f, 172f.

<sup>184</sup> George & Bennett, 2005, pp. 205-224.

<sup>185</sup> Hall, Peter A. (2003): ”Aligning Ontology and Methodology in Comparative Research”, in: Mahoney, James (2003): “Strategies of Causal Assessment in Comparative Historical Analysis”, in: James Mahoney & Dietrich Rueschemeyer (eds.): *Comparative Historical Analysis in the Social Sciences*, Cambridge University Press, pp. 373-404, esp. p. 387, 391ff.

<sup>186</sup> George & Bennett, 2005, pp. 147f, 224-230.

effects on specified dependent variables. A fully specified typological theory provides hypotheses on all mathematically possible configurations.<sup>187</sup>

### 2.5.3. *Event-structure analysis*

In an article from 1993, the historian-sociologist Larry J. Griffin showed how so-called ‘event-structure analysis’ can be employed. Griffin stressed the limitations of narrative explanation. According to Griffin, narratives as stories often appear descriptive while really blending explanation and interpretation. The criteria used to determine selection, causality and significance often remain tacit. Chronological order does not necessarily suggest historical or causal significance, but the distinction between a temporal antecedent and a causal one is often obscured in narrative.

Griffin recommended a different approach where a synthesis of different forms of knowledge – theoretically deductive, historically general, historically contextual and particular, temporal and culturally interpretative – can be synthesised through posing and responding to historically counterfactual questions and situations. This entails the translation of a concrete event structure into a general event structure. According to Griffin, the crucial condition of counterfactual reasoning is that a contrary-to-fact historical alternative, a “possible world”, is conceptually and empirically close to the “real past”. Counterfactual possibilities must be a synthesis between generalisations and the event’s particularities. Answers to counterfactual questions also merge particular and general knowledge and reasoning. For instance, comparable and analogous events, or “general patterns” may be held against particular circumstances. When the event-structure is generalised so completely that it becomes an abstract skeleton, the event’s significance for comparative analysis, empirical generalisation, and theoretical development is perhaps most visible, so Griffin.<sup>188</sup>

George and Bennett (2005) find that the use of counterfactuals requires clear theoretical explanations, absence of complex interaction, absence of several possible roads to the same outcome, and a small number of events in the historical process; etc. George and Bennett suggest that in principle a counterfactual is not needed to support any historical explanation.<sup>189</sup>

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<sup>187</sup> George & Bennett, 2005, pp. 233-262.

<sup>188</sup> Griffin, Larry J. (1993): “Narrative, Event-Structure Analysis, and causal Interpretation in Historical Sociology”, *The American Journal of Sociology*, vol. 98, no. 5 (March 1993), pp. 1094-1133, esp. pp. 1099-1104, 1124f, 1127f.

<sup>189</sup> George & Bennett, 2005, pp. 168f, 190, 230-232.

#### 2.5.4. *Source material*

George and Bennett (2005) point to the limitations of archive material. In order to know the general context, researchers should examine contemporary public sources like daily media. The “paper trail” leading to a policy decision should not be followed slavishly. Expectations as to what a leader will decide may influence views expressed by advisers. Decision-makers often pursue several objectives by a single action without admitting to it. Classified policy papers and accounts of decisions may have self-interested and non-neutral authors. The importance of a decision may be a reason for keeping it informal and unrecorded. George and Bennett describe the hierarchical policy-making system as a pyramid with many layers. From below up, the number of actors and participants grows smaller, but their importance increases. The lower echelons produce a lot of paper, but the paper trail may end before final decisions are made.<sup>190</sup>

#### 2.5.5. *Choices and selections in this study*

To a direct question whether a prime objective of this study is to test or develop theories of European integration, the answer must be negative. But it is important to consider whether for instance an ordinal comparative method should be employed. In the first place it is difficult to establish common denominators, due to variations in types of organisational structure, etc.

European agricultural integration is abundant with complex interaction, external influences, and the final outcome can be determined by many different factors. The number of possible explanatory variables far outnumbers the historical cases available for investigation. Some possible explanatory variables are: internal agricultural organisation, relations to the political and administrative system, economic situation, etc. If typological theorising is used, the researcher may end up with a large matrix and a small number of historical cases. It is not possible to follow Barbara Geddes’s recommendation and investigate other cases than those from which hypotheses are developed. Regional agricultural integration in other parts of the world is not supranational, and in Europe there is no historical precedent for it. The World Food Board proposal from 1946 was an isolated instance.

Particular issues are the translation of concrete event-structures into generalised ones, and the possible value of using historical counterfactuals. James Mahoney (2000) observed that Griffin’s article from 1993 showed the potential problems in translating complex concrete event-structures into generalised event-structures. The working thesis in this study is formulated in terms of predictions from the past, because assumptions formulated as

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<sup>190</sup> George & Bennett, 2005, pp. 97-105.

predictions are more transparent and explicit about their theoretical and empirical basis. This study does not reject the use of counterfactuals, but it is regarded as preferable if they can be converted into positive explanations. The study does not translate concrete event-structures into generalised ones, but the study intends to describe concrete events in terms which permit generalisations between and beyond the cases investigated.

Svein Andersen pointed to the danger of analytical confusion between the collective self-understanding of a system and the actual organisational consequences of it. The scheme used for comparison in this study includes the administrative and political position of agricultural organisations, their internal structure, and membership density. It may be argued that the scheme is omitting important aspects like tradition and identity, or self-perception. The comparison may be too instrumentalist and mechanical.

However, collective identities are changeable and organisational structure feeds back on them. The question is related to the selection of source material. Newspapers, periodicals, etc. are rarely used in this study. The self-understanding of the agricultural sector may be discerned in such sources, but they contain a great amount of discourse which is not directly relevant here. Parliamentary debates are among the sources used in this study, because they have been regarded as that unique forum where committing and substantial political decisions could be linked to expressions of subjective identities and feelings. Even though they are not directly related to European integration, domestic policy decisions can be used as for this purpose. Otherwise the selection of sources is mostly oriented toward de-classified archive material. For Dutch and Danish agriculture in the 1950s the context is reasonably well described in the literature used.

In the case of the Netherlands the sources used mainly consist of records from the agricultural organisations, from the Ministry of Agriculture, from meetings in the government, and from the Social and Economic Council (SER). Further Dutch sources used are notes from the Ministry of Economic Affairs, records from parliamentary committees, and records from the Central Organ of trade and industry organisations. In the case of Denmark, the sources consist mainly of records from the agricultural organisations and from the Ministry of Foreign Affairs. Records from the farmer-friendly Liberal Party have also been used. The records of the smallholder-friendly Social Liberal Party contain little information on EEC matters before 1960 and have not been used. The Ministry of Agriculture's records on the Green Pool have been used in previous research, and in the FTA negotiations the ministry was completely overshadowed by the direct contacts between the government's leaders and Danish agriculture, industry and trade.

In general, records from coordinating and general bodies have been preferred over records from sector bodies. The archives of the national federations of

Danish dairies and bacon factories were consulted, but they did not contain substantial information on European integration which was not already known from other sources. Diaries from involved individuals have not been found, and the memoirs from involved individuals are few and insignificant. The Dutch and Danish confidential sources generally do not have a content which was not approved by the individuals involved. Such records constitute a kind of political contract, an outcome with justification in retrospect, rather than a forward-directed process of collective thinking. In such sources the construction of a historical narrative is already initiated. This was especially the case in peak unions like the Landbouwschap and the Landbruksraad where the member organisations were independent.

A particular source is the Dutch records from meetings in the committee of agricultural organisations in the EEC member states (COPA) and from meetings between COPA and the European Commissioner for Agriculture Mansholt. It is not always clear whether the records were written by COPA's secretariat and translated into Dutch; or whether they were written by the Dutch representatives. In the former case one may assume that the records were approved by all the participating delegations while in the latter case the record remains on the Dutch reporter's own account. In both cases one can assume that the description of the Dutch viewpoint is accurate. It would have been interesting to compare the COPA records found in Dutch archives with equivalent COPA records from other national archives and COPA's archive. It would also have been interesting to use the records from IFAP's European Regional Committee. However, the latter records have already been used in Peterson for the period 1950-1962, and by Noël, A.T. Sørensen and other scholars for the period 1950-1954.

More generally, this study by limiting itself to using only nation-level Dutch and Danish sources runs the risk of losing perspective. However, the best means to reduce this danger is to employ a large and international literature. A complete multinational archive material would include: IFAP, COPA, CEA, OEEC (contacts with IFAP), EEC (contacts with COPA), and national sources, primarily agricultural organisations, possibly also governments. When all these sources are viewed as a whole, the impression is that their potential value would not come primarily from the description of international negotiations. The latter are well-documented in other sources and in the existing literature. What would really make such a compilation multinational sources useful is the analysis of longterm patterns of interaction, formal and informal institutionalisation: systemic characteristics transcending negotiations on single issues. However, a research project of that magnitude would exceed the limitations of this study.

## 3. Background

### 3.1. International context, 1945-1960

Main elements in the background of European agricultural integration in the 1950s were the Cold War, economic reconstruction, decolonisation, and general European integration. The continued danger of war, the scarcity of foreign currency, and the political advantages in aligning a protection-seeking farming population to the pro-Western camp, all tended to drive the individual countries toward a policy of strategic self-sufficiency in food. International cooperation was generally much more effective in deregulating industrial trade and in freeing trade from the constraints imposed by currency inconvertibility, than in deregulating agricultural trade. In 1948 the Western European countries established the Organization for European Economic Co-operation (OEEC) and in 1950 followed the creation of the European Payments Union (EPU). Under the OEEC and EPU trade in Western Europe became less restricted by import quotas. However, as far as agriculture was concerned, the OEEC only achieved limited results.

On a world scale the General Agreement on Tariffs and Trade (GATT) was a framework for negotiations on mutual tariff concessions. The negotiations on agricultural trade in the GATT were generally ineffective. The original GATT rules prohibited the use of import quotas. Agricultural and fishery products were only exempted from the rule when the import quotas were used in order to implement domestic policies that operated to restrict the production or marketing of the products in question, or to remove a temporary surplus. However, in 1955 the United States obtained a waiver to apply agricultural import restrictions even if this condition was not met. Thus the principle was established that domestic agricultural arrangements had precedence over international negotiations. The original GATT rules did not prohibit domestic subsidies and export subsidies. In 1955 a protocol banned the use of export subsidies. But primary products were exempted from the ban, on the sole condition that a subsidising country did not obtain more than a so-called 'equitable' share of the world trade of the product.<sup>191</sup>

When the World War ended in 1945, some politicians and senior civil servants began to consider whether a permanent coordination of national policies could create longterm equilibrium between supply and demand in food in the world as a whole. The Food and Agriculture Organization (FAO) under the United Nations was in the process of being established, and the FAO's Director-General John Boyd Orr proposed the creation of a so-called

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<sup>191</sup> Food and Agriculture Organization of the United Nations [FAO] (2000): *The State of Food and Agriculture 2000*, Rome, pp. 156-159; Fennell, 1997, pp. 32, 44.

World Food Board with regulating powers. In September 1946 it was decided to set up a committee to deal with the issue. But the World Food Board proposal was shelved, and the FAO only became a technical agency with advisory functions. A certain degree of international trade cooperation was achieved in the commodity agreements on wheat and sugar. But these agreements were renegotiated periodically, the membership was fluid, and domestic priorities prevailed.

In 1950 the World Food Board proposal served as inspiration for French and Dutch proposals for supranational European cooperation in agriculture, the so-called 'Green Pool'. Another source of inspiration for the Green Pool was the French proposal in 1950 for supranational European cooperation in coal and steel and the subsequent creation of the European Coal and Steel Community (ECSC) between Belgium, France, Germany, Italy, Luxembourg, and the Netherlands. Unlike the ECSC, the Green Pool negotiations in 1950-1955 included all Western European countries. In the Six there were considerations as to whether they should negotiate the Green Pool amongst themselves. It was always clear that Europe's greatest food importer, Britain, would not participate in a supranational Green Pool.

In 1958 the European Economic Community entered into force and began to develop the Common Agricultural Policy as part of the general economic integration between the member states. Until 1960 there were hardly signs of any intention on part of the British government to join the Community. In 1956-1959 an attempt was made to create a Free Trade Area (FTA) comprising all of Western Europe. Denmark worked for the inclusion of agriculture in the FTA, but the inclusion of agriculture was strongly resisted by Britain. The other European countries took various middle positions in the issue. The FTA negotiations broke down in late 1958. In June 1959 seven non-EEC countries decided to establish an industrial free trade area, the European Free Trade Association (EFTA). The seven countries were Britain, Sweden, Norway, Denmark, Austria, Switzerland, and Portugal.

The OEEC and GATT were elements in a development of multilateral intergovernmental cooperation which raised the question of agricultural representation. National agricultural organisations reacted in two ways. Firstly, they created their own international umbrella unions. Most important was the world-wide International Federation of Agricultural Producers (IFAP), created in 1946. IFAP's European Committee obtained consultative status in the OEEC. Membership of IFAP was constituted by national organisations which in principle represented all branches within the sector. IFAP had an uneasy relationship with the almost purely European organisation Confédération Européenne de l' Agriculture (CEA), founded in 1948. Scandinavian agricultural organisations were not members of CEA. Many of CEA's members were only branch-based associations and business companies. The DBV occupied a leading position within CEA. A small

number of nation-based farmers' organisations towered up amidst the great body of dwarf members, and the DBV was the largest. The DBV was also member of IFAP, but it gave first priority to CEA.

Secondly, the agricultural organisations were often able to obtain indirect representation through the participation of experts and civil servants from the Ministry of Agriculture in the working groups of intergovernmental organisations. There were many cases of secretaries and experts in the agricultural organisations shifting into service in the ministry, and vice versa. It was not uncommon to have a farmer as minister of Agriculture. In the OEEC a pattern was established which would later be continued in the EEC. Agricultural organisations sought influence and representation partly through their cooperation with the respective ministries of Agriculture, partly through their own international confederations. In relation to the EEC, COPA came to occupy a position which was comparable to the position that IFAP's European Committee had possessed in relation to the OEEC.

### **3.2. Agricultural integration, 1945-1960: Content**

The central element in World Food Board, the Green Pool and the CAP was the internationalisation of price regulation. The national markets would be amalgamated into one large market. International organs would be established with the authority to decide upon a common price level which they would subsequently defend by means of intervention. A low market price would be raised by buying large quantities, or by paying an equivalent price to producers or traders for holding products away from the market. A high price would be lowered by selling out of the stocks. The proposals assumed that a common price level could be found which was fair to producers and consumers alike. The constitutional rules for the common decisions would be laid down in an international treaty.

The purpose of creating a unified market was to exploit the potential economic gains from regional specialisation, and to level out price fluctuations. In theory this could be achieved by the simple removal of trade restrictions and unfair practices, in other words, by a return to the relatively open world market before the outbreak of the world crisis in 1929. However, this proved to be impossible. Agricultural protectionism had accumulated since the 1870s and had grown strongly during the 1930s.

When the various proposals for European agricultural integration between 1950 and 1960 are compared, their formal objectives generally converged around those of the CAP. The objectives were, briefly: to increase agricultural productivity; to ensure a fair standard of living for people engaged in agriculture; to stabilise markets; to assure the availability of supplies; to ensure that supplies reached consumers at reasonable prices.

None of the proposals would bind the common policy to a strict principle of income parity between agriculture and industry. Nor was an agricultural minimum income level specified. The existing farm structure with its many family-based holdings was taken as the starting point. Around 1960 there were signs that the CAP might include a supranational policy on agricultural restructuring, with the aim of creating larger farm units. In the end, structural policy remained mostly within the member states.

In the choice of policy instruments there were mainly three alternatives. Farmers could receive financial compensation for the difference between the market price and a guaranteed price, so-called 'deficiency payments'; or the market price could be regulated. Finally, restrictions could be imposed on agricultural production. Among these alternatives, the proposals for agricultural integration usually opted for market price regulation. When the framework of agricultural integration was limited to Western Europe the principle of a territorially defined mutual trade preference was clearly stated. The preference given to producers in the member states meant that the common regulation would not be limited to temporary measures against short-term anomalies in market price formation.

The creation of a common board or permanent commission was a central element in all the proposals. The board would be independent from the member states. Legislative and executive authority would be shared between the board and a council of ministers representing the national governments. The balance of power between the two institutions varied, and was not always clearly defined. The common board would either itself administer the common policy or monitor the national administrations. The common board would always have the right either to propose policies or to participate in the decision to adopt them, or both.

### *3.2.1. The World Food Board (1946)*

The proposal for a World Food Board (WFB) aimed at a common price regulation for all agricultural products, on a permanent basis. Among the functions of the WFB would be:

1. — to stabilise prices of agricultural commodities on the world market, including provision of the necessary funds for stabilising operations.
2. — to establish a world food reserve adequate for any emergency that might arise through failure of crops in any part of the world.
3. — to provide funds for financing the disposal of surplus agricultural products on special terms to countries where the need for them was most urgent.

The WFB would be given power to hold stocks of non-perishable products, especially cereals and other agricultural raw materials. The WFB would

announce a maximum and minimum price; the WFB would buy into its stock when the world price fell below the minimum; the WFB would sell from its stock when the world price exceeded the maximum. For the normal stocks the WFB would have a revolving fund at its disposal. In order to secure the food supply, the WFB would occasionally hold extra stocks which would be financed by borrowing on the market against commodity assets. In products where competitive export subsidisation occurred there should be a distribution of national export quotas.<sup>192</sup> The World Food Board proposal was turned down by the United States and Britain. Related proposals for a World Food Council in 1947 and for an International Commodity Clearing House in 1949 were also rejected.<sup>193</sup>

### 3.2.2. *The Green Pool (1950-1955)*

The Green Pool negotiations 1950-1955 can be divided into two phases. The first phase was defined by the supranational element in the negotiations. It began with the presentation of the French and Dutch proposals in 1950, continued with the first European agricultural conference in Paris in March 1952, and ended with the second conference in Paris in March 1953. The second phase was defined by the absence of supranational elements. The European agricultural conference in Paris in July 1954 practically ended the Green Pool by transferring the negotiations to the OEEC.

The French and Dutch proposals from 1950 were created by the respective ministers of Agriculture, Pierre Pflimlin and Sicco Leendert Mansholt. The proposals were named the '*Pflimlin Plan*', respectively, the '*Mansholt Plan*'. There were two further plans for European agricultural integration. They originated from the parliamentary assembly of the Council of Europe, and they were named from their respective authors, René Charpentier (France) and David Eccles (Britain). The debate in the assembly was an ideological confrontation between supranational and intergovernmental strategies. Charpentier supported the former, Eccles, the latter. The assembly adopted the Charpentier Plan in 1951. However, the Green Pool conferences in Paris 1952-1954 were held between the nation-states, and these did not consult the Council of Europe, nor did they consider any other proposals than those presented by national governments. The Green Pool negotiations essentially only treated the Pflimlin Plan and the Mansholt Plan.

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<sup>192</sup> FAO (1946): *Proposals for a World Food Board*, Washington.

<sup>193</sup> Hambidge, Gove (1949): *The Story of FAO*, Toronto, New York, London: D. van Nostrand Company, pp. 66-72;

Yates, P. Lamartine (1955): *So Bold an Aim: Ten Years of International Co-operation Toward Freedom from Want*, Rome: FAO, pp. 75-91.

Pflimlin and Mansholt both envisaged the creation of common price regulation by means of market intervention. While Mansholt aimed at the creation of a single European market for all agricultural products, Pflimlin would proceed more gradually, and would only begin with some products: wheat, sugar, dairy products, and wine. The institutional core elements in the Mansholt Plan were a supranational committee, a common agricultural fund, and a parliamentary assembly. However, the Mansholt Plan moved toward the model of the European Coal and Steel Community, and a council of ministers and a common court of justice were added to the structure. The Pflimlin Plan had another starting point, as it originally foresaw the creation of specialised European organs for individual products. Like the Mansholt Plan, the Pflimlin Plan also moved toward the ECSC model.

The geographical area of the Pflimlin Plan was the six ECSC member states plus Britain and Denmark. The Mansholt Plan moved from the OEEC area to the ECSC area. Both plans operated with a European import preference. As for the transitional period, both plans foresaw that the trade restrictions between the member states would be gradually reduced while the terms of condition would be equalised through the abolition of unfair practices and subsidies, etc. At the same time the national prices should be harmonised toward a common level. In this respect the two plans also evolved. In general, the transitional period tended to become longer.<sup>194</sup>

The European conference in March 1952 was inconclusive. During the European conference in March 1953 France evaded the supranational question and worked for the conclusion of preferential trade agreements. A so-called 'Interim Committee' was set up to prepare for a new conference, and negotiations were conducted regarding cereals, dairy products, and fruits and vegetables. No agreement was reached, and during the European conference in July 1954 a transfer of the Green Pool to the OEEC was supported by most of the participating countries. The creation of a separate intergovernmental organisation for agriculture was supported by France, Germany, Belgium, Luxembourg, Austria, Turkey and Spain. The transfer of the Green Pool to the OEEC was decided.<sup>195</sup> Agricultural cooperation in the OEEC never came near to a coordinated policy of trade and production.

### 3.2.3. *Agriculture in the EEC Treaty (1955-1957)*

In May 1955 the three Benelux countries (Belgium, the Netherlands and Luxembourg) presented a joint memorandum to the other ECSC member states. The Benelux memorandum proposed the creation of a common

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<sup>194</sup> Noël, 1988, pp. 136-178, esp. pp. 171ff; Griffiths & Guirao, 1995, pp. 8ff.

<sup>195</sup> Griffiths, 1995, pp. 39ff; Noël, 1988, pp. 329-370.

market, and it was discussed at a meeting in Messina between the Six. They decided that an intergovernmental conference should prepare the texts of treaties on European economic integration and cooperation in atomic energy. The preparatory work before the conference was carried out by a committee of government delegates. The Belgian Foreign Minister Paul-Henri Spaak became chairman of the committee. It composed a report, often referred to as the 'Spaak Report', which in May 1956 was approved by the governments of the Six as a basis for the negotiation of formal treaties on a common market and atomic energy. The Spaak Report included a chapter on agriculture which foreshadowed the agricultural chapter in the EEC Treaty.

The Spaak Report declared that agriculture should be included in a general European common market. However, the Spaak Report recognised the special problems in the agricultural sector and the necessity of a stable food supply. The creation of a common market in agricultural products should not take place through a simple deregulation of trade, but required a common policy which would replace the existing national market regulations. There should be a transitional period for adjustment. The common policy should be shaped to the conditions in a common market, and since this framework differed from the national entities, the common policy could not be a fusion of the existing national policies. It would take over their social and economic concerns, while its own objectives and procedures should be flexible enough to permit the application of any appropriate policy instrument.<sup>196</sup>

The intergovernmental conference between the Six took place between the autumn of 1956 and March 1957. The Six reached agreement on the content of the treaties on the European Economic Community and on European cooperation in atomic energy (Euratom) and the treaties were signed in Rome on 25 March 1957. Upon ratification in the six countries the treaties entered into force on 1 January 1958. Agriculture became part of the general common market, but in that framework the sector had a special position.

The position of agriculture in the EEC Treaty can be evaluated from different perspectives. One is the institutional set-up. Did the treaty establish a separate framework for agriculture, like an exception from the general use of majority-voting? The answer is negative, at least in principle. The institutions which treated the overall common market – Council of Ministers, Commission, European Parliament, Social and Economic Committee, and Court of Justice – would also deal with agriculture. They would apply the general procedures and would possess legal jurisdiction as in other areas. However, in the sectors of agriculture and transport the treaty committed the EEC to pursue a positive common policy. This meant that the sector could not be included as a subordinate element in the general common market. The

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<sup>196</sup> Fennell, 1997, pp. 11-14; Girvin & Griffiths, 1995, pp. ix-xiii.

treaty allowed for the creation of common funds specifically for agriculture. The other common funds in the EEC would cut across economic sectors.

The treaty gave no answer to the question how far the CAP should be defined and implemented by autonomous sub organs *within* the general institutions. The Commission would act as an independent, united and collegiate body, as it exercised its right of initiative in decision-making and its monitoring and executive powers in policy implementation. But each commissioner would possess his or her own administration in the form of a General-Directorate. Each commissioner could establish his or her own relations with interest groups and member state administrations.

The influence and degree of autonomy which the Ministry of Agriculture possessed within national governments varied from country to country, and over time. The treaty did not grant the Council of Agricultural Ministers any formal status of its own within the Council of Ministers. Instead the treaty maintained the concept of a single Council of Ministers. However, when it came to the daily business of implementing and administering the common market, the Council would split into the respective resorts.

Another perspective is the relation between the general objectives in treaty and the objectives enumerated in the chapter on agriculture. Among the general objectives in the EEC Treaty were the following.

- the elimination of all trade restrictions between the member states
- the free movement of persons, services and capital between the member states
- a common external tariff and a common external trade policy
- common policies in agriculture and transport
- a common regulation securing equal terms of competition.

If the EEC failed to develop a common policy in agriculture, would the sector then be exempted from the elimination of trade restrictions between the member states, from the common external tariff, or from both? Article 38.4 gave a partial answer to the question. The article stated that the creation of the common market would be accompanied by the establishment of a Common Agricultural Policy (CAP).

Another part of the answer could be found in the decision-making procedure by which the common market would proceed. The common market would be established gradually during a transitional period of twelve years. The transitional period was divided into three stages of four years each. The transition from the first to the second stage after four years was conditional on a unanimous decision by the Council. If the Council could not agree on the transition to the second stage, the first stage would automatically be prolonged. After two more years the decision would be taken by qualified majority, but a dissenting member state could call for arbitration for a special

body. The second and third stages could only be prolonged by unanimous decision. The transitional period could not exceed fifteen years in total.

Thus, at the end of the first stage a certain progress toward the creation of the CAP should have been achieved. Otherwise the individual member states could demand more time before they proceeded with the removal of internal tariffs and import quotas and the harmonisation of external tariffs.

A further partial answer was given in article 44.1 which effectively gave the importing member states an escape clause from the obligation to deregulate the internal trade in the EEC. The member states were entitled to introduce so-called ‘minimum prices’ during the transitional period. If the elimination of tariffs and import quotas caused a ‘development’ (i.e., decline or instability) in prices *which endangered the objectives of the CAP* (italics added) each member state would be entitled to replace the import quotas with minimum prices. If the prices in an importing member state fell below the minimum price, the imports could either be temporarily suspended or reduced; or the imports could be made conditional on their taking place at a price higher than the minimum price, the latter not including customs duties.

Until common criteria had been defined the member states could determine the minimum prices, in fact freely. Article 44.2 imposed certain limits on the potential use or abuse of minimum prices on part of the importing member states. Minimum prices should be applied in a non-discriminatory manner, and should not prevent a gradual increase in the existing trade between the member states. Nor should minimum prices prevent the natural preference between member states which followed from the customs union. However, article 44.1 made it clear that the deregulation of internal trade was fundamentally conditional on the CAP being able to achieve its objectives.

Article 43.3 pointed in the same direction. Article 43.3 stated that national market organisations could be replaced with a common organisation on two conditions. Firstly, reluctant member states would receive a guarantee for the occupation and living standard of the producers. Sufficient time would be given to adaptation and specialisation. Secondly, under the common organisation the trade between the member states would take place under the same conditions as within a national market. These conditions – guaranteed agricultural living standard, adaptation, and specialisation – were similar to the objectives of the CAP.

There were also exemptions from the harmonisation of the external tariff. The exemptions were important for countries which imported agricultural raw materials and exported manufactured agricultural products. Article 25.3 stated that for the products under the CAP the Commission could grant tariff quotas to a member state. The Commission could also allow a member state to suspend the common tariff totally or partially, if otherwise that country’s

manufacturing industry would suffer from inadequate supply. In a footnote in list F in Annex I the treaty stated that until a common market organisation had been established for cereals and wheat flour, the member states were entitled to suspend the common tariff in those products.

A similar exemption was made in article 43.4, although the latter article did not relate so much to the common tariff as to the overall regulation of imports from non-member countries under the CAP. Article 43.4 pointed to a hypothetical situation where a common organisation had been established for agricultural raw materials without an equivalent common organisation for manufactured products based on the raw materials. In that case it should be possible to import the raw materials from non-member countries with a view to their re-exportation in manufactured form to non-member countries.

During the first stage the member states could conclude longterm contracts on agricultural trade. This could imply a European buying preference which made agricultural raw materials more expensive in comparison with the world market price. Therefore, an exemption was made in article 45.3. If a member state needed raw materials to produce items destined for exports to non-member countries, and if the member state competed with producers in non-member countries, the contracts would not prevent the import of raw materials from non-member countries for the production of these items. However, if the Council decided to compensate for the higher price for raw materials paid under the contracts, the buying preference would be binding.

In the transition to the CAP the member states would take a political decision. Progress in the internal deregulation and the external regulation of agricultural trade would be weighed against another, and both would be weighed against progress in the CAP. At the same time, progress in the CAP might be weighed against progress in the general common market.

The objectives of the CAP were laid out in article 39.1. In short, the objectives were: increased productivity, a fair income level in agriculture, stable markets, availability of supplies, and reasonable consumer prices. A fair income level should be ensured by means of increased productivity. This implied that a fair income level should not be ensured by means which rewarded ineffective or uneconomic production. In the words of the treaty:

- 1) to increase agricultural productivity by promoting technical progress, rationalisation of agricultural production and the optimum utilisation of the production factors, in particular the labour force;
- 2) thereby to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;
- 3) to stabilise markets;
- 4) to assure the availability of supplies;
- 5) to ensure that supplies reached consumers at reasonable prices.

According to article 39.2, the CAP would take into account,

- the special character of agriculture, resulting from its social structure and from the structural and natural disparities between agricultural regions;
- the need to effect the appropriate adjustments by degrees;
- the fact that agriculture was closely linked with the economy as a whole.

The existing farm structure should constitute the economic and social basis of a policy which sought to ensure a certain degree of agricultural welfare. An elimination of regional disparities was not an objective, but the CAP would pay regard to the problems in weaker regions.

Articles 40.2, 40.3, 40.4 and article 42 described the instruments. A common organisation of the markets for agricultural products would be established. Depending on the product, the common organisation would consist of either,

- a) common rules on competition, or
- b) compulsory coordination of the national market organisations, or
- c) a European market organisation.

The common organisation could include price regulation, subsidies to production and sale, regulations on storage and transfer, and mechanisms for a stabilisation of imports or exports. The EEC could establish one or several funds for adaptation and guaranteeing measures. The EEC could allow the payment of subsidies, either to protect farms that were placed in a poor situation as a result of structural or natural conditions, or as part of programmes for economic development. Articles 43.1 and 43.2 provided a schedule for the future negotiations on the CAP. In order to define the guidelines of the CAP, the Commission would convene the member states to a conference. Their national policies would be confronted, especially by making a survey of their production potential and their needs. Within two years after the treaty had entered into force the Commission would submit proposals for the definition and implementation of the CAP.<sup>197</sup>

In her analysis of the treaty, Rosemary Fennell pointed to a sentence in article 40.3 which stated that ‘any common price policy shall be stated on common criteria and uniform methods of calculation’. According to Fennell, this article provided a safe basis for the market and price policy. By contrast, the treaty’s approach to structural policy was disorganised and vague.<sup>198</sup> The treaty gave higher priority to the creation of a CAP being able to ensure a fair agricultural income level than to the completion of a common market in agricultural products. But an objective in the CAP was also to increase social

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<sup>197</sup> Her Majesty’s Stationery Office (1972): *Treaty establishing the European Economic Community Rome 25 March 1957*, London.

<sup>198</sup> Fennell, 1997, pp. 15-17.

production by the stimulus of competition and greater markets. Germany had proposed that it should be an objective for the CAP to augment the living standard for all people engaged in agriculture, and Italy had proposed that an objective should be to achieve maximum employment in the sector. These proposals had been rejected by the Netherlands.<sup>199</sup>

#### 3.2.4. *Agriculture in the Free Trade Area (1956-1959)*

In July 1956 Britain proposed the creation of a Western European Free Trade Area encompassing the OEEC area. The OEEC firstly set up working parties to investigate the question. In October 1957 the OEEC set up a ministerial committee, named the 'Maudling Committee' from its British chairman, with the task of working out a draft convention on the FTA. In 1958 Britain, the EEC and the Scandinavian countries presented proposals for agricultural cooperation in the FTA. The British proposal was not rich on detail, and Britain was isolated, so the following description only includes the EEC's proposal and the joint proposal from the Scandinavian countries.

As for the institutional structure in the agricultural cooperation, both the EEC and the Scandinavian countries referred to the general institutions of the FTA. This question was never solved. With regard to the objectives and instruments of joint action, the EEC's proposal was more limited than the Scandinavian proposal. The general objectives in the EEC's proposal were larger agricultural trade and a so-called 'concerting' of national policies. The Scandinavian proposal referred to the agricultural objectives in the EEC Treaty, which went further than a 'concerting' of national policies.

For tariffs and import quotas the EEC proposed a standstill while the Scandinavian countries proposed a gradual elimination. For state trade and import monopolies the EEC proposed a standstill, while the Scandinavian countries referred to the EEC Treaty. Where the EEC's proposal entirely bypassed the question of minimum prices, the Scandinavian proposal referred to the EEC Treaty. The EEC would accept production subsidies if their effect on trade was *not unfair*; the Scandinavian countries would accept them if their effect on trade was *neutral*. The EEC proposed that export subsidies should be eliminated *or controlled*, while the Scandinavian countries proposed that export subsidies should be eliminated. In the EEC's proposal the FTA would not develop a common policy, but there would be a certain degree of coordination between national policies.

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<sup>199</sup> Girvin & Griffiths, 1995, p. xi; Thiemeyer, 1999, pp. 238f.

### 3.2.5. *The draft CAP proposal (1959)*

On 3-11 July 1958 the EEC member states and the European Commission held an agricultural conference in Stresa to prepare the CAP. It was decided that the CAP should include a common price policy in cereals. The actual price level remained an open question. The importance of structural policy was recognised. The family farm should be preserved under an agricultural policy which in its totality was oriented toward improved productivity. On 7 November 1959 the Commission submitted its draft proposal for the CAP. The Six were contemplating an acceleration of the common market. The remaining transitional period would be shortened from 10 to 6 years. The CAP proposal included 4/5 of agricultural production in the EEC and assumed that agriculture would be included in the acceleration.

The CAP proposal built on the supranational elements in the EEC Treaty and the Commission wanted a leading role in CAP decision-making. As a rule the common price would be proposed by the Commission and would enter into force unless the Council of Ministers could agree to change it.<sup>200</sup> The various product offices and common funds would all be placed under the Commission's authority. For most products the CAP proposal opted for the type of market organisation which created a maximum of common regulation, namely, a single market organisation. The proposal extended the scope of the CAP by including an active structural policy.

The objectives in the treaty of market stability, availability of supply, and reasonable consumer prices, were understood as meaning 'a longterm balance between supply and demand'. The objectives of raised agricultural productivity and a fair income level in agriculture were understood as meaning 'a reasonable remuneration of agricultural employment'. The family farm should be efficient. An active structural policy should be coordinated with a cross-sector policy of regional development. The structural policies in the member states should be monitored, coordinated and stimulated, and the EEC should possess its own Structural Fund.

The EEC should have a common price level, although this did not exclude regional differences according to transportation costs. The trade barriers between the member states should be eliminated and unfair practices distorting competition should disappear. For the implementation of the CAP the EEC should establish a number of product offices and product funds. Together the product funds would constitute a Guidance and Guarantees Fund (*Fonds Européen d'Orientation et de Garantie Agricoles*, FEOGA).

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<sup>200</sup> von der Groeben, Hans (1987): *The European Community: The formative years: The Struggle to establish the Common Market and the Political Union (1958-1966)*, Luxembourg: Office for Official Publications of the European Communities, p 77.

A system of common prices would be constructed around a 'target price' ('direction price'). It served as the guiding price for all parties involved, including producers, trade, and manufacturing industry. From the target price the 'threshold price' ('sluice-gate price') was calculated. Products from non-EEC countries would not be allowed to enter the EEC's market a price below the threshold price. A lower limit to the market price would be defined, called the 'minimum intervention price'. When the market price fell to this level, the public authorities were obliged to intervene. When the public authorities intervened and took certain quantities out of the market, they would pay a so-called 'basis price'. An upper limit to the market price would also be defined, called the 'maximum intervention price'.

No exact price was indicated. However, in general the common prices should be set at a higher level than the world market prices. The latter were regarded as being distorted by discriminating trade measures. Imports from non-EEC countries would be charged with variable levies or equalisation levies, in order to compensate for the difference between the EEC's price and the world market price. This principle did not only apply to the price difference within individual products, but also applied to derived products.

For instance, the higher fodder grains price in the EEC would tend to make pigs, eggs and poultry more expensive in the EEC than outside. Therefore, imports of pigs, eggs and poultry from non-EEC countries would be charged with a compensatory levy, equal to the difference. In return, the EEC's common tariff would be suspended in fodder grains and dairy products. The higher fodder grains price would tend to make exports of pigs, eggs and poultry to non-EEC countries more expensive. In order to compensate for the difference, refunds would be paid to exports of pigs, eggs and poultry to non-EEC countries. The refunds would be financed partly by the revenue from the import levies in fodder grains, and partly by the revenue from the import levies in pigs, eggs and poultry.

### 3.2.6. *EEC institutions*

With some modifications the CAP proposal from 1959 was implemented. Agriculture was included in the accelerated common market. The system of levies and refunds has remained the core of the EEC/EU's agricultural price regulation. In the 1960s the EEC developed a common trade policy which included agriculture. In multilateral trade negotiations the EEC acted as a single unit, represented by the European Commission. The individual member states ceased to conclude bilateral trade agreements with non-EEC countries and existing bilateral treaties were phased out. The central players in the CAP were the Commission, the Council of Agriculture Ministers, and agricultural organisations. The European Parliament and the Economic and

Social Committee (ESC) and its Agricultural Section had little influence. The national parliaments were out of the picture.

The decision-making procedures in the CAP were intertwined with the general procedures in the EEC. In accordance with the EEC Treaty, qualified majority-voting should have been introduced in 1965, but after a political crisis in 1965-1966, unanimity voting was accepted in practice. It found especially wide application in the annual price negotiations in the CAP. In 1960 the EEC set up a *Special Committee on Agriculture* (SCA). The SCA prepared the negotiations in the Council of Ministers and provided technical assistance. The member states established committees of permanent representatives (COREPER) to prepare the negotiations in the Council, but agricultural matters were excluded from COREPER and placed in the SCA. In 1961 the Commission accepted that the Council would determine the price level while the Commission only maintained the right of initiative.<sup>201</sup>

Legislative power was delegated to the Commission within the framework of the so-called *Management Committee* procedure. Delegation was made conditional through procedures which relied upon and confirmed the pooling of national sovereignty in the Community. For the establishment of common market organisations the Management Committee procedure was introduced in 1962. The Management Committees were composed by representatives of the member states and chaired by the Commission. The latter was obliged by law to consult the Committees. Any measure decided on by the Commission was immediately applicable, but if a measure deviated from the opinion of the Committee the Council of Ministers could modify it. The procedure was widely used and conflicts between the Commission and the Management Committees rarely occurred.<sup>202</sup>

Structural policy came to occupy a weaker place in the CAP than it had been foreseen in the proposal from 1959. The idea of a separate Structural Fund was abandoned, and the idea of separate product funds was also shelved. The FEOGA became a unitary fund, but it was divided into a Guarantee Section providing market and price support, and a Guidance Section providing structural aid. Initially the expenditure of the Guidance Section was set to be one-third of the Guarantee Section, but the proportion gradually declined. In

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<sup>201</sup> von der Groeben, 1987, pp. 101ff, esp. p. 105; Moravcsik, 1998, p. 196; Mollin, Gerhard Th. (2005): "La "Commission Hallstein" 1958-1967: Aux frontières d'un "gouvernement supranational"", in: Wilfried Loth (ed.): *La gouvernance supranationale dans la construction européenne*, Collection Organisation internationale et Relations internationales vol. 60, dir. Victor-Yves Ghebali, Bruxelles: Établissements Émile Bruylant, pp. 55-87, esp. pp. 75f.

<sup>202</sup> Bertram, Christoph (1967/68): "Decision-Making in the E.E.C.: The Management Committee Procedure", *Common Market Law Review*, vol. 5, no. 1, pp. 246-268.

the 1980s the Guarantee Section made up circa 95% of FEOGA's budget. In general the EEC's price was higher than the world market price. By 1968 the difference was 300% in the case of white sugar and butter, but only 50% or less in the case of pig meat, poultry meat, and eggs. For cereals the difference ranged from 17% for husked rice to 60% for barley and maize, and further to 100% for hard wheat. For beef the difference was 75%.<sup>203</sup>

After 1966 no commodity group received more than half of the expenditure of FEOGA-Guarantee Section. After 1970 the largest item in FEOGA-Guarantee expenditure was milk products. Already by 1960 the EEC had come near to self-sufficiency in many agricultural products, and production continued to grow. As a result, export refunds continuously took up a significant share of FEOGA-Guarantee expenditure in the case of cereals, sugar, milk products, beef and pig meat. The CAP proposal from 1959 had intended to let the size of the EEC budget determine the level of agricultural price support. However, until stricter budgetary discipline was introduced in 1980s it was rather the level of price support which decided the size of the agricultural section of the EEC's total budget.<sup>204</sup>

### *3.2.7. Agricultural integration, 1945-1960: Summary*

There was an almost unbroken continuity in the formal terms of member-state composition, general themes, objectives and instruments between the first proposal for a Green Pool in 1950 and the CAP as it developed in the 1960s. The greatest conceptual change was the inclusion of proposals for an active structural policy after 1957. The introduction of common market organisations was only one of several possible outcomes, but it was always on the agenda and it was the corollary of the creation of a common market with a common price policy. For low-cost exporting countries like the Netherlands and Denmark the economic purpose of European agricultural integration was to secure and expand exports. That they would eventually make financial gains from a common CAP budget could not be predicted. Changes in the political, institutional and economic context modified the implications of European agricultural integration despite the project's continuity in formal terms. In this respect, the greatest change was probably the establishment of the EEC's European Commission in 1958. Through its identification with the Commission, the CAP project, in a sense, became an independent and self-interested actor on the international political scene.

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<sup>203</sup> Fennell, 1997, p. 31, 41ff, 78.

<sup>204</sup> Fennell, 1997, pp. 154ff, 176ff.

### 3.4. Dutch and Danish agricultural policies 1945-1960

#### 3.4.1. External context: Foreign policy in general

The comparison begins with the external context. This includes foreign policy in general, political, economic and sociological structures in Dutch and Danish society, economic policy, and the relation between economic policy and foreign economic policy.

In 1963 Denmark had 4,6 million individuals, corresponding to 107 per km<sup>2</sup>; the Netherlands had 12,0 million individuals and 340 per km<sup>2</sup>. In the Western defence against a Soviet attack the Netherlands would be near the centre, while Denmark was at the margins. A defence union between Germany and France could perhaps defend the Netherlands, but not Denmark, unless it also included Sweden, which was politically impossible. After 1945 Denmark and the Netherlands joined the OEEC, EPU, GATT, and the Council of Europe. In 1948 the Netherlands joined the Western Union, a defence pact between Britain, France, and the Benelux countries, and this policy led to membership of the Atlantic alliance.<sup>205</sup>

Denmark only joined the Atlantic alliance when efforts to achieve agreement between Norway and Sweden on the creation of a Scandinavian Defence Union had failed.<sup>206</sup> In 1950-1954 there were plans for a European Defence Community (EDC), called 'the European Army', which would have included Belgium, France, Germany, Italy, Luxembourg and the Netherlands. Danish membership of the European Army was never seriously contemplated.<sup>207</sup>

When the Council of Europe was created in 1949 France proposed that it should have a supranational parliament, but Britain categorically rejected the proposal. For Denmark and the Netherlands the first priority was to avoid British abstention. The Council of Europe became an intergovernmental

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<sup>205</sup> Bogaarts, M.D. (1989): *Parlementaire Geschiedenis van Nederland na 1945: Deel II: De periode van het Kabinet-Beel 3 juli 1946 – 7 augustus 1948: Band A*, Centrum voor Parlementaire Geschiedenis Katholieke Universiteit Nijmegen, The Hague: SDU-Uitgeverij, pp. 390-437.

<sup>206</sup> Olesen, Thorsten B. & Villaume, Paul (2005): *Dansk udenrigspolitikens historie, vol. 5: I blokopdelingens tegn 1945-1972*, eds. Carsten Due Nielsen, Ole Feldbæk, Nikolaj Petersen, Copenhagen: Gyldendal Leksikon, pp. 91-125;

Olesen, Thorsten B. (1994): "Brødrefolk, men ikke våbenbrødre – diskussionerne om et skandinavisk forsvarsforbund 1948-49", in: *Den jyske Historiker*, no. 69-70, pp. 151-178.

<sup>207</sup> Olesen & Villaume, 2005, pp. 153-243, 288-378;

Branner, Hans (1993): "På vagt eller på spring? Danmark og Europæisk integration 1948-53", in: Birgit Nüchel Thomsen (ed.): *The Odd Man Out? Danmark og den Europæiske integration 1948-1992*, Odense University Studies in History and Social Sciences vol. 169, Odense: Odense Universitetsforlag, pp. 29-64.

institution with an advisory parliamentary assembly. Within this limitation Denmark and the Netherlands supported the internal autonomy of the assembly in relation to the national governments.<sup>208</sup>

The trade cooperation in the OEEC created economic problems for the small low-tariff countries in Benelux and Scandinavia. The elimination of import quotas ('liberalisation') in the OEEC followed a horizontal model with nominal targets per economic category and for all categories in total. The OEEC operated with three categories: food and feeding stuffs, raw materials, and manufactured goods. In October 1950 the member states should have removed quotas for at least 60% of their imports on private account from other member states. For 1 February 1951 the target 75% in total and 60% in each category; for 1 October 1955 the target was 90% in total and 75% in each category. The target was reached by most of the OEEC countries, and by 1959 the OEEC had reached an average percentage of 90%. The two main problems in the OEEC's liberalisation programme was the exception of state trade and the disparity in national tariff levels.

The liberalisation measures included in the calculation of a country's performance were those taken with respect to commodities imported in the basis year of 1948. Changes in the composition and price of imports were not reflected in the official liberalisation percentage. Countries could transfer products imported under quotas from private to government account without officially reducing their liberalisation effort.

When import quotas were removed, several major European countries began to reapply tariffs which had previously been suspended. While high tariffs were used to protect specific domestic industries even in professed low-tariff countries, the general picture was that tariffs in France, Germany, Italy and Britain were significantly higher than in Benelux and Scandinavia in all categories. The tariff disparity between the two country groups was manifest in the case of agriculture, but in this particular category Britain had a middle position between the low-tariff and high-tariff groups. The OEEC's tendency to concentrate on the removal of import quotas in industrial products created a particularly difficult situation for Denmark. Danish industry had since the 1930s been protected by import quotas, not by tariffs. The majority of Danish exports consisted of agricultural products sold to other European countries, mainly to Britain and Germany.

Against the problems of state trade and prohibitive tariffs the low-tariff countries applied two strategies. The first was to launch various proposals for tariff reductions. The second was to maintain their import quotas, for

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<sup>208</sup> Bogaarts, 1989, pp. 442-446; Olesen & Villaume, 2005, pp. 244-250; Branner, 1993, pp. 33-42.

protective or retaliatory purposes. The first strategy included, among other things, proposals for sector-wise removal of tariffs and import quotas, and proposals for tariff reductions on so-called ‘commodity lists’. In the commodity list approach the OEEC member states would draw up a list of commodities of which a minimum percentage originated from within the OEEC area. Then they could reduce tariffs on these commodities in conformity with GATT rules on a non-preferential, most-favoured-nation basis. The commodity list approach turned out to be politically impossible.

By the end of 1954 Denmark threatened to lay down a veto against the proposed target of 90% quota liberalisation if the OEEC refused to impose binding measures against high tariffs and state trading. A compromise was found. In January 1955 the OEEC adopted the 90% stage for a trial period of 18 months, but tariffs and state trade that were found to be restrictive could no longer be excluded from the national quota lists. Any member state suffering from a rise in tariff disparities could withdraw liberalisation measures beyond 75% to compensate for the damage caused to its exports.<sup>209</sup>

In 1950 the Dutch foreign minister Dirk Stikker presented a plan for a sector-wise removal of tariffs and import quotas. The so-called ‘Stikker Plan’ would begin with basic industries, agriculture and processing industries. In the sectors in question all tariffs and non-tariff barriers to trade should be removed. The sectors could receive financial aid from a European integration fund. When Stikker presented his plan to the OEEC Council in July 1950 he requested an immediate meeting between all ministers of Agriculture to achieve market unification, and Denmark supported the request. But the Stikker Plan never led to material results.<sup>210</sup>

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<sup>209</sup> Brusse, Wendy Asbeek (1995): ”European Trade and Commercial Policies: Quotas, Tariffs and the OEEC”, in: Thorsten B. Olesen (ed.): *Interdependence Versus Integration: Denmark, Scandinavia and Western Europe, 1945-1960*, Odense University Studies in History and Social Sciences vol. 193, Viborg: Odense University Press, pp. 96-114;

Lauring Knudsen, Ann-Christina (1995): *Denmark and the OEEC, 1949-1956: A case study of limitations to western European economic co-operation*, unpublished MA thesis, University of Aarhus.

<sup>210</sup> Milward, Alan S. (1984/1992): *The Reconstruction of Western Europe 1945-51*, London: Routledge, 1984, reprint 1992, pp. 446-450;

Brusse, Wendy Asbeek (1990): “The Stikker Plan”, in: Richard T. Griffiths (ed.): *The Netherlands and the Integration of Europe 1945-1957*, NEHA Series III: 8, Amsterdam: NEHA, pp. 69-92;

Brouwer, J.W.L. (1996): “Buitenlandse Zaken: De strijd om meer parlementaire invloed, 1948-1951”, in: P.F. Maars, J.M.M.J. Clerx (eds.): *Parlementaire Geschiedenis van Nederland na 1945: Deel III: Het kabinet-Drees-Van Schaik (1948-1951): Band C: Koude Oorlog, dekolonisatie en integratie*, Centrum voor Parlementaire Geschiedenis Katholieke Universiteit Nijmegen, pp. 43-205.

In the 1950s the three Benelux countries implemented a customs union and made progress toward an economic union. Agriculture was included in the customs Union, but agricultural trade between Belgium and the Netherlands was only partially free. In 1955 the Benelux countries agreed that after a seven-year transitional period they would establish a common agricultural policy, but the agreement was not implemented.<sup>211</sup> Inspired by the Benelux, after 1954 intense efforts were made to create a Nordic customs union between Denmark, Sweden, Norway and Finland. The Nordic customs union would not include free trade in agricultural products, but for Danish industry it would have great value. However, in 1959 the Nordic customs union project was abandoned.<sup>212</sup>

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<sup>211</sup> Brouwer, 1996, pp. 142-150;

van Zanden, Jan L. (1992): "De economische ontwikkeling van Nederland en België en het 'succes' van de Benelux, 1945-1958", in: E.S.A. Bloemen (ed.): *Het Benelux Effect: België, Nederland en Luxemburg en de Europese integratie, 1945-1957*, NEHA Series III: 17, Amsterdam: NEHA, pp. 13-32;

Brusse, Wendy Asbeek Brusse (1992): "De tariefpolitiek van de Benelux-landen, 1948-1955", in: E.S.A. Bloemen (ed.): *Het Benelux Effect: België, Nederland en Luxemburg en de Europese integratie, 1945-1957*, NEHA series III: 17, Amsterdam: NEHA, pp. 89-108;

Mommens, Thierry E. (1990): "Agricultural Integration in the Benelux", in: Richard T. Griffiths (ed.): *The Netherlands and the Integration of Europe 1945-1957*, NEHA Series III: 8, Amsterdam: NEHA, pp. 49-68;

Mommens, Thierry E. (1992): "Belgische en Nederlandse visies op het landbouwprobleem en de vorming van de Benelux in de jaren vijftig", in: E.S.A. Bloemen (ed.): *Het Benelux Effect: België, Nederland en Luxemburg en de Europese integratie, 1945-1957*, NEHA Series III: 17, Amsterdam: NEHA, pp. 109-128.

<sup>212</sup> Laursen, Johnny (1993): "Mellem fællesmarkedet og frihandelszonen: Dansk markedspolitik 1956-1958" in: Birgit Nüchel Thomsen (ed.): *The Odd Man Out? Danmark og den Europæiske Integration 1948-1992*, Odense University Studies in History and Social Sciences vol. 169, Odense: Odense Universitetsforlag, pp. 65-87;

Laursen, Johnny (1994): "Fra Nordisk Fællesmarked til Helsingfors Konvention – nordisk økonomisk samarbejde, 1945-62", *Den jyske Historiker*, no. 69-70, pp. 179-200;

Sørensen, Vibeke (1994): "Fra Marshall-plan til de store markedsdannelser, 1945-59", in: Tom Swienty (ed.): *Danmark i Europa 1945-93*, Copenhagen: Munksgaard, pp. 9-91;

Sørensen, Vibeke (1995a): "Nordic Cooperation – A Social Democratic Alternative to Europe?", in: Thorsten B. Olesen (ed.): *Interdependence Versus Integration: Denmark, Scandinavia and Western Europe, 1945-1960*, Odense University Studies in History and Social Sciences vol. 193, Viborg: Odense University Press, pp. 40-61;

V. Sørensen, 1993, pp. 99-112; Olesen & Villaume, 2005, pp. 397-402.

### 3.4.2. *Society and economy in the Netherlands*

Between 1870 and 1920 the Netherlands underwent a process of so-called ‘pillarisation’. Dutch society was divided into three confessional or ‘cultural’ segments which expanded into all areas of civil activity and became sharply segregated: Catholic, Calvinist and neutral. Except for the southern provinces Noord-Brabant and Limburg which were strongly Catholic, the three segments were spread over most of the country. The Social Democratic community was so tightly organised that it could be regarded as a fourth pillar in Dutch society. The Liberal community was less tight, and it defined itself in opposition to pillarisation. It consisted of those groups – such as the old elite of enlightened Calvinists – which remained after the Catholics, Calvinists and Social Democrats had organised their own communities.<sup>213</sup>

Each pillar had its own political parties, trade unions, education, savings banks, cooperatives, agricultural organisations, press, leisure and youth associations, etc. Social insurance also belonged to the pillars, but financial support from the state was growing, and in 1945 the government took over unemployment insurance and extended coverage to all employees.<sup>214</sup> The pillar system was definitively established after the national compromise in 1917 between all major political parties. In the compromise it was agreed that all confessions should have equal right to financial support from the state to privately organised lower education, and that general male suffrage should be introduced. During the subsequent national elections the Catholic and Calvinist political parties affirmed their strong position.<sup>215</sup>

The agricultural organisations became an active part of the pillarisation process. A neutral farmers’ organisation was established in 1884, since 1918 named the *Koninklijk Nederlands Landbouw-Comité* (KNLC). In the southern areas a Catholic farmers’ organisation was formed in 1896, later named the *Katholieke Nederlandse Boeren- en Tuindersbond* (KNBTB). In 1918 a Calvinist farmers’ organisation, the *Christelijke Boeren- en Tuindersbond* (CBTB) was formed. The farmers’ unions oriented themselves

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<sup>213</sup> van Zanden, 1998), pp. 10ff;

Daalder, Hans (1966): “The Netherlands: Opposition in a Segmented Society”, in: Robert A. Dahl (ed.): *Political Oppositions in Western Democracies*, New Haven & London: Yale University Press, pp. 188-236, esp. pp. 196-203;

Lorwin, Val R. (1971): “Segmented Pluralism: Ideological Cleavages and Political Cohesion in the Smaller European Democracies”, *Comparative Politics*, vol. 3, no. 2, January 1971, pp. 141-175;

Lijphart, Arend (1979): *Verzuiling, pacificatie en kentering in de Nederlandse politiek*, 3rd rev. ed., Amsterdam: J.H. de Bussy, pp. 27-35;

van Kersbergen, Kees (1995): *Social Capitalism: A Study of Christian democracy and the welfare state*, London, New York: Routledge, pp. 43-96.

<sup>214</sup> van Zanden, 1998, pp. 51ff, 62ff.

<sup>215</sup> Lijphart, 1979, pp. 100ff; Daalder, 1966, pp. 203ff; van Zanden, 1998, pp. 55ff.

toward the political parties of the respective confessional pillars. Farmers constituted more than 10% of the electorate of the confessional parties and the Liberal Party, while only few farmers voted for the Social Democrats. Confessional organisations were also created for farm labourers: the neutral *Algemene Nederlandse Agrarische Bedrijfsbond* (ANAB), the Calvinist *Nederlandse Christelijke Landarbeidersbond* (NCLB), and the Catholic *Nederlandse Katholieke Landarbeidersbond "St. Deusdedit"* (NKLB). They, too, oriented themselves toward the respective confessional parties.

After 1880 the cooperative movement became strong in Dutch agriculture. The first cooperatives were often non-religious until they were penetrated by the confessional majority in their respective areas. Later the confession-based farmers' unions took the initiative to establish connected confessional cooperatives. At the local level the cooperatives and the farmers' unions in many cases had a unified membership.<sup>216</sup> The cooperative banks, raw material purchasing companies and slaughterhouses were divided between a Catholic block in the southern and central regions, and a neutral block in the northern regions. In other sectors of agricultural manufacture and sales there were national federations of cooperatives which created a coordinating structure upon the confessional pillars. If all confessional pillars are taken together, the agricultural cooperatives were three times as many as the total number of industrial, middle class and consumers' cooperatives in 1948.<sup>217</sup> In 1934 a National Cooperative Council (NCR) was created, and among its members the agricultural cooperatives were in majority.<sup>218</sup>

During the economic crisis in the 1930s a farmers' protest organisation, the *Landbouw en Maatschappij* (LM) had many members. In 1940 the KNLC had 53.000 members; the CBTB had 19.000 members; the KNBTB had 74.000 members; and the LM had 21.000 members. On the side of the farm labourers, the ANLB had 30.000 members; the NCLB had 25.000 members; and the KNLB had 18.000 members. In the 1930s there was an emergent cooperation between the three farmers' organisations, and between these and the three farm labourers' organisations. The KNBTB was the strongest partner, but was not able to dominate over the other organisations. In this the power balance in agriculture resembled the general political balance. The

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<sup>216</sup> Stroink, A.F. (1991): "De coöperator: George Willem Stroink (1871-1941)", in: P.C.M. Hoppenbrouwers (ed.): *Een loopbaan in de landbouw: Twaalf portretten van markante figuren in agrarisch Nederland*, Groningen: NAHI: Historia Agriculturae, vol. XXIII, pp. 14-31, esp. pp. 22, 24, 26.

<sup>217</sup> Abma, E. (1955): *Boer en Standsorganisatie – een regionaal-quantitatieve analyse (Participation of Farmers in Farmers' Unions)*, Landbouwhogeschool Wageningen Afdeling Sociologie en Sociografie Bulletin no. 2, Wageningen, p. 16; Minderhoud, G. (1949): *Landbouw-coöperatie in Nederland*, 2nd ed., Groningen: J.B. Wolters' Uitgeversmaatschappij, pp. 1-6, 22ff, 55.

<sup>218</sup> Stroink, 1991, pp. 24f.

LM was isolated and was discredited during the occupation 1940-1945 when it collaborated with Germany. In 1944 the farmers' and farm labourers' organisations agreed to create a common umbrella organisation, the *Stichting voor de Landbouw*. It was a private organisation which the liberation government recognised as the primary representative of agriculture.<sup>219</sup>

Until 1940 the Dutch governments consisted of shifting coalitions between the Liberal Party and the religious parties. In 1945 the Social Democrats joined with Liberals and Protestant and Catholic freethinkers to form the Labour Party, *Partij van de Arbeid* (PvdA). The PvdA intended to break the pillarisation but the ensuing national elections reaffirmed the strength of the religious parties. In 1948 the Liberals split from the PvdA and established the Liberal Party, *Volkspartij voor Vrijheid en Democratie* (VVD).

In 1945-1958 the Netherlands was ruled by government coalitions in which the PvdA and the Catholic People's Party (*Katholieke Volkspartij*, KVP) were constant members. The VVD, the Calvinist CHU (*Christelijk-Historische Unie*) and the likewise Calvinist ARP (*Anti-revolutionaire Partij*) were members of the coalitions in shorter periods. The ARP had once been a large and leading party, but in 1945 it had become a middle-sized party while the KVP had taken the central position in Dutch politics. Smaller parties like the Communists and religious fundamentalists were marginal. In 1959 the PvdA left the government, but the KVP stayed in various centre-right coalitions. Until a process of de-pillarisation began in the 1960s the national elections were more or less equal to confessional census. The KVP and the PvdA competed for position as the largest party and each usually received circa 30% of the vote at the national elections.

Between 1948 and 1958 the prime minister was Willem Drees from the PvdA. In the Dutch cabinets decisions were taken in plenary sessions where all ministers had an equal right of voting and information, and the ministries had strong internal autonomy. Decisions were usually taken by consensual agreement. Most issues were settled during the coalition negotiations which could last for months. Otherwise disagreements were often solved in interdepartmental negotiations between ministries. The political weight of a minister was not determined by the size of the party he or she came from.

A minister could not be a member of the Dutch parliament. The government and the parliament possessed strong internal autonomy in relation to one

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<sup>219</sup> Stroink, 1991, p. 29; Krajenbrink, 2005, pp. 63ff.

Rip, W. (1952): *Landbouw en publiekrechtelijke Bedrijfsorganisatie*, Wageningen: H. Veenman & Zonen;

Smits, M. (1996): *Boeren met beleid: Honderd jaar Katholieke Nederlandse Boeren- en Tuindersbond 1896-1996*, Nijmegen: Valkhof Pers;

van der Woude, 2001, pp. 222ff.

another. The KVP and the PvdA together possessed a clear majority in the parliament, and with the usual participation of two more parties in the coalition governments in the 1950s the majority became large. But the government would not usually break up if the corresponding parliamentary coalition did so in a particular issue. Thus the dividing line between government and opposition was blurred.<sup>220</sup> The participation of the PvdA in Dutch governments after 1945 was part of a wider effort to achieve national consensus and create bridging institutions which strengthened the political and economic cooperation at elite level between the pillars.

In the Labour Foundation, *Stichting van de Arbeid*, created in 1945, the trade unions and the employers' organisations negotiated on collective wage agreements. This was a refinement of a system of collective agreements which had been developed in the interwar period. In 1937 the minister of Social Affairs was given the right to nullify collective agreements or to extend them to all firms in a given industry. In 1945-1963 the Dutch wage negotiations took place on the basis of an annual directive issued by the minister of Social Affairs which indicated the permitted wage increase. Before issuing the directive the minister would consult the *Stichting van de Arbeid*. When the collective agreements had been concluded they were examined by a Board of Mediators, *College van Rijksbemiddelaren*. Most often, the Board of Mediators approved a collective agreement and extended it to all companies in the industry in question.

Between 1950 and 1963 trade union density (union membership in % of total number of employees) was circa 42% in the Netherlands. This percentage was higher than in France and Germany, but it was lower than in Sweden, Norway, Belgium, Denmark, and Britain.<sup>221</sup> Among the Dutch national trade union associations the Social Democratic NVV (*Nederlands Verbond van Vakverenigingen*) was larger than the Catholic KAB (*Katholieke Arbeidersbeweging*), and both were considerably larger than the Calvinist CNV (*Christelijk Nationaal Vakverbond*). But the KAB and the CNV together counted more members than the NVV.<sup>222</sup>

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<sup>220</sup> Lijphart, 1979, pp. 127-130; Daalder, 1966, pp. 213-225;

Daudt, H. (1980): "De ontwikkeling van de politieke machtsverhoudingen in Nederland sinds 1945", in: H.B.G. Casimir, A.K. Constandse, H. Daudt (eds.): *Nederland na 1945: Beschouwingen over ontwikkeling en beleid*, Deventer: Van Loghum Slaterus, pp. 178-197;

*Parlement en Kiezer: Jaarboekje 40<sup>ste</sup> Jaargang, 1956/57*, ed. F.K. van Iterson & H.G. van Zwijndregt, The Hague: Martinus Nijhoff, pp. 1-31;

van Putten, J. (1975): *Demokratie in Nederland*, Utrecht, Antwerpen: Het Spectrum.

<sup>221</sup> van Zanden, 1998, p. 75.

<sup>222</sup> Fortuyn, W.S.P. (1983): *Kerncijfers 1945-1983 van de sociaal-economische ontwikkeling in Nederland: Expansie en stagnatie*, Deventer: Kluwer, p. 89.

In 1950 the Dutch parliament passed the Industrial Organisation Act which established the Social and Economic Council (*Sociaal-Economische Raad*, SER) and trade organisations under public jurisdiction, called “PBOs” (*publiekrechtelijke bedrijfsorganisatie*). The PBOs could be horizontal, i.e., general organisations (*bedrijfschappen*) and vertical commodity boards (*produktschappen*). PBOs could only be established on a voluntary basis and not by dictation from the Dutch government. The PBOs had the competence to make autonomous legislation in social matters. In the PBOs both employers and employees were represented and in the horizontal PBOs the employees had parity of votes in social legislation. The SER supervised the budgets of the PBOs, but it also served as a think-tank and gave advice to the Dutch government on social and economic questions. In the SER up to one third of the members could be appointed by the Crown, while the other members were distributed equally between employers and employees.

In 1947 the Central Planning Bureau (CPB) was created. The main task of the CPB was to make economic forecasts, to advise the government on the annual public budget, and to publish an annual Central Economic Plan. The creation of the SER, the PBOs and the CPB were not without political controversy. On the one hand, the PvdA wanted a strong element of state direction in the PBOs and in the process the CPB was intended to be more than an advisory organ. This model was rejected by the Liberals and the confessional parties. On the other hand, the PvdA and the KVP agreed that the PBOs should not possess genuine sovereignty. This was against the ARP’s ideal of trade sovereignty. Moreover, the ARP, the CHU and the VVD wanted a stronger degree of parliamentary control over the PBOs. In the end, the KVP and the PvdA used their own combined votes to pass the Industrial Organisation Act through the parliament.<sup>223</sup>

The war economy was dismantled around 1948-1949 and Dutch policy increasingly turned away from micro-economic intervention. The only sector where the PBO structure became effective was agriculture and the SER’s main task was its advisory function. In agriculture the Stichting voor de Landbouw was financed by its member organisations and by subsidies from

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<sup>223</sup> Dercksen, W., Fortuyn, P., Jaspers, T. (1982): *Vijfendertig jaar SER-adviezen, Deel I: 1950-1964*, Deventer: Kluwer, pp. 122-136;  
Clerx, J.M.M.J. (1991): “Economische expansie door liberalisatie”, in: P.F. Maars, J.M.M.J. Clerx (eds.): *Parlementaire Geschiedenis van Nederland na 1945: Deel III: Het kabinet-Drees-Van Schaik (1948-1951): Band A: Liberalisatie en sociale ordening*, Nijmegen: Gerard Noodt Instituut, pp. 359-528, esp. pp. 438-510;  
Rip, 1952, pp. 116-170;  
Griffiths, Richard T. (1980): “The Netherlands Central Planning Bureau”, in: Richard T. Griffiths (ed.): *The Economy and Politics of the Netherlands since 1945*, The Hague: Martinus Nijhoff, pp. 135-161.

the government. In 1954 a horizontal PBO was created for agriculture, the *Landbouwschap*, which replaced the Stichting.

The Landbouwschap had a similar structure as the Stichting, and the six member organisations maintained their independence. However, as a PBO the Landbouwschap had an important financial source at its disposal which the Stichting did not have, namely, the right to demand a regular fee from all Dutch farmers, independently of whether or not they were members of an agricultural organisation. As a PBO the Landbouwschap also had the right to make autonomous social legislation, but in general the farm labourers preferred to have their payment and working conditions regulated through the nation-wide collective agreements. The main task of the Landbouwschap became the same as it had been for the Stichting voor de Landbouw, namely, to act as the primary representative of the agricultural interest.<sup>224</sup>

As to whether the SER was a politically influential institution, opinions have differed. There is agreement that in as far as the SER reached unanimous decisions its advisory reports did carry political weight. But observers have disagreed on the frequency of unanimous decisions in the SER.<sup>225</sup> A detailed investigation of the SER's activities in the period 1950-1964 brought the conclusion that between 1950 and 1956 a majority of the SER's decisions were not unanimous. But those issues where decisions were taken unanimously included fundamental areas like wage- and price policy. After 1956 the frequency of unanimous decisions grew to more than 50% but the issues treated became less fundamental.

In the period 1950-1964 only 6% of the SER's advices were given to the Ministry of Agriculture. More than 50% were given to the Ministry of Social Affairs, and nearly 20% were given to the Ministry of Economic Affairs. Of the 32 decisions taken in the SER only three related to agriculture; in all three decisions the SER was divided. Routine decisions were excluded from this calculation, and reports on the European Economic Community were also excluded, because in EEC issues the SER was careful not to display internal disagreement, so as not to weaken the Dutch negotiation position.<sup>226</sup>

The Netherlands was less dependent than Denmark on exports of agricultural products, and Dutch industry included a broad range of productions. Dutch agricultural industry was more diversified than its Danish counterpart, both in terms of composition and geographic orientation. There were many reasons for this difference. One important reason was that the growth of international shipping stimulated the industrialisation of the port cities in

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<sup>224</sup> Krajenbrink, 2005, pp. 27-29, 55-125.

<sup>225</sup> Lijphart, 1979, pp. 107f; van Zanden, 1998, pp. 132f.

<sup>226</sup> Dercksen et al., 1982, pp. 441-449.

Holland. Another important reason was the commercial relations with the Dutch colonies until 1940. Indonesia supplied raw materials and constituted the main export market for various industries, and the commerce with Indonesia stimulated the development of international services. In 1945 the Dutch industry and service sectors had become internationally competitive and had redirected their attention to Europe.<sup>227</sup>

Dutch economic policy in the 1950s had three main objectives: 1) maximum material prosperity, 2) full employment, 3) equitable distribution. Other aims such as price stability and balance-of-payments equilibrium were means to achieve these ends rather than independent objectives in their own right.<sup>228</sup> The two first objectives were achieved. In the 1950s the Netherlands had nearly full employment. Within Western Europe only Austria, Denmark, Belgium, Germany and Italy had high rates of unemployment. Between 1950/52 and 1958/60 the Dutch gross domestic product (GDP) grew at an average annual rate of 4,5%. This was equal to the Western European average of 4,5%; it was higher than the growth rates in Switzerland, Sweden, Denmark (3,2%), Norway, Belgium, Britain and Ireland; it was only lower than the growth rates in Germany, Austria and Italy. From 1950 to 1960 the Dutch population grew by 13%, and over the same period the Dutch GDP per employed person rose by 3,4% per year on average.<sup>229</sup>

After 1945 the Netherlands underwent a rapid process of industrialisation. The number of persons employed in industry and services increased steadily while on average 11.000 men left agriculture per year in 1951-1959. From 1949 to 1959 the agricultural employment as a percentage share of total employment fell from 14% to 10% (counted in man-years). This was a common pattern in Western Europe. However, the Netherlands was a rare example of income parity between agriculture and other economic sectors. Throughout the period 1949-1962 the share of agriculture in Dutch national income was nearly identical to the sector's share in total employment.<sup>230</sup>

Except for 1952 the Netherlands ran a continual deficit in national commodity trade in the 1950s. But the Netherlands had a constantly positive

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<sup>227</sup> van Zanden, 1998, pp. 7-9, 21-25.

<sup>228</sup> Weststrate, C. (1959): *Economic Policy in Practice: The Netherlands 1950/1957*, Leiden: H.E. Stenfert Kroese N.V., pp. 3-8.

<sup>229</sup> Aldcroft, Derek H. (2001): *The European Economy 1914-2000*, 4<sup>th</sup> ed., Routledge: London, pp. 128ff;

Organisation for Economic Co-operation and Development [OECD] (1965): *Low incomes in agriculture: Problems and policies*, Paris, p. 295; Fortuyn, 1983, p. 50.

<sup>230</sup> Milward, 1992, pp. 232, 236; van Zanden, 1998, p. 163; Weststrate, 1959, pp. 191-193;

van den Noort, P.C. (1965): *Omvang en verdeling van het agrarisch inkomen in Nederland, 1923-1963*, diss. Landbouwhogeschool te Wageningen, p. 120.

account in services and incomes so that the total current balance of payments was positive in 1952-1955 and from 1958 onward. From 1951 to 1963 exports grew by an average annual rate of 8,3%.<sup>231</sup> Despite the fact that Dutch agricultural exports grew strongly in the 1950s, the share of food and feed (excluding fish) in the total current value of Dutch exports fell from 32% in 1951 to 24% in 1960. In Europe these figures placed the Netherlands in a middle position between agricultural exporters like Denmark and Ireland, and industrial exporters like Germany, Britain and Belgium.<sup>232</sup>

The strong degree of government supervision on Dutch wage bargaining in the 1950s was part of a policy of industrialisation and export-led growth. Between 1946 and 1953 wages were generally linked to the cost of living, but after 1953 the rise in labour productivity and in GDP per capita also began to determine the permitted wage increases. This policy served to reduce inflation and direct economic resources from consumption to investment, so that the competitiveness of Dutch industry was strengthened. Closely related to the so-called ‘guided wage policy’ was a price policy which sought to keep the consumer prices in food and the general cost of living as low as possible. By international standards the Netherlands became a country with low prices and wages. The guided wage- and price policy, which was connected to a policy of improved social security and welfare provision, was supported by the trade unions.<sup>233</sup>

Dutch foreign economic policy after 1945 was strongly oriented toward the expansion of trade and payments relations with Germany. The Netherlands became part of an international process of increasing intra-industrial trade and integration in high-growth sectors of industry. The process centred around German industry, and in this way the increased in exports to Germany became a central element in the industrial expansion in the Netherlands. By 1954 Germany had replaced Belgium as the largest single export market for Dutch industrial exports while Britain remained in the third place. Germany – and especially the Ruhr district – had traditionally been the main market of Dutch agricultural exports, but in the 1930s and 1940s Britain had occupied this position. By 1952 Germany had again become the main market for Dutch agricultural exports.<sup>234</sup>

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<sup>231</sup> Fortuyn, 1983, pp. 49-51; van Zanden, 1998, p. 135.

<sup>232</sup> FAO: *FAO Trade Yearbook*, various years 1952-1961, Rome.

<sup>233</sup> van Zanden, 1998, pp. 65, 72-82, 148-151;

Klep, Paul (1985): “Katholieke arbeidersbeweging en economische groei: Het beleid van KAB en NKV in de economische ontwikkeling van Nederland, 1945-1974”, in: Jan Roes (ed.): *Katholieke arbeidersbeweging: Studies over KAB en NKV in de economische en politieke ontwikkeling van Nederland na 1945*, Baarn: Ambo, Federatie Nederlandse Vakbeweging FNV, pp. 203-291.

<sup>234</sup> Milward, 1992, pp. 119ff, 134ff, 173ff; Bogaarts, 1989, pp. 584-604; Fortuyn, 1983, pp. 52-62;

The relations with Germany and Benelux were the core of the Dutch orientation toward the Six. Within the Benelux framework it became clear that the Dutch policy of low prices and wages not only increased the competitiveness of Dutch industry, but also prevented any coordination of Dutch and Belgian agricultural price policy in short term. The Benelux common external tariff in agricultural products was in general relatively low, but Belgium and the Netherlands conducted separate policies of import levies, import quotas, marketing, subsidies, etc.<sup>235</sup>

In order to protect the less cost-efficient Belgian farmers, a Benelux Agricultural Protocol was concluded in 1947 which gave Belgium the right to establish minimum prices for agricultural imports. A number of products were listed – mainly dairy products and horticultural products – in which the Protocol permitted Belgium to restrict the imports from the Netherlands if it was necessary to defend the minimum price. As compensation the Netherlands obtained a first call on Belgian import quotas in agricultural products. The revenue of the Belgian import levies was shared equally between Belgium and the Netherlands. Dutch decision-makers became discontent with the Protocol, and after 1954 there were intensified efforts to replace it with a coordinated Dutch-Belgian agricultural policy. The efforts failed, however, and the Protocol remained in force until the establishment of the common market and the CAP.<sup>236</sup>

#### 3.4.3. Society and economy in Denmark

Denmark has no parallel to Dutch pillarisation. Confessional parties, trade unions, employers' organisations and farmers' organisations are negligible. In 1949-1959 the share of employment in agriculture in total Danish employment fell from 27% to 21% (counted in employed labour force). In 1949-1960 the share of agriculture in the Danish GDP fell from 19% to 14%.<sup>237</sup> In 1950-1960 the labour force in urban sectors grew with circa 250.000 persons while the agricultural force was reduced with circa 100.000 persons.<sup>238</sup> The fact that agriculture only occupied around a quarter of the

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Wielenga, Friso (1989): *West-Duitsland: partner uit noodzaak – Nederland en de Bondsrepubliek 1949-1955*, Utrecht: Het Spectrum, pp. 235ff.

<sup>235</sup> Sociaal-Economische Raad [SER] (1955): *Conclusies van de speciale Beneluxcommissie met betrekking tot het probleem der coördinatie van de landbouwpolitiek in het kader van de Benelux*, The Hague: Publicaties van de Sociaal-Economische Raad 1955 no.1.

<sup>236</sup> Mommens, 1990, pp. 53ff, 56ff; Robinson, 1961, pp. 70-77, 140-150.

<sup>237</sup> Milward, 1992, pp. 232, 236; OECD, 1965, p. 137.

<sup>238</sup> Hansen, Svend Aage (1974): *Økonomisk vækst i Danmark II: 1914-1970*, Copenhagen: Akademisk Forlag, pp. 142f.

total working population contrasted with the large share of agricultural produce in Danish exports. The percentage share of food and feed (excluding fish) in the current value of total Danish exports rose from 67% in 1951 to 69% in 1953, but thereafter the share gradually declined to 53% in 1960.<sup>239</sup>

The main political parties were the Communists on the extreme left; the centre-left oriented Social Democratic Party (*Socialdemokratiet*); the Social Liberal Party (*Radikale Venstre*) and the ultra-liberalist Justice Party (*Retsforbundet*) in the centre; and the centre-right oriented Liberal Party (*Venstre*) and Conservative Party (*Konservative Folkeparti*). The Social Liberal Party had split from the Liberal Party in 1905. The largest party was the Social Democratic Party which usually obtained circa 40% of the total vote in national elections. The Social Liberal Party and the Justice Party together usually obtained between 10% and 16%. The Liberal Party and the Conservative Party together usually obtained circa 40%.<sup>240</sup> The Justice Party was a protest party and had no mediating role between the Social Democratic Party and the Liberal-Conservative bloc. Instead the Social Liberal Party was the centre party that decided which of the two sides should be in government.

The Social Liberal Party supported a Liberal minority government in 1945-1947, a Social Democratic minority government in 1947-1950, a Liberal-Conservative minority government in 1950-1953, and a Social Democratic minority government in 1953-1957. After the national elections in May 1957 the Social Democrats, the Social Liberals and the Justice Party together formed a majority government under Social Democratic leadership.

Usually a Danish minister is also a member of the parliament, and the relations between government and parliament are generally close. In the 1950s the trade unions were connected to the Social Democratic Party.<sup>241</sup> Danish industry and urban employers were connected to the Conservative Party, while the middle-sized farmers were connected to the Liberal Party. The smallholders were connected to the Social Liberal Party, but they had certain relations with the Social Democratic Party as well, and even with the Justice Party. In national elections the Liberal Party was strong in rural areas. The Conservative Party received very few rural votes, the Social Democrats received a certain number of votes from smallholders, while the

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<sup>239</sup> FAO: *FAO Trade Yearbook*, various years 1952-1961, Rome.

<sup>240</sup> Esping-Andersen, Gøsta (1985): *Politics Against Markets: The Social Democratic Road to Power*, Princeton: Princeton University Press, p. 327.

<sup>241</sup> Kaarsted, Tage (1977): *De danske ministerier 1929-1953*, Copenhagen: Pensionsforsikringsanstalten [reprint 1992]; Kaarsted, Tage (1992): *De danske ministerier 1953-1972*, Copenhagen: PFA Pension; Esping-Andersen, 1985, pp. 64-66, 73-78, 90-99, 120-132.

Social Liberal Party after 1947 obtained circa 12-15% of the farmers' and smallholders' combined votes.

The majority of Danish cooperatives were in the agricultural sector. Among the national agricultural cooperative federations the Dairy Board and the Bacon Factories Federation had by far the greatest turnover and the highest number of individual members.<sup>242</sup> The Dairy Board and the Bacon Factories Federation were established as national federations in 1912 and 1897, respectively. They were led by middle-sized farmers, although many floor members in the cooperatives were smallholders. From the beginning of the cooperative movement in the 1880s the agricultural cooperatives always had a relatively independent position in relation to the farmers' organisations. A National Cooperative Council (*Andelsudvalget*) was created in 1917. It had both agricultural and non-agricultural cooperatives as members. The Dairy Board and the Bacon Factories Federation led the National Cooperative Council, but its activities were oriented toward the economic conditions of the cooperative sector in general, rather than toward agricultural policy.<sup>243</sup>

Since the land reforms around 1800 Denmark had a solid class of middle-sized farmers most of whom owned their land. In the early 20<sup>th</sup> a policy of parcelling out great estates to state-owned tenancy provided land to farm labourers and expanded the group of small farms. The middle-sized farms were organised in the Danish Farmers' Unions, established as a national federation in 1893. The small farms were organised in the Danish Smallholders' Unions, established as a national federation in 1906. The Danish Farmers' Unions had 141.000 members in 1946 and the same year the Danish Smallholders' Unions had 116.000 members.<sup>244</sup>

In 1919 the Dairy Board, the Danish Bacon Factories Federation, and the Danish Farmers' Unions established the *Landbrugsraad* (Agricultural Council). Like its member organisations, the *Landbrugsraad* was dominated by the middle-sized farmers, but from 1932 to 1939 the Danish Smallholders Unions were member of it. During the economic crisis in the 1930s a farmers' protest organisation, the *Landbrugernes Sammenslutning* (LS) had many thousands of members. Later the LS's membership declined and the parliamentary representatives of the LS became discredited by their collaboration with the German occupier in 1940-1945. The membership of the Danish Smallholders' Unions of the *Landbrugsraad* in the 1930s was part

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<sup>242</sup> Buksti, 1974, pp. 45-49, 290; Buksti, 1974, pp. 183ff.

<sup>243</sup> Just, Flemming (1990): "Butter, Bacon and Organisational Power in Danish Agriculture", in: Flemming Just (ed.): *Cooperatives and Farmers' Unions in Western Europe: Collaboration and Tensions*, Esbjerg: Sydjysk Universitetsforlag, pp. 137-159; Just, 1992, pp. 67-70.

<sup>244</sup> Buksti, 1974, p. 288.

of a strategy of the established organisations to create cooperation on the economic crisis management and to keep the LS politically marginalised.<sup>245</sup>

Trade union density in Denmark rose from 54% in 1950 to 65% in 1963. Next to Sweden, Belgium and Norway, Denmark had one of the highest degrees of trade union density in Western Europe in 1950, and in 1963 Denmark was equal to Belgium and secondary only to Sweden.<sup>246</sup> Danish governments could not dictate the wage level. In 1956 the collective wage negotiations deadlocked and a great strike broke out, but a broad parliamentary majority turned the conciliation office's proposal into law, and the strike died down.<sup>247</sup> In the 1950s Denmark had a relatively high rate of unemployment. In the period 1950-1958 the rate fluctuated around 10%. The growth in GDP was relatively low and very uneven. Successive governments conducted a so-called 'stop-and-go' policy, because a chronic balance of payments problem made it necessary to impose limits on economic activity.

The Danish economy depended on imports of raw materials for agriculture and industry. The devaluations of the European currencies toward the dollar in 1949 and the Korean crisis in 1950 led to a deterioration in the terms of trade. For many Danish industries the elimination of import quotas under the OEEC regime created a rapid change from a protected home market to international competition. Around half of all foreign currency earnings came from agricultural exports and because of the continued absence of free and fair trade in agricultural products, the agricultural export earnings stagnated. Instead the increase in production in urban sectors had to be financed from increased industrial exports. Danish agriculture was struck by the stagnation in export prices, as well as by rising production costs. The sector's terms of trade were relatively stable until 1952, but thereafter deteriorated. From 1952 to 1957 the sector's terms of trade lowered by 25%.<sup>248</sup>

Danish import policy was trapped in a backwater between the industrial resistance against the elimination of import quotas and the agricultural resistance against the introduction of substantial tariffs. However, during the 1950s the foreign debts were reduced to a relatively low level, the international availability of credits and raw materials improved, and Danish industry became more competitive. The Social Democratic led coalition

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<sup>245</sup> Just, 1992, pp. 49-79, 111, 117f, 130ff, 140, 484, 516.

<sup>246</sup> van Zanden, 1998, p. 75.

<sup>247</sup> Lidegaard, Bo (2001): *Jens Otto Krag I: 1914-1961*, Copenhagen: Nordisk Forlag, pp. 514-525; Johansen, 1987, pp. 122f; Kaarsted, 1992, pp. 68-78.

<sup>248</sup> Johansen, Hans Christian (1987): *The Danish Economy in the Twentieth Century*, New York: St. Martin's Press, pp. 104-123;

Nyboe Andersen, P. (1956): "Strukturændringer i dansk økonomi", *Nationaløkonomisk Tidsskrift*, vol. 94, pp. 33-46;

S.A. Hansen, 1974, pp. 125-154.

government which took office in 1957 introduced a more active policy of industrial expansion. In February 1960 the coalition government and the Conservative Party passed a revision of the Danish tariffs. The remaining import quotas were eliminated, the tariffs on industrial raw materials were lowered, and the tariffs on industrial manufacture were raised. The strong expansion in industrial investments, production and exports after 1956 turned Denmark into an industrial exporting country within a few years.<sup>249</sup>

The main markets for Danish agricultural exports were Britain and Germany. In the bilateral negotiations with Britain and Germany the Danish priorities were to defend the industrial home market, to acquire cheap raw materials, and to obtain agricultural exports. Britain was an important supplier of industrial raw materials and at the same time constituted the largest single market for Danish agricultural exports. The preference for agricultural producers in the British Commonwealth had been a problem for Danish agriculture since the 1930s. In the bilateral trade negotiations on trade and payments Danish agriculture represented itself in separate negotiations with the British Ministry of Food. The subject of these negotiations was the conclusion and annual revision of longterm contracts for the exports of butter, bacon and eggs to the Britain.

In 1950-1952 Britain reduced the promised supplies of raw materials to Denmark. The only means of retaliation would be to reduce the exports of agricultural products to Britain, and the Liberal-Conservative government considered suspending Danish agriculture's right of self-representation in the trade negotiations. When international supplies of raw materials increased in 1952, the government decided not to take such a step. Britain abandoned state trade in agriculture and the longterm contracts were not renewed after their expiration in 1956.

However, in that year Britain introduced a 10% tariff on bacon imports from non-Commonwealth countries. Denmark did not retaliate and did not even submit a formal complaint to GATT. In the period 1950-1960 the share of Danish agricultural exports going to the Six increased from 28% to 37%, while the share going to Britain fell from 55% to 45%. The share of Danish industrial exports going to the Six remained 20%; the share going to Britain fell from 18% to 10%; and the combined share going to Norway and Sweden remained 21%.<sup>250</sup>

The Liberal-Conservative government in 1950-1953 reacted prudently to the Green Pool and the creation of the European Coal and Steel Community.

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<sup>249</sup> S.A. Hansen, 1974, pp. 144-147, 159-163; Esping-Andersen, 1985, pp. 207f; Johansen, 1987, pp. 108-120, 138-155.

<sup>250</sup> Olesen & Villaume, 2005, pp. 379-385, 394.

Britain, the greatest market for Danish agricultural exports, was outside the framework, and the Liberal Party did not like regulation. But the creation of a preferential agricultural trade zone between the Six could endanger Danish agricultural exports to Germany. In late 1952 it seemed possible that the European Army could include a political community and a customs union between the Six, including agriculture. The government became willing to consider a Danish participation in supranational Green Pool, but only if this was kept apart from the general integration. A Danish accession to the ECSC was considered, but in January 1953 the government decided that the ECSC was too strongly associated with the European Army.<sup>251</sup>

In 1954 the Nordic countries began to investigate the possibilities a customs union. In the autumn of 1957 a Nordic committee presented a proposal for a customs union encompassing 80% of the trade between the countries. Among the sectors excluded from the proposal was agriculture. The Nordic governments decided that the investigations should continue for the remaining 20%. From that point onward the Nordic negotiations drifted.

The Social Democratic led government in Denmark after May 1957 was very sympathetic toward the creation of a Nordic customs union within the wider European Free Trade Area (FTA). The Nordic customs union would be implemented faster than the FTA, and the Nordic tariffs in industrial products would be higher than the existing Danish tariffs. However, much depended on whether the FTA included agriculture. Denmark officially pursued a so-called 'policy of open doors', where all options were kept open.

After September 1957 the Liberal Party strongly supported that Denmark should join the EEC. The Liberals' argued that the creation of the FTA would make Danish membership of the EEC uncontroversial in relation to Britain. When the FTA negotiations broke down in November 1958, the Liberals initially became hesitant, but in February 1959 they urged the Danish government to investigate the conditions for EEC membership. The government refused to do that.

In December 1958 Denmark concluded a 3-year trade agreement with Germany which secured the existing Danish agricultural exports to this country until 1962. In July 1959 the Danish parliament decided in favour of

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<sup>251</sup> Olesen & Villaume, 2005, pp. 250-257; Branner, 1993, pp. 42-57; Branner, Hans (1995): "Denmark and the European Coal and Steel Community, 1950-1953", in: Thorsten B. Olesen (ed.): *Interdependence Versus Integration: Denmark, Scandinavia and Western Europe 1945-1960*, Odense University Studies in History and Social Sciences vol. 193, Odense University Press, pp. 115-128; V. Sørensen, 1991, pp. 111-118; V. Sørensen, 1995, pp. 217-219; A.T. Sørensen, 1998, pp. 125ff; Lehmann, pp. 38-54; Lehmann, 2001, pp. 35-40.

participation in the European Free Trade Association (EFTA). The Liberals and the Conservatives abstained from voting. EFTA did not include agricultural products, but Danish agriculture benefited from a number of accompanying bilateral agreements. Britain promised to deregulate her imports of bacon and canned meat from Denmark. When the EFTA Convention was ratified in March 1960 the Liberals abstained from voting while the Conservatives voted in favour.<sup>252</sup>

The planned Nordic customs union and the Danish participation in EFTA, with the accompanying revisions of Danish trade regulation, have been seen as the victory of an industrial and Social Democratic policy. The core of this policy was that Danish industrialisation should be promoted; it should be so by Nordic economic integration, not by participation in the EEC, because the competition from German industry was assumed to be too strong.<sup>253</sup>

#### 3.4.4. *Agricultural production in Denmark and the Netherlands*

The most comprehensive comparison between Danish and Dutch agriculture is the economist Ebbe Jørgensen's analysis from 1965.<sup>254</sup> In the Netherlands the statistical sources were the Central Bureau of Statistics (CBS), the Agricultural Economics Institute (*Landbouw-Economisch Instituut*, LEI) and the Ministry of Agriculture. The ministry, CBS and LEI cooperated on investigations and publications. In Denmark the statistical sources were the national Statistical Department and the Institute of Farm Management and Agricultural Economics (*Det Landøkonomiske Driftsbureau*). The latter made book-keeping analyses based on standardised informations provided by farmers. LEI also made book-keeping analyses, but on a larger scale.

The Statistical Department and the Institute of Farm Management and Agricultural Economics frequently provided different numbers. For the revenue from sales of pigs, milk, etc. and for the expenses to purchase of machines, inventory, feeding stuffs, etc. the difference was generally around 10%. For overall profitability it was much larger. The differences created

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<sup>252</sup> Olesen & Villaume, 2005, pp. 397-431; Lehmann, 2000, pp. 57-87; Lehmann, 2001, pp. 40-51; Laursen, 1994, pp. 184-193.

<sup>253</sup> Laursen, 1993, pp. 73ff; V. Sørensen, 1993, pp. 99ff; V. Sørensen, 1995, pp. 48ff;

Milward, Alan S. (2005): *Politics and Economics in the History of the European Union*, London, New York: Routledge, pp. 39-48, 56f, 72-78;

Laursen, Johnny (1996): "Indenrigspolitikens fortsættelse med andre midler? Samspillet mellem indenrigspolitik og udenrigsøkonomi i nyere dansk historie", *Den jyske Historiker*, no. 73, pp. 55-73.

<sup>254</sup> Jørgensen, Ebbe (1965): *Macro economic comparisons of the Dutch and Danish agriculture*, The Hague: Landbouw-Economisch Instituut [LEI].

uncertainty in calculations on the Danish agricultural economy.<sup>255</sup> Overall profitability is not used here as a measure for comparison. It is considered a simpler method to compare trade and relative income.

International comparisons of agriculture were made in the annual reports from the United Nations Economic Commission for Europe (UN-ECE) and in various reports from the OEEC and the Organisation for Economic Co-operation and Development (OECD).<sup>256</sup> The reports from the OEEC and UN-ECE had a largely similar content. In 1956 UN-ECE noted that there was a surplus of labour in Western European agriculture, but the surplus had declined since 1945. UN-ECE identified two different aspects of agricultural rationalisation: a reduction of hired labour, and a reduction of manpower by changes in the farm structure. The farm structure in most of Western Europe was out of line with modern production methods. The output per unit of labour input on farms of 30 to 50 hectare was clearly higher than on farms of 2 to 10 hectare. However, farms of 2 to 10 hectare made up 2/3 of the total number of farms and had 1/3 of the agricultural area in Western Europe.<sup>257</sup>

Agricultural production increased in the 1950s and in 1961 UN-ECE found that increasing livestock output was the main element in this increase. The quantities of home-grown feed also increased considerably. Improved yields per hectare and per animal contributed most to the increase in production. There was a general decline in labour inputs, and a rapid increase in non-labour current inputs. There was a more moderate rise in capital inputs. The increase in non-labour current inputs and capital inputs outweighed the decline in labour inputs. Feed, seed, fertilisers, pesticides, fuel, lubricants and electricity were the non-labour current inputs which grew most. The increase in capital input was mainly due to the growth in machinery inputs.

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<sup>255</sup> Gad, Holger (1958): *Landbrugets indtægter og udgifter*, Aarhus Universitet, Samfundsvidenskabelig Serie 9, Skrifter fra Økonomisk Institut, nr. 15.

<sup>256</sup> United Nations Economic Commission for Europe [UN-ECE] (1956): *Economic Survey of Europe in 1955*, Geneva;

UN-ECE (1961): *Economic Survey of Europe in 1960*, Geneva;

Organisation for European Economic Co-operation [OEEC] (1956): *Agricultural policies in Europe and North America*, Paris;

OEEC (1957): *Agricultural policies in Europe and North America*, Paris;

OEEC (1958): *Third Report on the Agricultural policies in Europe and North America*, Paris;

OEEC (1960): *4<sup>th</sup> Report on agricultural policies in Europe and North America: Vols. I-II*, Paris;

OEEC (1961): *Fifth report on agricultural policies in Europe and North America: Vols. I-II*, Paris;

Organisation for Economic Co-operation and Development [OECD] (1965a): *Agriculture and economic growth*, Paris; OECD, 1965.

<sup>257</sup> UN-ECE, 1956, pp. 137ff.

Overall productivity – as measured by the increase in total output compared to the increase in total inputs – rose considerably. But the relative changes in what farmers paid for their inputs and received for their output could offset the gains from greater efficiency. Prices of non-labour current inputs generally rose less than prices of agricultural output. However, prices of investment goods increased much more. Agricultural wages rose even faster. As a whole, input prices rose faster than output prices. In most countries agricultural income still lagged behind average income in 1958. There were wide disparities in farm income depending on size, type and location.<sup>258</sup>

In sum, UN-ECE pointed to the input-output price squeeze. Productivity improved and production grew, but the resulting economic gains were externalised from the agricultural sector. To the changes in price relations between production factors corresponded a tendency to replace hired labour with machines and to increase the use of current non-labour inputs like fertilizers. These trends were also present in Denmark and the Netherlands.

In 1950-1960 the Danish agricultural population declined from 906.000 to 759.000 individuals. Circa 80.000 hired whole-year workers and 20.000 whole-year farm family workers left agriculture. In 1946-1960 the number of agricultural holdings declined slightly from 208.000 to 196.000.<sup>259</sup> In 1944-1960 the number of tractors in Denmark grew from 4.400 to 111.300. In the same period the number of milking machines grew from 30.400 to 140.000. From 1948/49 to 1960/61 the average price of agricultural raw materials in Denmark grew by 13%; the average price of other means of production grew by 57%; and agricultural wages grew by 86%. Total production costs grew by 40%. The average price of agricultural products grew by 4%, thus practically remained unchanged.<sup>260</sup>

As for the evolution in agricultural productivity in Denmark in the 1950s, the sources disagree. In publications from 1959 and 1968 the Institute of Farm

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<sup>258</sup> UN-ECE, 1961, Chapter III.

<sup>259</sup> Det Landøkonomiske Driftsbureau (1968), *Landbrugets økonomi i 50 år 1918-1968*, Copenhagen, pp. 70-72.

<sup>260</sup> Det Landøkonomiske Driftsbureau, 1968, p. 56; Buksti, 1974, p. 297;

Døssing, P. (1953): "Strukturforandringer i dansk landbrug i de sidste 20 år", *Nationaløkonomisk Tidsskrift*, vol. 91, pp. 285-298;

Skovgaard, K. (1957): "Landbrugets tilpasning til skiftende økonomiske vilkår", *Nationaløkonomisk Tidsskrift*, vol. 95, pp. 43-59;

Skriver, Jens (1986): "Traktordriftens gennembrud i Danmark 1945-1965", *Bol og By (Landbohistorisk Tidsskrift)* 1986, vol. 1, pp. 133-178;

Floris, Lene (1989): "Fra hushold til kernefamilie i dansk landbrug ca. 1880-1980", *Bol og By (Landbohistorisk Tidsskrift)*, 1989, vol. 2, pp. 97-153;

Christensen, Jens (1989): "Nye produktionsmetoder i dansk landbrug i 1950'erne og 1960'erne", *Bol of By (Landbohistorisk Tidsskrift)*, 1989, vol. 1, pp. 119-153.

Management and Agricultural Economics calculated the longterm trend in Danish agricultural productivity since 1917. The conclusion was that Danish agricultural productivity, calculated in constant prices from 1920, increased strongly in 1945-1952, and thereafter stagnated.<sup>261</sup> Ebbe Jørgensen's analysis from 1965 operated with a time series beginning in 1950. Jørgensen found that in 1957 Danish agricultural productivity was 20% higher than in 1950; after a drop in 1958-1959, the 1957-level was surpassed in 1961.<sup>262</sup>

**Table 1.** Number of agricultural holdings in Denmark 1946-1960.

	1946	1951	1960
0,55-5 ha	45.933	45.922	37.140
5-10 ha	55.640	55.165	54.346
10-15 ha	31.365	32.554	32.671
15-30 ha	48.771	49.465	48.482
30-60 ha	21.908	21.401	19.622
60-120 ha	3.534	3.390	2.948
120- ha	996	938	867

Source: Det Landøkonomiske Driftsbureau, 1968, p.72.

In 1953-1963 the Dutch price of fodder and fertilizers stagnated; the price of implements grew by 20%; and the price of labour more than doubled.<sup>263</sup> In 1950-1963 the number of tractors in Dutch agriculture increased from 24.500 to 104.000, and the number of milking machines grew from 3.800 to 64.000. In 1947-1958 the total Dutch male population engaged in agriculture declined by 25%. The number of hired male agricultural labourers declined by 41%; the number farmers' sons working on the farm declined by 27%; and the number of farmers declined by 12%. In 1947-1962 the total number of Dutch agricultural holdings declined from 197.600 to 158.600. Especially the number of farms with less than 7 hectare decreased, while the number of farms with 7-20 hectares grew somewhat.<sup>264</sup>

<sup>261</sup> Det Landøkonomiske Driftsbureau [Institute of Farm Management and Agricultural Economics] (1959): *Technical and Economic Changes in Danish Farming: 40 Years of Farm Records 1917-1957*, Copenhagen: Landhusholdningsselskabets Forlag, pp. 41-43;

Det Landøkonomiske Driftsbureau, 1968, p. 86.

<sup>262</sup> Jørgensen, 1965, pp. 20, 37.

<sup>263</sup> Landbouw-Economisch Instituut [LEI] (1965): *De Nederlandse landbouw in een groeiende economie*, 2nd ed., The Hague, 1965, pp. 25, 129.

<sup>264</sup> van den Noort, 1965, p. 130; LEI, 1965, p. 77-79;

van der Giessen, L.B., Spierings, C.J.M.: "Agrarische beroepsbevolking en werkgelegenheid", in: A.L.G.M. Bauwens (ed.): *Agrarisch bestaan: Beschouwingen bij vijftig jaar Landbouw-Economisch Instituut*, Assen: Van Gorcum, pp. 189-206.

**Table 2.** Number of agricultural holdings in the Netherlands 1947-1962.

	1947	1955	1959	1962	1962 in % of 1947
1-3 ha	35.600	23.600	15.100	10.200	29
3-5 ha	30.000	26.900	21.200	17.300	58
5-7 ha	26.000	26.100	23.400	20.600	79
7-10 ha	30.000	35.700	33.700	31.700	106
10-20 ha	47.800	48.800	52.300	52.900	111
20-30 ha	16.600	15.300	15.400	15.700	95
30-50 ha	9.400	8.400	8.500	8.300	88
50- ha	2.200	1.900	1.900	1.900	86
Total	197.600	186.600	171.500	158.600	80

Source: LEI, 1965, p. 77.

The average farm size in Denmark was 17 hectares in 1963, and in the Netherlands it was 13 hectares in 1962. In Denmark the land-man ratio was 11 hectares per whole-year worker, in the Netherlands, only 6.<sup>265</sup> In his dissertation from 1965 on Dutch agricultural income in 1923-1965, the economist P.C. van den Noort calculated an index of the net total productivity in Dutch agriculture in 1949-1962. In the year 1959 total net productivity dropped, but it was still 24% higher than in 1949, and in 1960 it increased again. Ebbe Jørgensen came to a similar conclusion.<sup>266</sup>

As previously mentioned, Dutch agriculture had nearly economic parity in the 1950s. In the Danish case the sources disagree. Sources have been quoted that in 1949-1959 the share of agricultural employment in total Danish employment fell from 27% to 21%, while in 1949-1960 the share of agriculture in the Danish GDP fell from 19% to 14%. Other sources state that the average farmer's income in 1960 was 81% of an unskilled labourer's income, or that it was 70% of a skilled worker's income in the provinces.<sup>267</sup>

However, Ebbe Jørgensen found that the combined share of Danish agriculture, horticulture, forestry and fishery in per cent of total employment in 1950-1960 declined from 25,1% to 17,5%, while the combined gross value-added in these four sectors was equal to 23,1% of total Danish gross value-added in 1950, and equal to 16,1% in 1960. Calculated in this way, the income gap narrowed.<sup>268</sup> In an investigation from 1961, the economists E.F. Nash and E.A. Attwood found that in Denmark the working population in

<sup>265</sup> Jørgensen, 1965, pp. 7, 10.

<sup>266</sup> van den Noort, p. 38. Jørgensen, 1965, pp. 20, 37.

<sup>267</sup> Milward, 1992, pp. 232, 236; OECD, 1965, p. 137; Johansen, 1987, p. 138; Buksti, Jacob A. (1982): "Dansk mejeribrug 1955-82", in: Claus Bjørn (ed.): *Dansk mejeribrug 1882-2000*, Odense: De danske Mejeriers Fællesorganisation, pp. 309-480, esp. p. 311.

<sup>268</sup> Jørgensen, 1965, p. 30.

agriculture proper (excluding horticulture, forestry and fishing) in 1957 amounted to 16,8% of the total working population while agricultural income was 16,0% of total national income. Nash and Attwood concluded that Danish agriculture had economic parity in 1957.<sup>269</sup>

According to Ebbe Jørgensen, arable land made up 35% of the Dutch agricultural area by 1960, while permanent grassland made up 57%, grassland in rotation made up 3%, and horticulture occupied 5%. In Denmark the corresponding figures were: Arable land: 69%, permanent grassland: 11%, grassland in rotation: 19%, and horticulture: 1%. Total grain production was low and total grass production was high in Netherlands compared to Denmark. Milk production was more important than pork production in the Netherlands; the reverse was the situation in Denmark.<sup>270</sup>

In Denmark most of the milk delivered to the dairies was used for butter and cheese. The by-products, skimmed milk and whey, were traditionally returned to the farmers who used them for the pigs together with their home-grown grains. In the Netherlands there was a similar traditional practice.<sup>271</sup> When measured as a share in per cent of total gross value of agricultural production, pig production became more important than milk production in Denmark in the 1950s. The share of milk in the total gross value of agricultural production declined from 37% in 1946 to 26% in 1960, while the share of pigs increased from 20% to 36%. The share of cattle grew slightly from 15% to 17%; the share of crops declined from 18% to 11%.<sup>272</sup>

In the Netherlands the distribution between sub-sectors of the total gross value of agricultural production was stable during the 1950s. The harvest year 1954-1955 is used here as an example. Internal trade and transfers are not deducted. The distribution illustrates that milk was a greater item than pigs in Dutch agriculture: Cereals: 10%, sugar beets plus potatoes: 8%, horticulture: 14%, cattle: 11%, pigs: 13%, eggs: 8%, milk: 24%; etc. The internal trade and transfers mainly consisted of cereals and feeding stuffs from crops production to the animal sector. Such transfers made up 13% of the total gross value of Dutch agricultural production in 1954/55.<sup>273</sup>

For the period 1953-1963 Ebbe Jørgensen made a confrontation of the trends in Danish and Dutch production of milk, beef, pork and eggs, and the price

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<sup>269</sup> Nash, E.F. & Attwood, E.A. (1961): *The Agricultural Policies of Britain and Denmark: A study in reciprocal trade*, London: Land Books, p. 74.

<sup>270</sup> Jørgensen, 1965, pp. 9-12.

<sup>271</sup> Minderhoud, G. (1952): *De Nederlandse landbouw*, 2nd ed. Haarlem: De Erven D. Bohn N.V., p. 136.

<sup>272</sup> Johansen, 1987, pp. 99, 112, 134.

<sup>273</sup> Landbouw-Economisch Instituut [LEI]: *Landbouwcijfers*, various years 1955-1965, The Hague.

relations between these products. In order to make the prices comparable, Jørgensen made a correction of the Dutch prices according to the differences between the two grain price levels. Jørgensen used the barley price as a nominator for grain prices. For instance, the corrected Dutch milk price was calculated by multiplying the actual Dutch milk price with the Danish barley price and dividing it by the Dutch barley price.

**Table 3.** Price relations 1953-1960. Danish prices = 100. Indices for Dutch prices = corrected Dutch price / Danish price x 100.

Year	Milk	Beef	Pork	Eggs
1953	125	...	116	131
1954	126	155	115	124
1955	125	165	114	124
1956	139	180	111	126
1957	130	136	92	95
1958	175	142	100	109
1959	125	137	98	107
1960	131	132	89	99

Source: Jørgensen, 1965, p. 28.

According to Jørgensen, in the period 1953-1960 the corrected Dutch milk price was always at least 25% higher than the Danish price, in some years much higher. The corrected Dutch beef price was always at least 32% higher than the Danish price, in three years more than 50% higher. The corrected Dutch pork price was only 16% higher than the Danish price, and the difference diminished. The corrected Dutch egg price was 31% higher than the Danish price in 1953, but after 1956 the difference was small.

Jørgensen concluded that milk and beef were much better paid in the Netherlands than in Denmark, and that this could explain the different patterns of production in the two countries. For *milk* the Dutch production in 1950-1963 increased by 22% while the Danish production decreased by 6%. *Beef production* increased by 127% in the Netherlands and by 75% in Denmark. On the other hand, *pork production* in the Netherlands increased by 77% and in Denmark by 96%. For *eggs* the Danish production decreased by 17% while the Dutch production increased by 160%. Jørgensen considered it probable that the Dutch price policy for milk invited Dutch farmers to expand milk production with relatively minor attention to beef and pork production. By contrast, in Denmark the agricultural policy forced farmers to produce pork which was better paid on the world market.<sup>274</sup>

<sup>274</sup> Jørgensen, 1965, pp. 26-29, 38f.

Other observers have also found that the development in relative prices supported milk production in the Netherlands in the 1950s, while it impeded milk production in Denmark. Dairy farming is more labour-intensive than meat production, agricultural labour was expensive in Denmark, and the export prices in butter changed in a less favourable way than those of bacon. More Danish cattle were kept for meat production, the number of pigs grew strongly, and a larger part of the crops area was used for barley-growing.<sup>275</sup> Jørgensen found that Dutch agriculture was generally more intensive than Danish agriculture. Dutch output was more than 50% higher than Danish output and was produced on an area which was 1/3 smaller. A relatively high fertility also created a generation pressure in Dutch agriculture, and in general, the Dutch agricultural population had lower mobility. Therefore labour was in richer supply in Dutch agriculture and the farms had a stronger incentive to move into labour-intensive productions such as dairy farming.<sup>276</sup>

Dutch statistics distinguished between arable, cattle and mixed farming. A large majority of Dutch agricultural holdings belonged to the category of mixed farming. In a large zone stretching continuously from south to north east through Noord-Brabant, Limburg, Gelderland, Overijssel and Drente mixed farming was the principal category. In Groningen (north east) and Zeeland (south west) arable farming was the principal category. Cattle farming constituted the principal category in Friesland, Noord-Holland, Zuid-Holland and Utrecht (north-west and centre). The areas with mixed farming as principal category were generally those areas where more than 35% of the farms had 10 hectare or less. On the other hand, the areas with arable farming as the principal category were generally those areas where less than 10% of the farms had 10 hectare or less. The zone with many small farms and mixed farming as the principal category largely consisted of sandy soils and moors which had only been brought into cultivation after 1900.<sup>277</sup>

Van den Noort disaggregated the revenue of Dutch agriculture into the three farming categories for the period 1948-1963. Van den Noort concluded that between the harvest years 1948/49 and 1953/54 the average annual labour income of the farmer was constantly higher than the annual wage of the farm labourer in all three categories. After 1953/54 this continued to be the situation in arable farming, but in the other two categories the relation was

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<sup>275</sup> Johansen, 1987, p. 114;

Drøge, H., de Groot, N.S.P., Poppe, K.J.: "Bedrijfsresultaten, inkomensvorming en financiering in de Nederlandse landbouw 1946-1990", in: A.L.G.M. Bauwens (ed.): *Agrarisch bestaan: Beschouwingen bij vijftig jaar Landbouw-Economisch Instituut*, Assen: Van Gorcum, pp. 54-83.

<sup>276</sup> Jørgensen, 1965, p. 13; LEI, 1965, pp. 74-76.

<sup>277</sup> Ministerie van Landbouw, Visserij en Voedselvoorziening (1959): *Landbouwatlas van Nederland*, Zwolle: N.V. Uitgevers; OEEC, 1958, pp. 375-403.

repeatedly reversed. In mixed farming the labour income of the farmer tended to become marginally lower than the wage of the farm labourer.<sup>278</sup>

The Danish Institute of Farm Management and Agricultural Economics came to similar results for the smaller farms in Denmark in the 1950s. The work of the family had decisive importance for the income of the smallholdings. The number of livestock was considerably larger per unit of area on smallholdings than on the middle-size and larger farms. The smallholdings with least land were farmed with a large area of root crops, large purchases of feeding stuffs, a large number of livestock, especially pigs and poultry, and some sales crops with high labour requirements. The available family labour tended to be underemployed and the use of draught power and machinery involved large costs in proportion to the area.<sup>279</sup>

In both countries the smallest holdings applied mixed farming with a strong element of livestock, and while they had a certain cereals production of their own, they essentially relied on supplies from outside of fodder grains and feed. With growing farm size the relative importance of crops production increased while the relative dependence on family labour decreased. The middle-sized farms generally relied mostly on family labour, and applied mixed farming, but were less dependent on purchased cereals. Danish farms were on average larger than Dutch farms, and the majority of Dutch farms in many ways resembled the Danish smallholders.

#### 3.4.5. *Agricultural exports and imports in Denmark and the Netherlands*

The Netherlands had a larger home market than Denmark. Calculated as an average of the period 1956-1958 the value of total Dutch net exports of animal products was equal to 37% of the total gross value of Dutch animal production.<sup>280</sup> In Denmark the corresponding percentage was generally more than 60%. The different degrees in export orientation in the most important food products of animal origin in the 1950s can be summarised as follows. The numbers are based on quantities, not value. In all main categories in the animal sector Denmark exported at least half of her production, and had a stronger export orientation than the Netherlands.

In *meat* Denmark exported circa 50% of her production and had circa 15% of world exports. The Netherlands exported circa 25% of her production and

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<sup>278</sup> van den Noort, 1965, pp. 77, 124-127.

<sup>279</sup> Det Landøkonomiske Driftsbureau (1959), pp. 55-65.

<sup>280</sup> LEI, 1965, p. 43;

Post, J.H.: "Nederland als specialist in agrarische productie", in: A.L.G.M. Bauwens (ed.): *Agrarisch bestaan: Beschouwingen bij vijftig jaar Landbouw-Economisch Instituut*, Assen: Van Gorcum, pp. 110-124.

had circa 6% of world exports. In *eggs* Denmark exported circa 75% of her production and had circa 20% of world exports. The Netherlands exported circa 60% of her production and the Dutch share of world exports increased to circa 35%. Thus, Denmark had a clear lead in meat exports while the Netherlands had an equally clearly lead in egg exports.

Dutch dairy production was oriented mainly toward cheese and milk products, supplemented by butter. Danish dairy production was mainly oriented toward butter production, supplemented by cheese and milk products. Danish dairies were in general smaller than Dutch dairies and did not have the capacity for large-scale production of cheese and milk products.

In *butter* Denmark exported at least 2/3 of her production and had circa 25% of world exports. The Netherlands exported circa 55% of her production and had circa 10% of world exports. Thus Denmark had an edge in butter exports. In *cheese* Denmark's degree of export orientation grew to circa 67%, and Denmark increased her share of world exports to circa 17%. The Netherlands exported circa 50% of her production and had circa 20% of world exports. This meant that Denmark was becoming a serious rival for the Netherlands in cheese exports. In *milk products* Denmark exported nearly 100% of her production and had circa 5% of world exports. The Netherlands exported circa 75% of her production and had nearly 30% of world exports. Here the Netherlands retained a dominant export position.<sup>281</sup>

For total Dutch agricultural exports the EEC was the main market, and for total Danish agricultural exports Britain was the main market. But each sub-sector had its own distribution of exports. The following amounts in value are not deflated. In 1960 the Netherlands exported milk products for \$122 million. Dutch exports of milk products went mainly to non-European countries. Dutch butter exports declined from 65 million tons in 1950 to 39 million tons in 1960. The difference was equal to the decline in butter exports to Belgium. The latter had more or less disappeared by 1958, and Britain became the largest single market for Dutch butter exports. The main markets for Dutch cheese exports in the 1950s were Germany and Belgium-Luxembourg. Cheese exports to Belgium-Luxembourg stagnated at \$25 million, whereas cheese exports to Germany grew to \$46 million in 1960.

Dutch egg exports went to Germany and other EEC countries. The value of egg exports grew to \$99 million in 1960. Dutch exports of dressed poultry, which mainly went to Germany, grew to \$37 million in 1960. For the meat sector the picture was complex. *Processed and preserved meat* constituted the largest category in Dutch meat exports, and reached an export value of

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<sup>281</sup> FAO: *FAO Production Yearbook*, various years 1958-1961;  
FAO: *FAO Trade Yearbook*, various years 1958-1961.

\$72 million in 1960; one half went to Britain; the other half went to markets outside Europe. Exports of *pork and fat backs* grew to \$49 million in 1960, of which 80% went to the EEC. When all categories are counted together, most of Dutch meat exports went to Britain and outside Europe.

In 1950-1960 Dutch exports of fruits and vegetables grew to \$124 million, while Dutch exports of floricultural products grew to \$96 million. For exports of fresh fruits and vegetables the share going to Britain declined to 18%, while the share going to Germany grew to 60%. For exports of floricultural products the share going to the EEC increased to 40%, while Britain's share remained 20%.<sup>282</sup>

**Table 4.** Dutch food exports in 1960 in various categories.

Category	Value: \$million	Main market
Fruits & vegetables	124	Germany
Milk products	122	Non-European
Eggs	99	Germany
Floricultural products	96	EEC
Processed, pres. Meat	72	UK; non-European
Cheese	62	Germany, Belgium
Pork, fat backs	49	EEC
Dressed poultry	37	Germany
Butter	34	UK
Beef, net exports	30	EEC
Bacon	20	UK only

Source: Ministerie van Landbouw en Visserij: *Verlag over de Landbouw in Nederland*, 1960, The Hague.

In comparison with the Netherlands, Danish food exports had a narrower range of categories. For the dairy sector as a whole, including eggs, Britain received more than 50% of Danish exports until 1954. Exports to Germany were growing, and in the years 1957-1959 exports to Britain and to the EEC were equally large. In 1960 Britain again became the largest single export market for the dairy sector as a whole. That year the total value of Danish exports in the dairy sector was \$229 million.

The largest export items in the Danish dairy sector were butter with a total export value of \$98 million in 1960, eggs (\$50 million) and cheese (\$46 million). Around 75% of Danish butter exports went to Britain. The main

<sup>282</sup> Ministerie van Landbouw en Visserij: *Verlag over de landbouw in Nederland*, various years, The Hague;  
Strijker, D.: "De relatie met het buitenland in handel en beleid", in: A.L.G.M. Bauwens (ed.): *Agrarisch bestaan: Beschouwingen bij vijftig jaar Landbouw-Economisch Instituut*, Assen: Van Gorcum, pp. 97-109.

market for Danish cheese exports was Germany which, however, never received more than half. Around 1957 Britain became self-sufficient in eggs, and Danish egg exports shifted to Germany.

For Danish exports of livestock for slaughter the greatest part went to Germany. In 1960 the exports of livestock for slaughter to the EEC valued \$78 million. Danish meat exports consisted mainly of bacon, pork and beef. Nearly all bacon exports and a considerable part of the exports of pork went to the British market. For the meat category as a whole, exports to Britain in 1960 valued \$233 million, while exports to the EEC valued \$82 million.<sup>283</sup>

**Table 5.** Danish food exports in 1960 in various categories.

Category	Value: \$million	Main market
Meat (mainly bacon)	388	UK
Butter	98	UK
Livestock for food	83	Germany
Eggs	50	Germany
Cheese	46	Germany

Danmarks Statistik (1961): *Statistisk Tabelværk: Danmarks vareindførsel og –udførsel (Foreign Trade of Denmark) 1961 vol. II: 1960*, Copenhagen.

In Denmark the imports of oilcakes and oilseed increased from 606.000 tons in 1950 to 1.159.000 tons in 1960.<sup>284</sup> Dutch imports of oilcakes increased from 161.000 tons in 1950 to 402.000 tons in 1960.<sup>285</sup> In comparison with the Netherlands, the greater use of agricultural land for crops production was reflected in a much higher Danish degree of self-sufficiency in fodder grains. The developments in the period 1948-1959 can be summarised as follows.

In the Netherlands domestic wheat production generally amounted to 30% of total supply. The corresponding percentages for other cereals were: 80-90% for rye, 30-50% for barley, 60-80% for oats, and never above 10% for maize. For the cereals category as a whole the Dutch degree of self-sufficiency declined from 50% to 30%.

In Denmark domestic wheat production most often amounted to 50-60% of total supply. In rye the Danish degree of self-sufficiency fell from 100% to

<sup>283</sup> Danmarks Statistik: *Statistisk Tabelværk, Række 5, Litra D: Danmarks vareindførsel og –udførsel (Foreign Trade of Denmark)*, various years 1948-1960, Copenhagen;

Danmarks Statistik (1961): *Statistisk Tabelværk: Danmarks vareindførsel og –udførsel (Foreign Trade of Denmark) 1961 vols. I-II: 1959-1960*, Copenhagen.

<sup>284</sup> Johansen, 1987, pp. 113, 136.

<sup>285</sup> LEI: *Landbouwcijfers*, various years 1955-1965.

50% in 1955, and then again increased to 90%. In barley the Danish degree of self-sufficiency was most often 100%; in oats it was 90-100%. For the cereals category as a whole the Danish degree of self-sufficiency was between 80% and 100% in 1948-1958, and 70% in 1959.<sup>286</sup>

#### 3.4.6. *Agricultural organisation in the Netherlands*

The cooperative banks and credit associations were important for the agricultural economy, but they will not be treated here since they are too far away from the subject of price policy. In his dissertation from 1962 on the democracy in Dutch cooperatives, Ernst Abma calculated that 10% of Dutch farmers were not member of any cooperative in 1954; 30% were member of one or two cooperatives, 20% were member of three cooperatives, and 40% were member of four or more cooperatives. The average Dutch farmer was member of three cooperatives. The larger farmers were in minority (39%) among the floor members of the cooperatives, but were in majority (63%) among the cooperative leaders.<sup>287</sup>

The degree of centralisation within the cooperative federations differed between sectors. In the dairy sector the federations had strong authority over the individual cooperatives. By 1960 nearly all neutral cooperatives had become independent from the farmers' unions, but most of the Catholic cooperatives were still formally dependent on the Catholic farmers' unions. Membership of the latter was a condition for being a member of a Catholic cooperative; the farmers' unions had the right to appoint some of the members of the leading organs of the cooperatives; some decisions required approval from the farmers' unions; a certain share of the profit of the cooperatives could possibly be paid to the farmers' unions; the farmers' unions could act as an arbitrator in disputes within the cooperatives; etc.<sup>288</sup>

The number of individual members in major Dutch agricultural organisations is shown below in Table 6. The national federation of cooperative dairies, the *Koninklijke Nederlandse Zuivelbond FNZ* (FNZ), is not included. That is because the sources used here do not indicate the number of individual members in FNZ. In fact, the regional federations in FNZ represented many thousands of Dutch farmers. In the province of Groningen 52% of the suppliers of raw milk were members of the regional FNZ federation in 1948.

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<sup>286</sup> FAO: *FAO Production Yearbook*, various years 1954-1961;

FAO: *FAO Trade Yearbook*, various years 1955-1961.

<sup>287</sup> Abma, Ernst (1962): *Leiding en leden in landbouwcoöperaties (Democracy in Dutch Farmers' Co-operatives)*, diss. Rijksuniversiteit te Utrecht, Meppel: J.A. Boom & Zoon, pp. 57f, 71-73.

<sup>288</sup> Abma, 1962, pp. 49f, 131ff.

In the other regional FNZ federations the percentage was higher, ranging from 69% in Zuid-Holland to 94% in Friesland.<sup>289</sup>

The most important sub-sector organisations were cooperative federations, especially FNZ and the Central Office for Dutch Horticultural Sales, abbreviated: CB (*Centraal Bureau van de Tuinbouwveilingen in Nederland*). The CB was a national federation of local sales cooperatives and it controlled the market in fruits and vegetables. Sales of fruits and vegetables took place under standard classification and the CB secured a minimum price for suppliers. All attempts to create a cooperative organisation of exports of fruits and vegetables failed, but the CB represented Dutch horticulture in bilateral trade negotiations.<sup>290</sup> In terms of turnover the CB was among the largest of all Dutch cooperative organisations.<sup>291</sup>

**Table 6.** Major Dutch agricultural organisations: number of individual members.

Organisation	31/12-1951	31/12-1955	31/12-1959
KNLC	56.528	59.500	61.013
CBTB	32.437	28.021	29.201
KNBTB	71.600	75.015	77.301
ANAB	35.978	40.699	39.962
NCLB	27.775	30.030	28.452
NKLB	21.705	25.176	24.839
CB	67.592	61.300	61.500
VNB	8.081	7.700	9.365
KAVB	6.242	7.039	8.201
VBBN	17.004	10.427	7.534
NFO	11.695	9.484	7.400
BK	4.821	3.988	3.083
RKBB	4.332	3.028	2.183

Note: CBTB: 31/12-1955, 31/12-1959: Not including intending members.

VNB = *Vereniging De Nederlandse Bloemisterij* (flowers); KAVB = *Koninklijke Algemene Vereniging voor Bloembollencultuur* (bulb flowers); NFO = *Nederlandse Fruittelers Organisatie* (fruit); VBBN = *Vereniging tot Bevordering van de Bijenteelt in Nederland* (bees); BK = *Bond van Kaasproducenten* (cheese); RKBB = *Rooms-Katholieke Bond van Bijenhouders NCB* (bees).

Source: Ministerie van Landbouw en Visserij: *Verslag over de Landbouw in Nederland*, various years, The Hague.

<sup>289</sup> van Nieuwenhuyzen, J.W. (1952): *Beknopt overzicht van de landbouwcoöperatie in Nederland*, Zwolle: N.V. Uitgevers, p. 32.

<sup>290</sup> van Nieuwenhuyzen, 1952, pp. 48ff; Minderhoud, 1949, pp. 65ff; van de Wiel, E. & Le Mair, W. (1950): *De praktijk van de nieuwe Landbouwpolitiek*, 2nd rev. ed., Assen: Van Gorcum, pp. 41-47.

<sup>291</sup> Ministerie van Landbouw en Visserij (1962): *Verslag over de landbouw in Nederland*, various years.

The cooperatives purchasing agricultural raw materials were divided between a neutral block organised under the NCAV (*Nationale Coöperatieve Aan- en Verkoopvereniging voor de Landbouw*), and a Catholic group. The NCAV became independent from the KNLC in 1948. Among the regional federations of Catholic cooperatives purchasing agricultural raw materials the largest was the CHV (*Coöperatieve Handelsvereniging van de NCB*).<sup>292</sup> In terms of turnover the NCAV was about three times the size of the CHV.<sup>293</sup> In the late 1960s agricultural cooperatives had about 40% of the total volume of cereals marketed in the Netherlands.<sup>294</sup>

In 1949 there were 421 cooperative and 175 private dairies. The FNZ received circa 70% of the raw milk delivered to all Dutch dairies. The FNZ had circa 40% of the total production of consumption milk and milk products, circa 80% of total butter production, circa 80% of total cheese production, circa 33% of the total production of condensed milk, and circa 75% of the total production of dried milk.<sup>295</sup>

In the areas around the great cities in Zuid-Holland, Noord-Holland and Utrecht about 80% of the milk delivered by farmers was received by a cooperative, the CMC (*Coöperatieve Melkafzet Centrale*). Then the CMC sold the milk to the private traders.<sup>296</sup> There were seven cooperative dairy product sales associations which in 1934 created a national federation, the BCZV (*Bond van Coöperatieve Zuivelverkoopverenigingen*). About 70% of all Dutch cooperative dairies were member of one of the seven associations. The BCZV had about 60% of the total butter sales, over 40% of the total sales of cheese, and about one third of the total sales of dried milk.<sup>297</sup>

By 1950 there were nine Dutch cooperative slaughterhouses and nine regional cooperative meat and livestock sales associations. Six of the regional sales associations were organised in the *Coöperatieve Vleescentrale* (CVC), which had been established at the initiative of the NCAV. The three other regional sales associations were organised in the Catholic *Vee- en Vleescentrale van de KNBTB*. In 1946 all Dutch cooperative slaughterhouses created a common national association, the *Federatie van Coöperatieve Veeverkoopverenigingen*. In 1948 the Dutch government decided that the

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<sup>292</sup> Minderhoud, 1949, pp. 47-58; van Nieuwenhuyzen, 1952, pp. 25-28.

<sup>293</sup> Ministerie van Landbouw en Visserij: *Verslag over de landbouw in Nederland*, various years.

<sup>294</sup> Butterwick, M. & Neville-Rolfe, E. (1971): *Agricultural marketing and the EEC*, London: Hutchinson & Co. pp. 17f.

<sup>295</sup> Minderhoud, 1949, pp. 95-108; van Nieuwenhuyzen, 1952, pp. 29-35; Ministerie van Landbouw en Visserij: *Verslag over de landbouw in Nederland*, various years.

<sup>296</sup> Minderhoud, 1949, pp. 80f; van Nieuwenhuyzen, 1952, pp. 57f.

<sup>297</sup> Minderhoud, 1949, pp. 87-89; van Nieuwenhuyzen, 1952, pp. 56f; Ministerie van Landbouw en Visserij: *Verslag over de landbouw in Nederland*, various years.

cooperative sales associations should only be permitted to slaughter 40% of all pigs delivered, even though their members supplied 60%.<sup>298</sup>

The Dutch cooperatives in eggs were organised in sales associations which in 1939 together had 38% of the total sales of eggs. The largest egg sales association was the RCE (*Coöperatieve Roermondsche Eiermijn*) which became an export organisation. In 1937 the seven largest Dutch egg auctions set up a joint export organisation, the VECE (*Eierenexport van de Verenigde Coöperaties in Nederland*). In 1943 the VECE became a cooperative.<sup>299</sup> Agricultural cooperatives dominated the sectors of potato flour and sugar.<sup>300</sup>

The most thorough investigation of the membership of the KNLC, CBTB and KNBTB is the work by Abma from 1955: *Boer en Standsorganisatie*. According to Abma, the objectives and methods of the KNLC, CBTB and KNBTB were very similar. Their methods consisted in: 1) organising meetings of farmers and growers; 2) establishing agricultural schools; 3) organising lectures on subjects of interest to agriculturalists; 4) encouraging farmers to try out new farm practices; 5) publishing a weekly bulletin. In addition, the three organisations frequently took the initiative to set up technical associations and farmers' cooperatives.<sup>301</sup>

Abma made a calculation of the degree of organisation in farmers' unions according to farm size and region. The results are quoted in Table 7 below. In all size categories except farms larger than 30 hectare, the Catholic dominated provinces Limburg and Noord-Brabant had a degree of farmers' union membership which was significantly above the average.

However, there were substantial numbers of Catholic farmers in most Dutch provinces, and everywhere except the provinces Groningen and Zeeland the Catholic farmers had a degree of union membership which was above the average. For all Dutch land cultivators the degree of membership in farmers' unions was 56%, but for Catholic land cultivators the degree was 67%.

Abma suggested that the difference might be created by the fact that, with a possible exception for the Calvinist community, no church penetrated social life as much as the Roman Catholic Church did. The Calvinist community was divided between different churches, and Abma considered it unlikely that Calvinist farmers could be equally strongly organised as Catholic

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<sup>298</sup> Minderhoud, 1949, pp. 133-137; van Nieuwenhuyzen, 1952, pp. 44-47.

<sup>299</sup> Minderhoud, 1949, pp. 75-78; van Nieuwenhuyzen, 1952, pp. 53f; Ministerie van Landbouw en Visserij: *Verslag over de landbouw in Nederland*, various years.

<sup>300</sup> Minderhoud, 1949, pp. 108-133; van Nieuwenhuyzen, 1952, pp. 35-44, 59; Ministerie van Landbouw en Visserij: *Verslag over de landbouw in Nederland*, various years.

<sup>301</sup> Abma, 1955, p. 25.

farmers. A majority of all organised Dutch farmers with less than 10 hectare were member of the KNBTB. Half of all organised farmers with 10-15 hectare were member of the KNBTB. For the organised farmers with 15-30 hectare the largest single group was member of the KNLC, and a majority of all organised farmers with more than 30 hectare were member of the KNLC.

In the KNBTB a majority of the members had less than 10 hectare, and only 17% of the members had more than 15 hectare. In the CBTB half of the members had less than 10 hectare, and a third of the members had more than 15 hectare. In the KNLC only 46% of the members had less than 10 hectare while 36% of the members had more than 15 hectare. In terms of the percentage distribution of the organised farmers between organisations, the KNLC dominated the provinces of Groningen, Friesland, Drente and Zeeland, while the KNBTB dominated Noord-Brabant and Limburg.

**Table 7.** Number of members of Dutch farmers' unions in percentages of the total number of land cultivators, whose main occupation was farmer or horticulturalist, by province and size of farm.

Province	1-5 ha	5-10 ha	10-15 ha	15-30 ha	30- ha	Total
Groningen	29	37	56	72	99	56
Friesland	40	66	86	85	100	69
Drente	45	54	67	74	77	59
Overijssel	42	56	71	71	77	57
Gelderland	37	55	71	70	68	51
Utrecht	29	46	64	72	78	53
Noord-Holland	56	59	79	83	94	66
Zuid-Holland	36	35	52	74	89	48
Zeeland	56	60	75	81	91	68
Noord-Brabant	72	81	100	87	87	84
Limburg	80	88	91	89	88	85
Netherlands	49	63	78	78	93	64

Source: Abma, 1955, p. 6.

In most provinces the CBTB was the smallest organisation and only in one province, Utrecht, did the CBTB have more members than the KNLC. Abma considered it probable that many Catholic farmers in the province of Zeeland were member of the KNLC, because Zeeland occupied a peripheral position in the KNBTB, and because the Zeeland farmers were specialised in arable farming, while the KNBTB's members generally were more oriented toward cattle farming. Abma also found it likely that Calvinist farmers with large holdings often preferred to be member of the KNLC.<sup>302</sup>

<sup>302</sup> Abma, 1955, pp. 5ff, 14f, 19ff.

**Table 8.** Percentage distribution of Dutch organised farmers by union and farm size.

Size	KNLC	CBTB	KNBTB	Total
1-5 ha	29	15	56	100
5-10 ha	30	14	56	100
10-15 ha	35	16	50	100
15-30 ha	44	20	36	100
30- ha	60	20	20	100
Total	36	16	48	100

Source: Abma, 1955, p. 20.

**Table 9.** Percentage distribution of Dutch organised farmers by union and province.

Province	KNLC	CBTB	KNBTB	Total
Groningen	57	39	4	100
Friesland	63	31	6	100
Drente	72	23	5	100
Overijssel	45	20	35	100
Gelderland	45	19	36	100
Utrecht	23	29	48	100
N-Holland	37	12	52	100
Z-Holland	38	31	31	100
Zeeland	67	14	19	100
N-Brabant	3	1	96	100
Limburg	0	0	100	100

Source: Abma, 1955, p. 21.

The KNBTB had four regional member organisations: Noord-Brabant (*Noordbrabantse Christelijke Boerenbund*, NCB); Limburg (*Limburgse Land- en Tuinbouwbund*, LLTB), Utrecht and the north eastern provinces (*Aartsdiocesane Rooms-Katholieke Boeren- en Tuindersbond*, ABTB); and the western provinces (*Rooms-Katholieke Diocesane Land- en Tuinbouwbund*, LTB). The NCB was the largest member organisation with circa 43% of the total KNBTB membership. In 1954 the LLTB's chairman C.G.A. Mertens became the KNBTB's president.<sup>303</sup>

The CBTB and the KNLC each had ten regional (provincial) member organisations. The CBTB's president between 1945 and 1959 was Chris van den Heuvel, who was succeeded by R. Zijlstra.<sup>304</sup> In 1947 the KNLC reorganised itself and strengthened its position toward the regional member organisations. The KNLC's president H.D. Louwes was also president of the

<sup>303</sup> Smits, 1996, pp. 310, 141ff.

<sup>304</sup> Leemhuis, A.M.J. (1991): "De christelijke voorman: Chris van den Heuvel (1887-1959)", in: P.C.M. Hoppenbrouwers (ed.): *Een loopbaan in de landbouw: Twaalf portretten van markante figuren in agrarisch Nederland*, Groningen: NAHI: *Historia Agriculturae*, vol. XXIII, pp. 56-76.

Stichting and subsequently of the Landbouwschap. In 1951 he resigned as president of the KNLC and was succeeded by C.S. Knottnerus.<sup>305</sup>

The similarity between the objectives and methods of the KNLC, CBTB and KNBTB, as described by Abma, extended to the inner working of the organisational structure. The three organisations had similar structures with various divisions and permanent commissions for arable farming, cattle farming, etc. In essentially the same way as the KNLC, although by different means, the KNBTB and the CBTB integrated horticulture into their structure. In all three organisations the central bodies sought to create an efficient cooperation with the divisions and permanent commissions.

This cooperation was a practical necessity, because the central bodies were overloaded with work and only had limited financial resources at their disposal. The situation can be illustrated by two examples. In 1946 a prominent figure in the CBTB, W. Rip, led the secretariat, had a seat in 23 agricultural and horticultural commissions, and was a member of the Dutch parliament. Around 1960 the regional CBTB organisation Holland/Brabant was represented in nearly 180 consultative commissions, and this number did not include the education field. It was also politically important to strengthen the links between the central bodies and the local organisations, in order to maintain cohesion and allegiance from the floor membership.<sup>306</sup>

After 1945 there was a growing feeling in the CBTB and the KNBTB that the existing pillarised structure in the cooperative sector was useless. The agricultural cooperatives would have to rationalise themselves, and the confessional division imposed limits to rationalisation. Especially the younger generation of Calvinist and Catholic agricultural leaders supported the new strategy. The chief protagonists were Rip in the CBTB and Mertens in the KNBTB. They supported the creation of national inter-confessional units in the cooperative sector, but they rejected the creation of a national inter-confessional unified general organisation. The rationalisation of the agricultural cooperatives was a delicate process.<sup>307</sup> However, the KNLC

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<sup>305</sup> Piers, D.A. (1959): *Wisselend getij: Geschiedenis van het Koninklijk Nederlands Landbouw-Comité over de periode 1934 tot en met 1959*, The Hague, pp. 160ff;

de Heer, M.L. (1991): "De onderhandelaar: Cees Knottnerus (1912-1991), in: P.C.M. Hoppenbrouwers (ed.): *Een loopbaan in de landbouw: Twaalf portretten van markante figuren in agrarisch Nederland*, Groningen: NAHI: *Historia Agriculturae*, vol. XXIII, pp. 106-117.

<sup>306</sup> van der Woude, 2001, pp. 230ff, 297; Piers, 1959, p.162; Smits, 1996, pp. 143f.

<sup>307</sup> van der Woude, 2001, pp. 227f; Smits, 1996, p. 186;

Rutten, W.J.M.J.: "Een van de tweehonderd: C.G.A. Mertens (geb. 1918)", in: P.C.M. Hoppenbrouwers (ed.): *Een loopbaan in de landbouw: Twaalf portretten van markante figuren in agrarisch Nederland*, Groningen: NAHI: *Historia Agriculturae*, vol. XXIII, pp. 156-167, esp. p. 163.

supported the independence of the cooperatives. Unlike the CBTB and the KNBTB, the KNLC was in principle against pillarisation and favoured the idea of a national inter-confessional unified general organisation.

When the farmers' unions and the trade unions of the agricultural labourers together established the Stichting voor den Landbouw in 1944, a financial problem arose. Every year each of the six member organisations paid 60.000 Dutch guilders (\$15.800) to the Stichting. This was not enough to finance the Stichting's administration and contributions to technical programmes, but the war had impoverished the six member organisations.

In 1946 the Dutch government accepted that the Stichting could receive financial support from public charges on agricultural products. The charges were collected indirectly through the commodity boards. Subsequently the Stichting's budget increased to 2.572.025 guilders (\$676.849) in 1950. Of this amount only 427.025 guilders was paid by the six member organisations. Thus, more than 80% of the Stichting's budget was paid by the revenue from the public charges. The Stichting's expenses to the common secretariat in The Hague were only financed by the six member organisations, and not by the revenue from the public charges. In this way the Stichting maintained a theoretical status as an independent organisation. Internally the Stichting was divided into five autonomous divisions (*Hoofdafdelingen*): arable farming, cattle farming, horticulture, forestry, and social affairs. Intersectorial commissions were also set up. The provincial Stichting councils had a large degree of autonomy in relation to the central organisation, and they were generally well equipped.<sup>308</sup>

In 1954-1955 the Stichting was phased out while the Landbouwschap took over. Unlike the Stichting, the Landbouwschap was financed by a general direct charge on all agricultural producers. The Landbouwschap could also collect special charges for specific purposes. In this sense membership of the Landbouwschap was compulsory for all Dutch agriculturalists, regardless of whether they were member of other agricultural organisations. But individual membership was not matched by individual representation. When it came to decision-making the Landbouwschap had only organisations as members. The Landbouwschap had an annual budget of around 25 million guilders, of which some two thirds was financed by special charges. Thus, the Landbouwschap's budget was about ten times the Stichting's budget.<sup>309</sup>

The Landbouwschap had a similar structure as the Stichting, with a board, an executive committee, a secretariat and five divisions. The member organisations were the same as before, there was almost no change of

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<sup>308</sup> Krajenbrink, 2005, pp. 74-88.

<sup>309</sup> Krajenbrink, 2005, pp. 459f.

leadership composition, and nearly identical rules of decision-making were employed in the Landbouwschap. However, the Landbouwschap's regional councils had less autonomy than those of the Stichting.

Since only two out of three Dutch farmers were organised in the KNLC, CBTB and KNBTB, the collection of a direct charge created a conflict of interest between these three organisations and the unorganised Dutch farmers. The law on PBOs from 1950 made it possible for the individual members of private organisations to deduct a part of their contribution to the private organisation from their contribution to the public organisation (i.e., from the direct charge). This deduction (*contributieaftrek*) was important for the KNLC, CBTB and the KNBTB, and they sought to make it as large as possible. In 1955 the Landbouwschap decided to set the deduction rate at 70%; the Catholic and neutral farm labourers would prefer a lower percentage, but the KNLC, CBTB and KNBTB were supported by the Calvinist farm labourers, and thus gained the majority in the question.

The SER would not accept a deduction rate higher than 50%. The SER argued that the deduction implied a financial transfer from the unorganised farmers to the members of the KNLC, CBTB and KNBTB, since the Landbouwschap did not specify how large a part of the deduction would be spent on general purposes. The question was taken to the courts and in 1958 the Landbouwschap won the case. But the juridical disputes delayed the collection of direct charges. The Landbouwschap refused to take temporary loans and insisted that the budget should balance. Current and accumulated charges added up and administrative errors were made. The result was a mass of protests in 1957.<sup>310</sup>

In parallel to cooperation with the agricultural labourers' organisations in the Stichting and the Landbouwschap, the KNLC, CBTB and KNBTB expanded their own cooperation. They were called "the three central agricultural organisations, abbreviated "3CLO" (*drie Centrale Landbouworganisaties*). In the interwar period their leaders had monthly meetings while the chairmanship and the secretariat rotated between them. This practice was re-established in 1951. Joint commissions were set up between the 3CLO to deal with various issues and prepare the meetings between the leaders. The 3CLO often coordinated their viewpoints prior to negotiations with other organisations in the Stichting, the Landbouwschap and other organs.

The cooperation between the 3CLO covered practically all areas of domestic policy, but it also expanded strongly in the field of international relations. The Stichting represented Dutch agriculture in IFAP until 1954, and while the Stichting was only indirectly represented in bilateral trade negotiations,

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<sup>310</sup> Krajenbrink, 2005, pp. 95-131.

the organisation became directly involved in the negotiations on agriculture in the Benelux. The Landbouwschap intended to succeed the Stichting as the representative of Dutch agriculture in IFAP. But since the Landbouwschap, unlike the Stichting, was a public organisation, the 3CLO decided that they would represent themselves in IFAP.<sup>311</sup>

One of the 3CLO's joint commissions treated international policy, and the 3CLO coordinated their positions and representation in IFAP. However, as the international work grew, and especially when the European Economic Community was established in 1957, the 3CLO found it difficult to dispense with the financial resources, technical expertise and political connections to the Ministry of Agriculture which the Landbouwschap possessed. Therefore the 3CLO in 1957-1959 created an integrated network of foreign policy coordination between themselves, the Landbouwschap and the agricultural cooperatives. The 3CLO became the central units in the network. In this way the 3CLO could draw on the Landbouwschap's resources and still remain independent actors in the international field.

Each of the three farmers' organisations set up internal specialised commissions to deal with international issues. These foreign affairs commissions strengthened cross-sector coordination, widened the channels of consultation and information with the agricultural cooperatives, and involved a broader circle of provincial leaders in international issues. The presidents of the three farmers' organisations became chairmen of the respective foreign affairs commissions, and this move illustrated that the purpose was to give the leaders a more strongly based mandate in international organisations. This development facilitated the widening of similar links between the 3CLO and national sector federations. That was necessary if the 3CLO were to remain the central units in the network, because otherwise the coordination with national sector federations would have to go through the Landbouwschap.

The KNBTB and KNLC became members of the Confédération Européenne de l'Agriculture (CEA) in 1948, together with various Dutch organisations and firms. In 1956 the CBTB also joined CEA. In April 1958 it was decided that the secretary of the Landbouwschap Foreign Affairs Division should also be the secretary of the 3CLO Foreign Affairs Commission. The latter should carry out the secretary work for the participation of the 3CLO in IFAP, CEA and COPA. The 3CLOs and the Landbouwschap maintained their decision-making authority within their respective fields of interest, and the 3CLO continued to represent themselves in international contacts.

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<sup>311</sup> Krajenbrink, 2001, pp. 81f; Smits, 1996, pp. 168f; Piers, 1959, pp. 183ff; Robinson, 1961, pp. 67-69, 132.

In February 1958 the Landbouwschap's Foreign Affairs Commission established a special Subcommittee on European Integration (*Werkgroep Integratie*). The Subcommittee represented the Landbouwschap in negotiations with Dutch authorities, and prepared the decisions on European issues in the organisation. The overlapping membership between the 3CLO Foreign Affairs Commission and the three organisations' representation in the Landbouwschap's Subcommittee on European Integration became the inner circle which defined the European policy of Dutch agriculture. The farm labourers' organisations generally left the European market policy in the hands of the 3CLO and in return obtained support from the 3CLO for the idea of a social dimension of the CAP.

The Dutch cooperative dairies rejected French ideas of an independent European sector organisation for dairy products, and instead the Dutch dairies widened their contacts to the 3CLO. The dairies accepted that the 3CLO had the leadership in relation to the EEC's milk policy as long as the delegations from Dutch agriculture in such negotiations also included representatives from the dairies. The 3CLO and the dairies established a contact group to have consultations on a regular basis on the EEC's milk policy. The other agricultural sectors opted for similar solutions.

Besides constituting the legal basis for the Landbouwschap as a horizontal trade organisation under public jurisdiction, the Industrial Organisation Act from 1950 also provided the basis for the vertical commodity boards, produktschappen. The precursor of the produktschappen was the vertical product offices which regulated production and trade in the 1930s. In 1941 the product offices were replaced by vertical marketing boards with advisory, legislative and executive powers.

Under the Industrial Organisation Act from 1950 the marketing boards were converted into produktschappen in which all employers and employees engaged in the production, processing and trading in the sector in question were represented. The conversion did not bring great changes, because after 1945 the trade unions had been admitted to the marketing boards anyway. Like the marketing boards, the produktschappen could impose charges upon trade and industry, but they could not undertake commercial transactions.<sup>312</sup>

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<sup>312</sup> Bedrijfschap voor Zuivel: *Jaarverslagen*, various years 1951-1956, The Hague; Produktschap voor Zuivel: *Jaarverslagen*, various years 1957-1960, The Hague; Verbond van Nederlandse Werkgevers (1954): *De eerste productschappen*, The Hague; van Dam, B. (1960): "Ervaringen met de publiek-rechtelijke bedrijfsorganisatie in de Zuivel", in: Koninklijke Nederlandse Zuivelbond FNZ: *Tussen weldoorlog en Euromarkt*, The Hague, pp. 56-66; Butterwick & Neville-Rolfe, 1971, pp. 40f.

In 1957 the Dutch parliament passed the Agricultural Act which defined the legal and organisational framework of market regulation. The Agricultural Act built upon the PBO structure such as it had been defined by the Industrial Organisation Act. Agriculture was the only sector where many PBOs were created. Agricultural imports and exports were not regulated by the Agricultural Act, but belonged under the Act on Imports and Exports. The competences of the Ministry of Agriculture as the ministry of food supply remained unchanged in the Agricultural Act, and the ministry retained the ultimate authority in the regulation of prices and production. Like the debates on the Agricultural Organisation Act in 1950 the debates on the Agricultural Act in 1957 treated the issues of trade autonomy and parliamentary control. As in 1950 the Dutch government gave the first priority to ministerial efficiency, and as in 1950 this view prevailed.<sup>313</sup>

The Ministry of Agriculture was sometimes willing to consult the marketing boards and the produktschappen on wider issues of policy-formulation. Any advice given by a produktschap was a compromise between the farmers, agricultural industry, traders, employees and the government-appointed chairman. Therefore the views of the produktschappen were not identical to those of the 3CLO. The produktschappen had knowledge of markets and an expertise in administration which qualified them as advisors to the Dutch government in EEC issues. Their weakness was that their respective field of interest did not extend beyond their own particular sector.<sup>314</sup>

The so-called Central Organ for International Economic Relations (*Stichting Centraal Orgaan voor de Economische Betrekkingen met het Buitenland*) served as a forum for consultations between the Ministry of Economic Affairs, and private economic interest. The Central Organ was a private

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<sup>313</sup> Koninklijke Bibliotheek, The Hague (KB), Staten-Generaal: *Handelingen Tweede Kamer (HTK) 1956-1957*, pp. 3635-3684,;

Bos, A., van Merriënboer, J., Pekelder, J. (2001): "Het parlement", in: Carla van Baalen & Jan Ramakers (eds.): *Parlementaire Geschiedenis van Nederland na 1945: Deel 5: Het kabinet-Drees III 1952-1956: Barsten in de brede basis*, Centrum voor Parlementaire Geschiedenis Nijmegen, The Hague: Sdu Uitgevers, pp. 55-146, esp. p. 112;

van Griensven, P., van der Heiden, P., Ramakers, J. (2001): "Staatsbemoeynis versus particulier initiatief", in: Carla van Baalen & Jan Ramakers (eds.): *Parlementaire Geschiedenis van Nederland na 1945: Deel 5: Het kabinet-Drees III 1952-1956: Barsten in de brede basis*, Centrum voor Parlementaire Geschiedenis Nijmegen, The Hague: Sdu Uitgevers, pp. 393-534, esp. pp. 414-422;

Brouwer, J. W. & van Merriënboer, J. (2004): "Lopende en onomstreden zaken", in: Jan Willem Brouwer & Peter van der Heiden (eds.): *Parlementaire Geschiedenis van Nederland na 1945: Deel 6: Het kabinet-Drees IV en het kabinet-Beel II 1956-1959: Het einde van de rooms-rode coalitie*, Centrum voor Parlementaire Geschiedenis Nijmegen, The Hague: Sdu Uitgevers, pp. 103-141, esp. p. 125.

<sup>314</sup> Robinson, 1961, pp. 65f, 128.

umbrella organisation of Dutch industry, trade, agriculture, transport and fishermen. The Central Organ usually dealt with bilateral trade negotiations, but occasionally it also treated political issues relating to European economic integration and the Benelux. Dutch agriculture was often represented in the Central Organ by the Landbouwschap's secretaries and trade experts.

In the Catholic and Calvinist pillars of Dutch society the confessional parties were central units in large networks of organisations. Sometimes there were formal ties between the organisations in the networks, but informal ties through interlocking directorates and personal connections were more important. In the Catholic network the concentration of interlocking directorates in a relatively small elite culminated by 1960. The number of Catholic leaders with at least four positions of trust doubled between 1948 and 1960. Later their number declined. Catholic economic interest organisations such as the KNBTB were part of the core of the network, and when the network began to disintegrate in the 1960s, they were among the most stable elements.<sup>315</sup>

In the case of the KNBTB and the CBTB the farmers were represented in the leadership of the respective confessional parties. Around 1962 the KNBTB's secretary T. Brouwer was member of the leading organs of the KVP. The CBTB's president since 1959, R. Zijlstra was member of the leading organs of the ARP. A member of the CBTB's board, H.W. Hielkema was member of the leading organs of the CHU. The liberal pillar of Dutch society had a looser structure, the number of interlocking directorates was much smaller than in the confessional pillars, and the KNLC was not represented in the leading organs of the VVD. The KNLC and many other organisations in the liberal pillar did not describe themselves as 'liberal', but as 'neutral'.<sup>316</sup>

The agricultural parliamentarians from the KVP, ARP, CHU and VVD had close relations to the Landbouwschap. Practically all agricultural leaders were member of the parliament. Of the Dutch parliamentarians 18% had an agricultural background around 1951.<sup>317</sup> Farmers constituted 12% of the KVP's electorate in 1950. The corresponding figure for the ARP was 11%, for the CHU also 11%, for the VVD 16%, but for the PvdA only 2%. The confessional parties derived their greatest support in small towns and rural areas. The KVP, ARP and CHU obtained around half of their votes in

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<sup>315</sup> Duffhues, T., Felling, A., Roes, J. (1985): *Bewegende patronen: Een analyse van het landelijk netwerk van katholieke organisaties en bestuurders 1945-1980*, Nijmegen: Katholiek Documentatie Centrum, pp. 228-264.

<sup>316</sup> Lijphart, 1979, pp. 68-76.

<sup>317</sup> van Merriënboer, J.C.F.J. (1997): "Landbouw: Minder boter, meer kanonen", in: J.J.M. Ramakers (ed.): *Parlementaire geschiedenis van Nederland na 1945: Deel 4: Het kabinet-Drees II (1951-1952): In de schaduw van de Koreacrisis*, Nijmegen, pp. 247-285, esp. p. 250.

municipalities with less than 20.000 inhabitants and less than 30% of their votes in municipalities with more than 100.000 inhabitants.<sup>318</sup> Until late in the 20<sup>th</sup> century all Dutch ministers of Agriculture had an agricultural background, and until the 1970s some of them would become prime minister. But the ministers of Agriculture from the PvdA, S.L. Mansholt (1945-1957) and A. Vondeling (1958) did not come from the networks between the confessional parties and the Landbouwschap.<sup>319</sup>

In his dissertation from 2005 on the history of the Landbouwschap, Evert Jan Krajenbrink made a network analysis for the years 1954/55, 1974 and 1994. Krajenbrink distinguished between 'relative extension' and 'between-ness'. The number of persons with whom a leader had established contacts within the network signified the 'relative extension'. The strategic position of the leader within the network, all direct and indirect contacts included, signified the 'between-ness'. Krajenbrink found that in terms of both 'relative extension' and 'between-ness' the leaders of the farm labourers had a more central position than the leaders of the farmers' unions. Next to the leaders of the farm labourers in terms of both 'relative extension' and 'between-ness' came the KNBTB's president C.G.A. Mertens.

In the 1950s the members of the Stichting's and the Landbouwschap's executive committees often had a central position in terms of 'relative extension', but not so much in terms of 'between-ness'. Krajenbrink emphasised the limitations of network analysis. Many informal or non-recorded contacts could not be included, and neither could the content of the contacts. Krajenbrink concluded that the leaders of the agricultural labourers despite their limited financial resources maintained a central position by establishing widespread contacts to other leaders of Dutch society.<sup>320</sup>

#### 3.4.7. Agricultural organisation in Denmark

In Table 10 below is shown the number of individual members in the largest Danish agricultural organisations in the years 1958 and 1961. The numbers indicate a relatively strong position of the cooperative sector organisations toward the horizontal organisations. The national federations of dairies and bacon factories had more members than the Danish Farmers' Unions and Danish Smallholders' Unions. The national federation of poultry

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<sup>318</sup> Robinson, 1961, pp. 42f.

<sup>319</sup> Jaspers, J. (1991): "De socialist: Sicco Mansholt (geb. 1980)", in: P.C.M. Hoppenbrouwers (ed.): *Een loopbaan in de landbouw: Twaalf portretten van markante figuren in agrarisch Nederland*, Groningen: NAHI: Historia Agriculturae, vol. XXIII, pp. 128-141;

van Merriënboer, Johan (2006): *Mansholt – Een biografie*, Amsterdam: Boon.

<sup>320</sup> Krajenbrink, 2005, pp. 131-139, 454-458.

slaughterhouses had more members than the Danish Smallholders' Unions, and had almost as many members as the Danish Farmers' Unions.

**Table 10.** Major Danish agricultural organisations: number of individual members.

Organisation	1958	1961
Danish Farmers' Unions	(year: 1957) 128.665	136.016
Danish Smallholders' Unions	(year: 1957) 102.552	91.357
Dairy Board	165.000	155.600
Bacon Factories Federation	192.000	165.400
Egg export organisation	85.000	85.000
Cattle export organisation	40.000	38.324
Cattle sales organisation	78.800	79.500
Poultry slaughterhouses federation	119.000	126.570
Seed purchase organisation	5.578	5.276
Machine pools federation	2.550	1.500

Source: Buksti, 1974, p. 288-290.

The agricultural cooperatives did not dominate the supply of raw materials and machines. Their position was strongest in the supply of feeding stuffs, fertilizer and seeds, where their share was around 40 to 50 per cent.<sup>321</sup>

The cooperative dairies had around 80% of total dairy production, and around 90% of total butter production. A similar proportion of the raw milk was delivered to cooperative dairies, and they had around 90% of the total turnover in the sector. The cooperative butter sales associations together had two thirds of total butter exports, and in 1955 they established a common export organisation. In cheese production the cooperative dairies had a weaker position. In 1958 circa 11% of the total cheese production took place in cooperative dairies. Only a small minority of the cooperative dairies were completely specialised in butter production. But only one in four cooperative dairies used more than 40% of the raw milk to produce cheese. On average the private dairies were smaller than the cooperative dairies, but among the private dairies there were some large enterprises which used nearly 80% of the raw milk to cheese production.

The number of Danish dairies culminated in the 1930s. At that time there were around 1.400 cooperative and 300 private dairies in Denmark. In 1960 there were 1.135 cooperative and 204 private dairies. The cooperative dairies were organised in regional federations, and these again were members of the national federation, the Dairy Board (*De danske Mejeriforeninger*

<sup>321</sup> Pedersen, C. & Knudsen, P.H. (1977): "Landbrugets organisationer – andelsbevægelsen", in: P.H. Knudsen (ed.): *Landbruget i Danmark*, Copenhagen: Landbrugsraadet, pp. 99-139, esp. p. 126.

*Fællesorganisation*). Several private dairies were also member of the Dairy Board which in 1945 represented circa 97% of the total Danish milk production. Unlike the other agricultural organisations the Dairy Board did not move its main office to Copenhagen. Instead the Dairy Board had its main office in Aarhus in Jutland. From the 1950s onward the retreat from dairy farming mainly took place in Zealand. The dairies in Copenhagen became increasingly dependent on imported milk from Jutland.<sup>322</sup>

In the meat sector the cooperatives slaughterhouses had nearly 90% of total production. In 1958 the 62 cooperative bacon factories had 88% of all pig slaughtering, and the four cooperative poultry slaughterhouses had 48% of all poultry slaughtering. Unlike the situation in the Netherlands, in Denmark the export of live cattle was a large sector and was organised in separation from the slaughterhouses. The latter had their own networks of distribution in exports and domestic sales. In 1958 the cooperative cattle sales organisations had 39% of total cattle exports. The cooperative bacon factories were members of a national federation, the Bacon Factories Federation (*De samvirkende danske Andels-Svineslagterier*).<sup>323</sup> Between

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<sup>322</sup> Pedersen & Knudsen, 1977, p. 117; Buksti, 1974, p. 84; Buksti, 1982, pp. 313f, 326, 377, 453ff, 466f; Just, 1992, pp. 65-67;

Helmer Pedersen, Erik (1988): *Det danske landbrugs historie IV: 1914-1988*, ed. Claus Bjørn, Odense: Landbohistorisk Selskab, pp. 147, 267;

Rasmussen, Jørgen D. (1982): "Dansk mejeribrug 1914-55", in: Claus Bjørn (ed.): *Dansk mejeribrug 1882-2000*, Odense: De danske Mejeriers Fællesorganisation, pp. 189-308, esp. pp. 220, 240ff, 306;

Lando, Z.D. (1962): "Det danske mejeribrugs betydning i samfundsøkonomien", in: H.M. Jensen (ed.): *Dansk mejeribrug I*, Copenhagen: De danske Mejeriforeningers Fællesorganisation, pp. 59-82, esp. pp. 63f;

Jeppesen, M. (1962): "Mejeribrugets organisationsforhold", in: H.M. Jensen (ed.): *Dansk mejeribrug I*, Copenhagen: De danske Mejeriforeningers Fællesorganisation, pp. 469-493;

Nielsen, Sigurd (1962): "Mejeribrugets rationaliseringsproblem", in: H.M. Jensen (ed.): *Dansk mejeribrug I*, Copenhagen: De danske Mejeriforeningers Fællesorganisation, pp. 455-466;

Nielsen, Sigurd (1986): "Fordele og ulemper ved nedlæggelse og sammenlægning af danske mejerier i det 20. århundrede", *Bol og By (Landbohistorisk Tidsskrift)*, 1986, vol. 2, pp. 115-142;

Landbrugets Oplysnings- og Konferencevirksomhed [LOK] (1967): *Landbrugets organisationshåndbog*, Copenhagen, pp. 100-115.

<sup>323</sup> Helmer Pedersen, 1988, p. 147; Buksti, 1974, p. 84; Pedersen & Knudsen, 1977, p. 117; Just, 1992, pp. 62-65; LOK, 1967, pp. 115-137;

Tvede, O. (1972): *De samvirkende danske Andels-Svineslagterier 1897-1972*, Copenhagen: De samvirkende danske Andelsslagterier, pp. 34-50;

Helmer Pedersen, Erik (1987): "Økonomi og ideologi", in: Erik Helmer Pedersen, Jacob Jensen, Flemming Just, Lars Scheving: *De første hundrede år: Danske Slagterier 1887-1987*, Copenhagen: Danske Slagterier, pp. 91-314.

1949 and 1958 the share of cooperative associations in the total sales of eggs increased from circa 32% to circa 41%.<sup>324</sup>

The leadership of the cooperative organisations was dominated by middle-sized farmers. The social origin of the chairmen and managing directors in the dairies is a case in point. The data are from an investigation in 1931, but the conclusions probably apply to the 1950s. Among the dairy chairmen circa 86% were middle-sized farmers, circa 7% were large farmers, and circa 3% were smallholders. Among the managing directors circa 35% were middle-sized farmers, circa 19% were smallholders, and circa 11% were agriculturalists with no further specification.<sup>325</sup> The president of the Dairy Board in 1925-1959, Søren Overgaard, was a large farmer and he was the chairman of the local farmers' association in Eastern Jutland in 1922-1959.

The successive presidents of the Bacon Factories Federation, Marius Byriel (1936-1952), Andreas Clausen (1947-1952) and Kristian Røhr-Lauritzen (1953-1959), were all middle-sized or large farmers; Røhr-Lauritzen was the chairman of the local farmers' association in Central Jutland in 1917-1943. By a simple majority the local assemblies in the cooperatives elected their delegates to the national assemblies, and while the farmers often only had a small majority over the smallholders in the local assemblies, the dominance of farmers accumulated upward through the structure. The similar social origin of the leaders meant that in issues relating to general agricultural policy the cooperative federations and the Danish Farmers' Unions would have a tendency to think along parallel lines. Yet, their mixed membership at the floor level was a reason for the cooperative federations to display some prudence in political issues which went beyond their own sector.<sup>326</sup>

In the Danish Farmers' Unions there were 138 local associations (in 1946), organised in five regional federations: Jutland, Zealand, Funen, Lolland-Falster, and Bornholm. The five regional federations together constituted the national federation. Their main working field was technical projects while the national federation was more concerned with politics. There were two national presidents of which one always was the president of the Jutland Farmers' Unions. In the executive committee the Jutland farmers had three of the ten seats, and in the board the Jutland farmers had the majority with 17 of 30 members. The board only met twice a year. The day-to-day business was taken care of by the presidency which usually met once a week, and by the executive committee which had one meeting every month.

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<sup>324</sup> Helmer Pedersen, 1988, p. 147; Buksti, 1974, p. 84; LOK, 1967, pp. 142; Butterwick & Neville-Rolfe, 1971, pp. 264-266.

<sup>325</sup> J.D. Rasmussen, 1982, pp. 284-299.

<sup>326</sup> Just, 1992, p. 58; Buksti, 1974, pp. 161, 188f.

In the Danish Smallholders' Unions there were 1.242 local associations (1933), organised in six regional federations: Jutland, Zealand, Funen, Lolland-Falster, Southern Jutland and Bornholm. Like the Danish Farmers' Unions, the Danish Smallholders' Unions had a division of labour between technical projects at the local level and external political representation at the national level. The local smallholders' associations were somewhat stronger involved in cultural and social life than the local farmers' associations were. At the same time the limited financial resources in the local smallholders' associations often meant that they had to rely on the cooperation in technical projects with the local farmers' associations. In the national level the Danish Smallholders' Unions had a board with 15 members of which seven represented the Jutland Smallholders' Unions. The executive committee had seven members, of which two represented the Jutland smallholders. The presidency consisted of the president and two vice-presidents.<sup>327</sup>

In his investigation from 1974 of Danish agricultural organisations, Jacob Buksti found a certain overlap of membership between the Danish Farmers' Unions and the Danish Smallholders' Unions. The total number of members in the two organisations exceeded the total number agricultural holdings by at least 30.000 individuals. Buksti compared the number of agricultural holdings with less than 10 hectare to the number of members in the Danish Smallholders' Unions. Likewise, Buksti compared the number of agricultural holdings with more than 10 hectare to the number of member of members in the Danish Farmers' Unions. Apparently, around 1960 a substantial number of smallholders were member of both the Danish Smallholders' Unions and the Danish Farmers' Unions, because the number of members in the Danish Smallholders' Unions roughly equalled the number of holdings with less than 10 hectare.

The results from a social research project from 1969 indicated that 85% of all independent agriculturalists were member of at least one organisation. Among the independent agriculturalist with less than 10 hectare only half were member of the Danish Smallholders' Unions. Around one third of the members of the Danish Smallholders' Unions were also members of the Danish Farmers' Unions. Although the situation in 1969 was different from the 1950s, Buksti found that the results pointed in the same direction. The political position of the Danish Smallholders' Unions was further weakened by the fact that between 80% and 90% of Danish agricultural production took place on holdings which were member of the Danish Farmers' Unions. The involvement of the agricultural organisations in technical work, administration and regulation was reflected in their participation in many

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<sup>327</sup> Buksti, 1974, pp. 37-45; Just, 1992, pp. 50-62; LOK, 1967, pp. 10-28; Bjørn, Claus & Rasmussen, Peter Ravn (2003): *Dansk Familielandbrug 1952-2002*, Odense: Dansk Familielandbrug, pp. 95-110.

committees. In the 1950s the Danish Farmers' Unions were represented in circa 110 private, public and mixed committees. The Danish Smallholders' Unions were represented almost equally many committees.<sup>328</sup>

In formal terms, the members of the Landbrugsraad were the Danish Farmers' Unions and the National Cooperative Council. However, the seats which the National Cooperative Council had in the Landbrugsraad were always distributed equally between the Dairy Board and the Bacon Factories Federation. The Landbrugsraad had a plenary council (*råd*) which met twice a year, and a presidium which treated the day-to-day business.

During their membership of the Landbrugsraad in 1932-1939 the Danish Smallholders' Unions had the same number of seats as the Danish Farmers' Unions. This meant that the two horizontal organisations together had 16 seats in the plenary council while the two sector organisations each had 5 seats. In the presidium there was parity of representation between the two horizontal and the two sector organisations, with two seats to each member organisation. When the smallholders left the Landbrugsraad in 1939 the distribution of the remaining seats was not changed. This situation, which lasted until the Landbrugsraad was reorganised in 1961, meant that the Danish Farmers' Unions were in a minority against the combined votes of the two sector organisations.

The president of the Jutland Farmers' Unions, who was always one of the two co-presidents of the Danish Farmers' Unions, was also the president of the Landbrugsraad. However, in 1947 the Landbrugsraad's president Henrik Hauch stepped down as the president of the Jutland Farmers' Unions and as the co-president of the Danish Farmers' Unions, but he continued to be the president of the Landbrugsraad until he became minister of Agriculture in 1950. Only then did the president of the Jutland Farmers' Unions, Hans Pinstrup, succeed Hauch as the president of the Landbrugsraad. As the president of the Landbrugsraad (1950-1960) Pinstrup re-established the interlocking presidency with the Danish Farmers' Unions.

The contribution of the three member organisations to the budget of the Landbrugsraad is shown below in Table 11. The most notable developments were the growth in the total budget and the increasing contributions from the Danish Farmers' Unions until 1959. In per cent of the total contributions the share of the Danish Farmers' Unions increased from 2% in 1949 to 17% in 1959. However, in 1960-1961 the cooperatives strongly increased their contributions and re-established their old position as the main contributors.

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<sup>328</sup> Buksti, 1974, pp. 158-161, 288f; Just & Omholt, 1984, pp. 151-153.

**Table 11.** Contributions to the Landbrugsraad's budget in 1949-1961 (1000 kr.).

Year	Danish Farmers' Unions	Bacon Factories Federation	Dairy Board	All contributions
1949	3	40	20	179
1950	25	50	50	426
1951	25	50	50	519
1952	33	60	57	593
1953	60	60	60	594
1954	104	60	60	638
1955	104	60	60	661
1956	104	60	60	656
1957	116	60	60	668
1958	120	63	63	684
1959	132	75	75	774
1960	132	135	135	883
1961	162	286	286	1463

Source: Buksti, 1974, p. 293.

In early 1950 the Landbrugsraad was in an acute budgetary crisis. At the same time the Landbrugsraad and the Danish Farmers' Unions were competing for the right to dispose of various agricultural funds. The Danish Farmers' Unions considered whether they should leave the Landbrugsraad, but the Dairy Board mediated and found a solution where all member organisations increased their contributions to the Landbrugsraad.<sup>329</sup>

The Danish Farmers' Unions intended to become a strong political actor, but in 1949 the question was whether they should pursue this aim by leaving the Landbrugsraad. The Danish Farmers' Unions decided that if the cooperative federations would increase their contributions to the Landbrugsraad (as they did), then the Danish Farmers' Unions should continue to employ the resources of the Landbrugsraad. For the Danish Farmers' Unions it took years to build up sufficient resources to be a strong political actor. The Landbrugsraad derived its political influence and legitimacy as a horizontal organisation from the Danish Farmers' Unions, but the cooperative federations supplied the necessary economic and technical means.

When the Danish Smallholders' Unions left the Landbrugsraad in 1939, they obtained an equal right of consultation in relation to the Danish government. In issues that were specific to their own sector the cooperative federations had a right of consultation in relation to the Danish government, but in

<sup>329</sup> Sørensen, Anders Thornvig (2006): "Landboforeningerne og Landbrugsrådet 1949-58", in: Kristine Midtgaard & Lise H. Rasmussen (eds.): *Omverdenen trænger sig på – Politik og ideer i det 20. århundredes historie: Festskrift til Thorsten Borring Olesen*, University of Southern Denmark Studies in History and Social Sciences vol. 323, Odense: Syddansk Universitetsforlag, pp. 75-89.

general questions the government only consulted the Landbrugsraad and the Danish Smallholders' Unions. The large estates had a small organisation of their own, *Tolvmandsforeningerne*, but their position was marginal.

In 1948 the Danish Farmers' Unions, the Danish Smallholders' Unions and the National Cooperative Council set up a joint committee, the co-called 'Agricultural Production and Sales Committee' (*Landbrugets Produktions- og Afsætningsudvalg*). The committee, which was independent from the Landbrugsraad, became an important forum for discussions on issues like the distribution of Marshall Aid.<sup>330</sup> Usually the international representation of Danish agriculture consisted of secretaries from the Landbrugsraad and the National Cooperative Council. During the 1950s both the smallholders and the farmers developed their own expertise in international work.

In the 1930s the Danish state established export-regulating boards for butter, bacon, cattle and meat, cheese, eggs, etc. The members of the export boards were agricultural producers and traders, but not farm labourers. The export boards acted autonomously under the Ministry of Agriculture's supervision. The president of the Dairy Board was the chairman of the export boards for butter and cheese and their secretariats were placed in the Dairy Board. Likewise, the Bacon Export Board had the president of the Bacon Factories Federation as its chairman and had its secretariat placed in that organisation. The other export boards were administered by the Landbrugsraad.<sup>331</sup>

In 1950 the public export boards were dissolved and instead the agricultural producers and exporters established their own private export boards. The new export boards had almost the same members, structure and leadership as the old ones. The new export boards could not employ public law to enforce decisions but relied on contractual commitments, the will to cooperation between private and cooperative enterprises, and a broad membership.

Just (1992) found that the agricultural organisations acquired an increasingly dominant representation in the public export boards. The agricultural cooperatives, farmers and smallholders were all represented. After the privatisation of the export boards the agricultural organisations maintained a strong numerical representation, even in those sectors where the private exporters had the major part of the trade.<sup>332</sup>

In the Cattle and Meat Export Board there was a relatively strong centralisation of exports, but the exporting associations only had limited control over the producers. In the Butter Export Board and the Cheese

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<sup>330</sup> Helmer Pedersen, 1988, p. 192; Buksti, 1974, p. 52; Just, 1992, pp. 74f, 349ff.

<sup>331</sup> Just, 1992, pp. 103-145.

<sup>332</sup> Just, 1992, pp. 377-471, 514-519.

Export Board there was only limited centralisation of exports, but the contracts between the export associations and the producers had the character of exclusive cartels. The participating producers (individual dairies) were obliged to sell all their exports to the participating export associations. On the other hand, the participating export associations were only permitted to acquire the quantities for exports from the participating producers. Non-complying dairies could be excluded from the Dairy Board.

In the Bacon Export Board (*Eksport-Svineslagteriernes Salgsforening*, ESS) the control over the producers (individual bacon factories) was relatively limited. The individual bacon factories were relatively large commercial units and had their own export networks, or were member of the exporters' association Danish Bacon Company. The ESS did not have the authority to determine the exports of the individual bacon factories. On the other hand, practically all producers and exporters in the pig sector joined the ESS.

The Dairy Board, the Butter Export Board and the Cheese Export Board together constituted an organisational cluster – or network – for the coordination of production and trade. In the pig sector there was a similar network or cluster between the Bacon Factories Federation and the ESS. The combination of commercial functions and political leadership in the clusters created a new decision-making centre. In general, Danish agricultural production was adjusted to exports, rather than the opposite. When the leaders of the producers also became the leaders of the traders, the guiding functions of the market were integrated into the organisational structure. The interlocking leadership between the old organisation (the cooperative federation) and the new organisation (the export board) strengthened the central leadership within the old organisation in relation to the members.<sup>333</sup> At the same time the external political and commercial position of the old organisation was strengthened, because it represented the cluster.

This process began in the 1930s and continued into the 1950s. The privatisation of the export boards in 1950 ended ministerial supervision and led to increased transparency. The legal means for controlling production and trade were removed by the privatisation, but the leaders were largely successful in replacing them with tightened internal rules.

Since the producers and exporters had complete freedom to buy and sell in the Danish home market, the domestic price became an average of the export prices. This was the general situation in the 1950s, although there were exceptions. In 1951-1952 the Danish government fixed a maximum level for the domestic prices in food products in 1951-1952. Another exception occurred in 1954 when the British Ministry of Food requested larger

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<sup>333</sup> Helmer Pedersen, 1993, pp. 403.

quantities of bacon from Denmark. The Ministry of Agriculture temporarily ceased to license exports of living and slaughtered pigs except those sold through the ESS. At the same time the bacon factories temporarily authorised the ESS to dispose of 65% of all pigs in each bacon factory.<sup>334</sup>

The position of the export boards was difficult. In international negotiations they were accused of cartelism, and in Denmark there was much debate on their usefulness. Even when nearly 100% of the exporters were member of an export board, the actions of a few free-riders could have strong effect. Italy eliminated her import quotas in cheese and applied a modest tariff, and Danish cheese exports to Italy surged in 1952-1953. But the growing imports of cheap cheese from Denmark provoked a reaction from Italian producers, and the Cheese Export Board was unable to obtain a price agreement between all exporters. Italy raised her tariff for Danish cheese by 25% in 1954, and subsequently Danish cheese exports to Italy dropped by 75%.<sup>335</sup>

When the longterm contracts with Britain expired, the internal opposition in Danish agriculture against central export regulation surfaced. During an extraordinary general assembly in the Bacon Factories Federation in February 1957 it was debated whether the individual bacon factories should establish direct commercial relations with the sales agents in Britain. This would mean a reversal to the situation that existed before the Bacon Export Board was established in 1932. The Danish Farmers' Unions and the Danish Smallholders' Unions urged the bacon factories not to weaken the ESS. In the end the bacon factories decided with 34 votes against 26 that the commercial relations to the sales agents in Britain should continue to go through the ESS. The national agricultural leaders all supported the ESS, but at the floor level there was much debate in the individual bacon factories.<sup>336</sup>

In June 1958 the Danish parliament passed an act which authorised the minister of Agriculture to lay down rules for all exporters. The possible measures included charges of which the revenue would be collected in pools under the export boards in question. The improved coordination among exporters should prevent free-riders from undercutting their competitors, and the coordination should also reduce the depressing effect from declining export prices on the domestic prices. The minister could only lay down rules for all exporters upon consulting the agricultural producers and traders in a so-called contact committee. Among the 11 members of the committee the

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<sup>334</sup> Just, 1992, pp. 435-441, 466, 470f; LOK, 1967, pp. 184-199;

Hansen, Knud (1950): *Reguleringen af dansk landbrugseksport*, Handelshøjskolen i København, Skriftrække B, Det økonomiske Forskningsinstituts Skrifter no. 13; Tvede, O. (1975): *Ekspport-Svineslagteriernes Salgsforening 1950-1975*, Copenhagen: ESS-Food, pp. 7ff, 28ff.

<sup>335</sup> Buksti, 1974, p. 56.

<sup>336</sup> Tvede, 1975, pp. 42-44.

Danish Farmers' Unions and the Danish Smallholders' Unions had two seats each and all agricultural organisations together had seven seats.<sup>337</sup>

By the time when the Danish parliament passed the act on agricultural exports regulation, the agricultural organisations decided to establish a new organ, the Agricultural Exports Council (*Landbrugets Afsætningsråd*). The Agricultural Production and Sales Committee ceased to exist and its tasks were transferred to the Afsætningsråd. The members of the Afsætningsråd were the Danish Farmers' Unions, the Danish Smallholders' Unions, the Landbrugsraad, and the export boards. The Landbrugsraad was represented by the Dairy Board, the Bacon Factories Federation and the Cattle and Meat Export Board. The Afsætningsråd began working in July 1958. Its formal purpose was to coordinate and further the foreign and domestic sales of agricultural products. It would undertake market research and advertisement. If, but only if, the export boards approved it, the Afsætningsråd would establish sales offices abroad and regulate the agricultural exports.

The Afsætningsråd was essentially the creation of the Danish Smallholders' Unions and the regional Farmers' Unions in Funen and Zealand. The president of the Funen Farmers' Unions, Niels Eriksen, became the president of the Afsætningsråd; the Danish Farmers' Unions and the Danish Smallholders' Unions had the majority in those organs of the Afsætningsråd that treated current business; among the seats of the Danish Farmers' Unions in the Afsætningsråd the regional federations in Zealand and Funen had the majority. The Jutland Farmers' Unions only reluctantly accepted the creation of the Afsætningsråd. The Dairy Board and the Bacon Factories Federation sought to restrict its authority as much as possible.

In May 1958 there was a confrontation within the Danish Farmers' Unions. The president of the Zealand Farmers' Unions, Johannes Larsen, proposed that the Landbrugsraad should be reduced to a department for trade policy within the Afsætningsråd. The president of the Jutland Farmers' Unions, Hans Pinstrup, who was also the president of the Landbrugsraad, rejected this idea. The majority of the farmers' leaders supported Pinstrup, and the Landbrugsraad remained as it was.

The next two years the Landbrugsraad and the Afsætningsråd competed for the position as the supreme organisation of Danish agriculture. The Landbrugsraad won the power struggle, and when the Landbrugsraad was reorganised in 1961 the Afsætningsråd was reduced to a trade coordination

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<sup>337</sup> Buksti, 1974, pp. 67ff; Buksti, 1982, pp. 323ff; Helmer Pedersen, Erik (1993a): *Landbosamfundet og Danmarkshistorien, Landboforeninger i 200 år, vol. 4*, eds. Erik Helmer Pedersen & Mette Ehlers, Odense: De Danske Landboforeninger, pp. 322-324.

committee within the organisation. As part of the reorganisation in 1961, a clear division of work was finally established between the cooperative federations (production and sales) and the horizontal organisations (general agricultural policy).<sup>338</sup>

The relative representation of agriculture in the Danish parliament was roughly equal to the sector's share of the total population. But when the composition of the agricultural representation in the parliament is compared to the sector's numerical distribution between middle-sized farmers and smallholders, the middle-sized farmers were strongly overrepresented.

In 1953 the Lower Chamber, the *Folketing*, became the only parliamentary chamber and was enlarged from 151 to 179 seats. After 1945 there were no longer any smallholders among the Liberal -members of the Folketing, and between 1950 and 1971 there were no middle-sized farmers among the Social Democratic members of the Folketing. Among the Liberal members of the Folketing, the share of middle-sized farmers varied from 50% to almost 75%. Usually two or three of the Social Democratic members of the Folketing were smallholders, which was a small percentage share of the total number of Social Democrats in the Folketing. Among the Conservative members of the Folketing usually round four or five were middle-sized or large farmers; between 1910 and 1971 there was never any smallholders among the Conservative members of the Folketing. In the 1950s the Social Liberals had between 10 and 14 members of the Folketing; around four of them were middle-sized farmers, while one or two were smallholders.<sup>339</sup>

The Liberal Party and the Landbrugsraad had a common ideological basis of economic liberalism.<sup>340</sup> Many of the leaders in the Danish Farmers' Unions were member of the Liberal group in the parliament, and some of them were also member of the leading organs of the party. The leader of the Liberal Party, Erik Eriksen, was a farmer. Nevertheless, in the 1950s there was a certain distance between the Danish Farmers' Unions and the Liberal Party.

The president of the Jutland Farmers' Unions, Hans Pinstrup was a Liberal member of the Folketing since 1932, but after 1950 he was no longer a candidate in national elections. By leaving the Folketing he broke an old tradition according to which the president of the Jutland Farmers' Unions should be a member of the national parliament. The Zealand Farmers' Unions never had a president who was a member of the parliament. Johannes Larsen was a Liberal member of the parliament in 1945-1953. When he was

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<sup>338</sup> Buksti, 1974, pp. 70-137, 231-247; Buksti, 1982, pp. 325ff; Helmer Pedersen, 1993a, pp. 324ff.

<sup>339</sup> Buksti, 1974, p. 294.

<sup>340</sup> Just, 1992, pp. 50-55; Buksti, 1974, pp. 183f.

elected president of the Zealand Farmers' Unions in 1954, he promised not to become a parliamentarian again. On the other hand, Niels Eriksen was at the same time a Liberal member of the parliament (1947-1971) and president of the Funen Farmers' Unions (1955-1961).

The Social Liberal Party and the Danish Smallholders' Unions shared a common ideology of social liberalism. Public regulation of land distribution was necessary to preserve the smallholders as a large social class. There was a certain degree of interlocking directorates between the smallholders and the Social Liberals. The president of the Danish Smallholders' Unions in 1936-1951, N.P. Andreasen, was a Social Liberal member of the Folketing. The president of the Danish Smallholders' Unions in 1957-1973, Peter Jørgensen, was member of the leading organs of the Social Liberal Party.<sup>341</sup>

During most of the 20<sup>th</sup> century the Danish ministers of Agriculture had a background in agriculture. Liberal ministers of Agriculture were farmers. Social Democratic ministers of Agriculture either were smallholders or were sympathetic toward smallholders. There was one exception from this pattern. The Liberal minister of Agriculture in 1950-1951, Henrik Hauch, was not a farmer by profession, but was the principal of an agricultural college.

#### *3.4.8. Dutch and Danish agricultural organisation compared*

The most obvious common features of agricultural organisation in the Netherlands and Denmark are strong position of agricultural cooperatives in production and sales, and the relatively high degree of membership in the horizontal organisations. Only in a few cases has the turnover been used as a measure of the size and importance of the agricultural cooperatives. The number of individual members and the cooperative federations' share of total production and sales are considered to be more transparent measures.

In the 1950s none of two countries had an agrarian political party in the national parliament. In the Netherlands this situation changed temporarily in the 1960s. In this work the relations between the agricultural organisations and the political parties have only been treated at the level of national parliaments. This is because the subject is national and international agricultural policy, but it must be underlined that the power of agricultural organisations was rooted in local structures.

Generally, active organisational membership tended to coincide with active political interest. The individual farmer or smallholder had better relations

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<sup>341</sup> Buksti, 1974, pp. 184f; Just, 1992, pp. 55-59; Bjørn & Rasmussen, 2003, pp. 35-94.

with leading members of the local town councils by being a member of the local agricultural association. When the political parties decided the agricultural policy at the national level, they were aware that an unpopular national policy could be punished by the voters in local elections all over the country. A general feature, not only in the Netherlands and Denmark, but in many other countries as well, was the decentralist nature of the horizontal organisations. The local and regional federations had a relatively strong position toward the national organisation.

The cooperatives were a central part of the local structures which constituted the basis of the economic and political influence of agricultural organisations at the national level. The cooperatives should not be considered merely as commercial functional organisations. Many Dutch agricultural cooperatives, especially in the Catholic areas, had the formal status, not as a material enterprise, but as a so-called 'moral enterprise'. Since the 19<sup>th</sup> century Dutch legislation recognised and encouraged the creation of moral enterprises to educate the population and exercise social control. However, in the 1950s Dutch agricultural cooperatives generally became independent from the farmers' unions except in the Catholic areas.

In Denmark the agricultural cooperatives were more oriented toward purely commercial business, and their affiliation to the farmers' associations was weaker. As in the Netherlands, the majority of leaders in the agricultural cooperatives in Denmark had a social origin as farmers. In the Netherlands the horticultural sector was economically important and the cooperatives had a strong position in the sector. In Denmark the horticultural sector was a small sector. In both countries the dairy cooperatives had a strong position in production and sales. Cheese production was more important in the Netherlands than in Denmark, and the Dutch cooperatives had a stronger position in this sub-sector than the Danish cooperatives had.

The difference was also related to the different size of the Dutch and Danish dairies, because cheese production generally demanded a larger capacity than butter production. In the 1950s Denmark had a population of 4,5 million people, had some 1.300 dairies, and produced around 5,2 million tons of milk a year. The Netherlands had a population of nearly 12 million people, had circa 600 dairies, and produced around 5,5 million tons of milk a year. In comparison with Denmark, the slaughterhouses were larger in the Netherlands, and the position of the private enterprises was much stronger in the Dutch meat sector.

The meat sector was not so dominant in the Dutch agriculture as in Danish agriculture, but cattle and pigs together still accounted for a quarter of Dutch agricultural production. Unlike the Netherlands, Denmark had large exports of live cattle, and in Denmark the trade in cattle was a separately organised

sector. In the Netherlands the slaughterhouses and cattle trade associations were largely integrated.

The commercial and organisational strength of the agricultural cooperatives not only depended on their share of the total production and sales in a sector. Internal coherence was equally important, and at this point there was a trade-off between commercial and organisational strategies. The rationalisation of the cooperatives into larger units would strengthen their commercial position toward the private enterprises, but it would also increase their independence toward the national cooperative federation.

The less diversified nature of Danish agriculture meant that only two national cooperative federations – the Dairy Board and the Bacon Factories Federation – together represented the vast majority of producers and production. In Denmark the national cooperative federations did not have an internal division between confessional communities, and the individual cooperatives were independent from the farmers' unions. For these reasons the Danish cooperative federations became stronger and more ambitious actors in national agricultural policy than the Dutch cooperative federations.

It is only to a certain extent possible to compare the three Dutch farmers' organisations – the KNLC, CBTB and KNBTB – with the Danish Farmers' Unions and the Danish Smallholders' Unions. Among the three Dutch farmers' organisations, the KNLC was the one which most resembled the Danish Farmers' Unions. The large farmers constituted a stronger part of the membership in the KNLC than in the CBTB or the KNBTB.

Among with the larger farmers, specialised arable farming was stronger represented in the KNLC than in the CBTB and the KNBTB. But the KNLC was not a specialised organisation for arable farming; it was a horizontal, not a sector organisation. In all this the KNLC resembled the Danish Farmers' Unions. The KNLC also resembled the Danish Farmers' Unions in its relatively business-oriented approach to agricultural organisation and policy. The KNLC in principle rejected confessional pillarisation and regarded itself as a neutral organisation where all farmers regardless of religious practice or non-practice could be member.

Like the Danish Farmers' Unions were connected to the Danish Liberal Party, the KNLC was connected to the Dutch Liberal Party (VVD). This was more by default, however, since the KNLC was 'neutral' rather than 'liberal'. The relations between the KNLC and the VVD were looser than the corresponding relations between the CBTB and the KNBTB and the confessional parties. The CBTB and the KNBTB to a limited extent resembled the Danish Smallholders' Unions in that they were more involved in rural social and cultural life. But the Dutch confessional communities exercised a degree of social control which had no parallel in Denmark.

The policy of the Dutch Catholic People's Party had a social dimension, and in this sense it can perhaps be said to have had something in common with the Danish Social Liberal Party. But in its structure, position and ideology as the centre of a confessional pillar it was utterly different from the Danish Social Liberal Party. In terms of interlocking directorates and parliamentary representation the connections between the Danish Smallholders' Unions and the Danish Social Liberal Party were relatively loose in comparison to the connections between the KNBTB and the KVP, and in comparison to the connections between the CBTB and the ARP and CHU.

There were three important differences between agricultural organisation in the Netherlands and Denmark. Firstly, in the Netherlands the middle-sized and small farmers had common organisations while the farm labourers had their own organisations. In Denmark the situation was the opposite.

Secondly, in the Netherlands the national umbrella organisation (the Stichting voor de Landbouw and its successor, the Landbouwschap) consisted of the middle-sized and small farmers' common organisations and the farm labourer's organisations, but not the cooperative federations. In Denmark the national umbrella organisation (the Landbrugsraad) consisted of the middle-sized farmers' organisation and the cooperative federations, but not the smallholders' organisation, and, per definition, not the farm labourers' organisations. Therefore the Stichting and the Landbouwschap would tend to consider agricultural policy from both an economic, political and social perspective, while the Landbrugsraad – in relative terms – would tend more to consider agricultural policy only from an economic perspective.

Thirdly, while the Stichting and the Landbouwschap were the supreme representatives of Dutch agriculture in domestic policy, the Landbrugsraad and the Danish Smallholders' Unions in theory and largely also in practice had an equal right of consultation in relation to the Danish government.

As a private organisation the Stichting could represent Dutch agriculture in IFAP, but the farmers' organisations would not accept to be represented by the Landbouwschap, since this was an organisation under public jurisdiction. However, all consultations with the Ministry of Agriculture, including consultations on foreign policy, went through the Landbouwschap, and the latter was more resourceful than the farmers' organisations. Therefore a new network of consultation was created where the farmers' organisations could draw on the Landbouwschap's resources in those forums where they represented themselves, while they had the leadership in the Landbouwschap in those forums where this organisation was represented. The farm labourers' unions accepted this solution, because the farmers' unions agreed to include social considerations in their foreign policy.

In Denmark the Danish Smallholders' Unions were consulted by the government on foreign agricultural policy on an equal basis with the Landbrugsraad. But in the trade negotiations with Britain and other countries the Landbrugsraad was far more influential than the Danish Smallholders' Unions, since the Landbrugsraad had the cooperative federations among its members. The smallholders did not have the resources to establish an international representation of their own, so they were represented in IFAP by the Landbrugsraad. It seems that in general the Landbrugsraad was careful to consult the Danish Smallholders' Unions before taking positions on behalf of Danish agriculture in IFAP. But the strong position of the cooperative federations in trade negotiations created a bias toward commercialism in the foreign policy of Danish agriculture.

The Dutch commodity boards had a broader composition and possessed stronger legal and administrative competences than the Danish export boards. The Dutch commodity boards also had more political influence than the Danish export boards, and especially the Dutch Dairy Commodity Board was very active in European policy. But the Dutch commodity boards were not strong enough to be able to compete with the Landbouwschap and the farmers' organisations for influence on foreign policy, and they did not see themselves in that way either.

In this study it is assumed that the influence of a national agricultural umbrella organisation in international negotiations is decided by a combination of the following factors: the total volume of national agricultural production; the total volume of national exports and/or imports; the ability of the organisation to represent a large proportion of the national production; the ability of the organisation to represent a large proportion of the organised sales and/or purchases; and the internal coherence of the organisation; the number and character of its contacts with political and public decision-makers. The technical expertise which the organisation has in international matters is developed from these factors. Other important factors are the economic and social orientation of the organisation, and the general position and influence of the country in international cooperation.

One can also compare the budgets of the national umbrella organisations. But as a measure for international influence such a comparison is only meaningful when the budgets are disaggregated into the individual items which more or less represent the factors mentioned above. When the total budgets are compared, the difference of size between the Landbouwschap and the Landbrugsraad is striking. The Landbouwschap had an annual budget of around 6,6 million US dollars, while the Landbrugsraad only had an annual budget of 0,1 million USD. But the total figures do not tell how much of the money was spent on the organisation's own purposes. Large amounts were earmarked to the financing of technical projects, guidance, etc., and passed from the Dutch public budgets through the Landbouwschap

to local institutions. As a private organisation the Stichting was more comparable to the Landbruksraad. In terms of budgets the Stichting and the Landbruksraad were roughly equal.

In terms of national production, exports and/or imports, membership coverage in relation to national production, exports and/or imports, internal coherence, and technical expertise, the Stichting/Landbouwschap and the Landbruksraad were almost even. The Stichting/Landbouwschap represented a larger producing and consuming country. But the Landbruksraad had stronger membership coverage in relation to production and exports, because Danish farmers had a stronger degree of organisation than Dutch farmers, and because the Landbruksraad had the cooperative federations as members.

However, certain factors which related to the external context gave the Stichting/Landbouwschap a stronger position than the Landbruksraad in international negotiations. Through the agricultural labourers' organisations the Stichting/Landbouwschap had direct and indirect contacts to many circles of politicians and interest groups inside and outside the Netherlands. The Landbruksraad did not have so many contacts. The larger size of Dutch home market meant that Dutch agriculture had a better economic fall-back position in case of failed international trade negotiations.

The Netherlands had a more central position in European policy than Denmark, because the Netherlands was deeper involved in European cooperation in the Six, and was economically less dependent on relations with Britain. The Dutch Ministry of Agriculture was politically much stronger than its Danish counterpart. A collection of interviews with Dutch veteran politicians and civil servants was published in 2001. It gives the impression that Mansholt and his ministry in the 1950s established a network of international contacts that included both central political parties in European countries and the American government.<sup>342</sup> As long as Dutch agricultural organisations maintained close cooperation with the Dutch Ministry of Agriculture, this factor would work to their advantage.

Why did Danish agricultural organisations not join the Confédération Européenne de l'Agriculture (CEA), whereas the KNBTB, KNLC (and after 1956 also the CBTB) and various minor Dutch associations and enterprises were member of CEA? Danish and Dutch agriculture alike sent capable experts to the various technical committees in IFAP, but Dutch agriculture also sent competent experts to the technical committees in CEA.

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<sup>342</sup> Harryvan, A.G., van der Harst, J., van Voorst, S. [eds.] (2001): *Voor Nederland en Europa – Politici en ambtenaren over het Nederlandse Europabeleid en de Europese integratie, 1945-1975*, Den Haag: Instituut voor Nederlandse Geschiedenis.

One possible explanation relates to commercial considerations of export orientation. Dutch agricultural and industrial exports were more strongly directed toward Germany and the other member states in the European Coal and Steel Community. Dutch agricultural organisations employed CEA as a forum for developing a cooperative political relationship with the German farmers' unions. By contrast, given the existing rivalry between a British-led block in IFAP and a German-led Continental European block in CEA, and given the strong orientation of Danish food exports toward Britain, Danish agricultural organisations may have considered it so important to maintain friendly political relations with the British National Farmers Union (NFU) that they did not wish to offend the NFU by joining CEA.

Another possible explanation is the existence of a certain difference in farm ideology between the Netherlands and Denmark. This subject will be treated below. CEA membership implied subscribing to the resolutions from CEA's annual general assemblies. Because Dutch agricultural politics was based on a certain compromise between economic efficiency and security, Dutch agricultural organisations could act as ambassadors of Dutch policy in CEA context. They stressed the efficiency objective and worked to moderate CEA's protectionist bias. The existence of a security objective in Dutch agricultural politics made it possible for them to defend this policy toward their internal audience and toward Dutch political parties. Conversely, the more one-sided emphasis on the efficiency objective in Danish agricultural politics would have made it difficult for Danish agricultural organisations to participate meaningfully in CEA.

The two explanations do not contradict each other. CEA membership was a reflection of the somewhat more central position of Dutch agriculture in international politics, in comparison with Danish agriculture. While CEA membership for Danish agriculture offered little but political trouble, for Dutch agriculture CEA membership became not only useful, but probably necessary for influencing the relation between CEA and COPA after 1957.

#### *3.4.9. Dutch agricultural policy objectives*

In the OEEC's reports on national agricultural policies from 1956-1957 and 1961 the member countries presented their general objectives and means. The objectives and means of Dutch agricultural policy were also laid out in a publication from the Agricultural Economics Institute (LEI) in 1954.<sup>343</sup>

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<sup>343</sup> Landbouw-Economisch Instituut [LEI] (1954): *Report no. 190: The Marketing and Price Policy in Agriculture in the Netherlands: The Development Since 1949 and the Present Situation*, The Hague: Translated and distributed by the Directorate for International Organizations of the Ministry of Agriculture, Fisheries and Food in the Netherlands.

In the OEEC's report from 1956 the general objectives of Dutch agricultural policy were described as "the creation of such conditions as will enable the agricultural industry to contribute in the largest possible measure to the national wealth". Dutch policy had no specific production objectives, but since agricultural land was scarce in relation to the available labour force, there was a preference for labour-intensive production. With regard to agricultural revenue, the aim of Dutch policy was "to provide a reasonable livelihood for those who work on farms which are efficiently managed and economically and socially justified". This aim was officially formulated in 1949; the words "and socially" were added one year later.<sup>344</sup>

In the OEEC's report from 1957 it was stated that Dutch agricultural price and income policy had two main objectives: a) to achieve an adequate income on economically and socially justified farms; b) to make agriculture as efficient as possible. It was not the aim that agriculture should obtain a certain share of the national income, because "such an objective would militate against the utilisation of productive resources in the most efficient way". The aim was not to maintain a certain level of agricultural production, but to increase the average output per agricultural worker; "only in this way can the economic strength of the sector be fundamentally improved".

Dutch farms were considered "economic" when the farmer himself could be fully employed when making most effective use of other productive resources. By the term "social" was meant that "the economic criteria (for reasons of social justice) cannot always be maintained in a country which has a heavy population pressure". Price stability was an additional objective. Most of the Dutch market regulations sought to even out the domestic reflections of sudden fluctuations in export prices.<sup>345</sup>

In the OEEC's report from 1961 the principal aims of Dutch agricultural policy were defined as: 1) to maximise the national product by means of an optimal utilisation of resources in agricultural production consistently with an optimal distribution of resources between agriculture and the other sectors of the economy; 2) to ensure the agricultural population a reasonable standard of living. Dutch policy primarily aimed to create the economic conditions under which farm organisation and management could adjust to changes in cost structures and to rapid evolution of agricultural techniques, involving large investments. Improvement of the economic situation of Dutch agriculture largely depended on raising agricultural productivity.<sup>346</sup>

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<sup>344</sup> OEEC, 1956, pp. 143f; LEI, 1954, p. 4.

<sup>345</sup> OEEC, 1957, pp. 181-183.

<sup>346</sup> OEEC, 1961, pp. 225f.

The OEEC's reports from 1956-1957 and 1961 in relatively uniform phrases stated that Dutch policy had two main objectives: a) to achieve a reasonable or adequate income on farms which were economically and socially justified; b) to make agriculture as efficient as possible. The assumption was that unless the productivity objective was achieved, the income objective could not in the long run be achieved either. But unnecessarily harsh or unstable economic conditions could impede adjustments and investments which would otherwise contribute to the longterm development of productivity. In that case a policy of subsidies and/or market regulations could improve the conditions. The objectives of price stability and balance between supply and demand were complementary to these aims.

Another source to Dutch policy objectives is the election programmes of the political parties in 1956. Agricultural matters received most attention in the election programmes of the Antirevolutionary Party (ARP) and the Catholic People's Party (KVP). The ARP considered agricultural policy to be part of economic policy. The latter was moderately liberalist and oriented toward industrialisation. The same orientation applied to agricultural policy, but the ARP stressed that the special character of agricultural production and the weak flexibility in the demand for food created uncommonly large risks for agricultural producers. Dutch agricultural price policy should not guarantee a specific income level to everyone engaged in agriculture, but should ensure a reasonable profit on the basis of reliable cost-price calculations. The position of the small farms should be improved by lowering the cost-level through land consolidation, etc. Greater employment in non-agricultural sectors was one of the means to reduce the population pressure in agriculture.<sup>347</sup>

The agricultural section of electoral programme of the Christian-Historical Union (CHU) looked like a summary of the ARP's agricultural programme. However, the CHU made no mention of alternative employment by means of industrialisation; and the CHU stressed that the services which agriculture rendered to other sectors should be remunerated by the same standards as the services which agriculture received.<sup>348</sup>

The Catholic People's Party (KVP) considered a vigorous agricultural population and a high agricultural productivity level to be essential for the general welfare. Price and wage policy should aim at a reasonable relation between the welfare level of farmers, horticulturalists and agricultural labourers and the welfare level of other population groups. At the same time, price and wage policy should stimulate to a large and cost-efficient national production. There should be a reasonable income level on the well managed, socially and economically responsible farm. Special consideration should be

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<sup>347</sup> *Parlement en Kiezer: Jaarboekje 40<sup>ste</sup> Jaargang, 1956/57*, pp. 92f.

<sup>348</sup> *Parlement en Kiezer: Jaarboekje 40<sup>ste</sup> Jaargang, 1956/57*, p. 104.

given to the economic conditions of small farms and horticulture. The KVP stressed that social insurance, especially pensions and child benefits, should be extended to the agricultural population.<sup>349</sup>

In sum, the agricultural policy objectives in the election programmes of the ARP, CHU and KVP in 1956 resembled the official national objectives. Yet, without directly claiming a parity of income for agriculture, the CHU and the KVP stressed that there should be fairness in the economic relations between agriculture and other sectors. If this implied that agriculture should receive compensation for the externalisation of productivity gains, then it would mean more than providing economic support to healthy investments.

#### 3.4.10. Danish agricultural policy objectives

In the OEEC's report from 1956 it was stated that "the policy of the Danish government is to limit its intervention in the agricultural sector to the minimum compatible with conditions of trade and payments on foreign markets". It was further stated that "Danish agricultural policy is only partly a government policy". The general production aim in Danish agriculture was "to exploit the production capacity of the agricultural sector to the fullest possible extent having regard to the possibilities on external markets and to meet Danish requirements of food *insofar as Danish agriculture can satisfy the consumers' demands at competitive prices*" (italics added).

The aim was "to obtain, through a steady increase in quality, as high prices as possible on foreign markets and thus increase the export value". Further, the aim was "to maintain the now traditional pattern of production, the main output being of livestock products". It was intended "to increase productivity in fodder production so that Danish farmers, to the greatest possible extent, and on a competitive basis, can themselves produce most of the feeding stuffs necessary". One of the basic aims was "a steadily increasing efficiency of production". The productivity objective was thus clearly stated.

No specific objectives were laid down concerning agricultural income. The aim was "at any time, to maximise the net product derived from agriculture and correspondingly the net income within the sector, leaving the income per man to fluctuate with changes in prices and the level of employment".<sup>350</sup> In the OEEC's report from 1957 it was stated that the Danish government had not laid down any specific objectives concerning agricultural income. The government did not intend to take special measures to guarantee overall or individual agricultural income. The living standard in agriculture could be

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<sup>349</sup> *Parlement en Kiezer: Jaarboekje 40<sup>ste</sup> Jaargang, 1956/57*, pp. 125f.

<sup>350</sup> OEEC, 1956, pp. 43f.

improved by increasing productivity and intensifying production.<sup>351</sup> In the OEEC's report from 1961 the statements on Danish agricultural income and productivity in the reports from 1956 and 1957 were repeated.<sup>352</sup>

In Denmark it was a production objective to increase the self-sufficiency in fodder grains. It was also an objective to maintain the traditional pattern of mixed production on both the small and middle-sized farms. In the Netherlands there were no specific production objectives, but the attention given to agricultural employment under rural population pressure pointed toward maintaining the pattern of mixed production which existed on most farms and in most regions. This again meant that production in cattle farming, pigs, horticulture, etc. became more important than in cereals.

Danish farmers and a broad majority in the parliament in principle agreed that the most reasonable agricultural income level was the level attained under free competition. A reasonable agricultural income level was therefore not an independent objective. But it was recognised that agriculture had to be profitable in order to be competitive, and vice versa. When a general strike threatened to break out in 1956, the government intervened and regulated the wages by law. The farmers obtained a promise from the government that if the wage regulation caused the production costs to rise and thereby lead to a drop in exports, the government would negotiate with Danish agriculture on compensatory measures.<sup>353</sup>

#### *3.4.11. Instruments and institutions in Dutch agricultural policy*

In the OEEC's report from 1956 the main lines of Dutch price policy were described as follows: A minimum price policy aimed at preventing market collapse, but still allowed in large measure for the adjustment of supply to demand. The price support measures were in principle based on the general market situation rather than on movements in the prices of individual products. Within this framework, production was adapted to changes in demand.<sup>354</sup> After the war-time regulation had been ended around 1949, Dutch agricultural price policy operated with several groups of products.

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<sup>351</sup> OEEC, 1957, p. 49.

<sup>352</sup> OEEC, 1961, p. 126.

<sup>353</sup> Buksti, 1974, p. 66; Buksti, 1982, pp. 344f;

Thomsen, Birgit Nüchel (1994): "Leveringsstrejken og landbrugsforliget 1961", in: Birgit Nüchel Thomsen: *Temaer og brændpunkter i dansk politik efter 1945*, Odense University Studies in History and Social Sciences vol. 173, Odense Universitetsforlag, pp. 133-154, esp. p. 137.

<sup>354</sup> OEEC, 1956, p. 144.

The first group consisted of products of which there was almost no exports, and for which the Dutch government established fixed prices: wheat, sugar beets and consumption milk. For wheat the fixed price was maintained by means of an obligatory milling ratio for domestic Dutch wheat; the milling ratio never exceeded 35%, and was more or less equal to the degree of self-sufficiency in wheat. Besides, the Dutch government from time to time offered to buy wheat from the producers at the fixed price.

The second group consisted of products for which the Dutch government established minimum prices: fodder grains, raw milk and table potatoes. For fodder grains and table potatoes the minimum price was established through market regulation, which included variable import levies. For raw milk and industrial potatoes the minimum price was a guaranteed price while the market price was free; when the market price fell below the guaranteed price, the government paid the difference to the farmers, through so-called 'deficiency payments'.

The third group consisted of products for which the Dutch government only provided a limited price guarantee (pigs), or for which the producers and their cooperatives established their own minimum prices (horticultural products and seed potatoes), or for which there was no guarantees at all. To the latter group belonged eggs and beef. The minimum prices in fruits and vegetables were kept low, partly for financial reasons, partly in an attempt to stimulate to quality production.

In addition to the minimum price in pigs, there existed a combined system of import levies and export subsidies between fodder grains and pigs and poultry. The minimum price for fodder grains could often mean that pig and poultry products became so expensive that their ability to compete in international markets was weakened. In order to level out the difference, subsidies called 'restitutions' were paid to the exports of pig and poultry products. The restitutions were determined by the difference between the world market price and the domestic price of fodder grains and their financial basis was the revenue from the import levies in fodder grains. Domestic sales of pig and poultry products did not receive subsidies. The Cattle and Meat Commodity Board acted as a regulator in the Dutch meat market. With the exception of frozen beef and oxen from the OEEC countries the Dutch meat market was protected by import quotas.<sup>355</sup>

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<sup>355</sup> LEI, 1954, pp. 6-27, 37ff; Weststrate, 1959, pp. 185ff; OEEC, 1957, pp. 185ff; Sociaal-Economische Raad [SER] (1959): *Advies over het garantiiebeleid voor de landbouw – Uitgebracht aan de minister van Landbouw, Visserij en Voedselvoorziening a.i.*, The Hague, pp. 8-20.

In the harvest year 1956-1957 about 60% of the total Dutch agricultural production, measured by value in current prices and excluding horticultural products, fell under some sort of income-guaranteeing regulation.<sup>356</sup> Under the decline in international prices after 1953 the milk price guarantee in particular became costly. In order to contain the budgetary expenses and discourage the farmers from increasing their milk production further, it was decided that the guaranteed price should only apply to a certain amount of milk. In 1958 the milk price guarantee was limited to a quantum equal to the total volume of milk delivered in 1956-1957, namely, 5,18 million tons. In 1959 the guaranteed quota was lowered to 5 million tons milk.

The Dutch price regulation for milk operated with two categories, industrial milk and consumption milk. In addition to the general minimum price for all raw milk, the Dutch government fixed a special, theoretical farm-gate price for consumption milk, the so-called 'accounting price' or *verrekenprijs*. This price served as the basis for the retail price in consumption milk, which was stable throughout the year. When the retail price in consumption milk exceeded the *verrekenprijs*, the Dutch government levelled out the difference by the means of a consumer price subsidy.

The market value of industrial milk fluctuated according to current market conditions. The difference between the values of consumption milk and industrial milk was equalised by a Dairy Fund; the category with the higher value was charged with a levy to subsidise the category with the lower value. In the price year 1953-1954 the value of industrial milk was below the general guaranteed price for raw milk. Thanks to the subsidy from consumption milk through the *verrekenprijs* to industrial milk, the total value of raw milk only fell slightly below the guaranteed price. The Dairy Fund was part of the general Agricultural Equalisation Fund (*Landbouw-Egalisatiefonds*, LEF) which received the revenue from import levies and through which all subsidies to producers and consumers were paid.<sup>357</sup> During the 1950s the distribution of the LEF's expenses between producers and consumers changed considerably.

In 1948 the LEF's expenses of nearly 500 million guilders (131,6 million US dollars) all went to consumer subsidies. Around 1950 the consumer subsidies were drastically reduced, but after 1953 they reached a stable level at nearly 100 million guilders. The producer subsidies rose from -3 million guilders in 1953 to 476 million guilders in 1958. In the following years they fluctuated

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<sup>356</sup> SER, 1959, p. 8.

<sup>357</sup> Weststrate, 1959, p. 187f; OEEC, 1956, pp. 150-152; OEEC, 1957, pp. 190f; OEEC, 1958, pp. 385f; OEEC, 1960 II, pp. 269-301; LEI, 1954, pp. 27-36; Sociaal-Economische Raad [SER] (1956): *Advies inzake de prijsvorming van melk – Uitgebracht aan de minister van Landbouw, Visserij en Voedselvoorziening*, The Hague: Publikaties van de Sociaal-Economische Raad 1956 no. 6, pp. 6-25, 53ff.

between 308 million guilders (1959) and 448 million guilders (1961). The share of producer subsidies in per cent of total agrarian income reached 17,5% in 1958 , and after 1957 the share always exceeded 10%.<sup>358</sup>

The annual determination of fixed prices and minimum prices after 1945 was based on cost price calculations which were undertaken by the Agricultural Economics Institute (LEI). The purpose was to ensure a remuneration of labour, capital and ground. The cost price calculations were based on the book-keeping results in selected farms. Initially the calculations included only specialised arable farming and specialised cattle farming. From 1950 onward they also included the mixed farms on sandy soils. For the relatively large holdings with specialised cattle farming the calculations were only based on the book-keeping results.

The calculations deliberately assumed a relatively high degree of efficiency. For holdings with mixed farming the norms were generally lower than the real use of labour and fodder, etc. For mixed farming the calculations operated with holdings with at least 10 hectare; and for cattle farming the calculations operated with holdings with at least 18 hectare; in 1958 these norms were raised to 12 and 20 hectares, respectively. This meant that tens of thousands of Dutch farms which were smaller than 10 hectare were not included in the calculations. The guaranteed prices that were derived from the calculations thus served to stimulate to rationalisation and efficiency.

LEI was originally established by the KNLC in 1940. By that time LEI had a small staff headed by the agricultural economist Jan Horring. LEI's tasks were to undertake cost price calculations; and to collect and process data on the general economic and social situation in agriculture. In 1941 the KNLC, CBTB and KNBTB and the Ministry of Agriculture agreed to transform LEI into an institution which was jointly financed by the three agricultural organisations and the Dutch government. LEI's board was composed of representatives from the organisations and the government.

After 1945 the activities of LEI expanded, and the staff grew from 25 people in 1945 to circa 200 people in 1953. Horring was LEI's director until 1959. In 1948 he defined the cost price calculation method. In the 1950s the agricultural organisations became discontented with the norms which LEI used in the calculations. When the organisations demanded higher prices the government often used LEI's calculations as an argument to reject the demand. In 1963, when agricultural price policy was transferred to the EEC, the calculations were ended, and LEI's budget and staff were reduced.<sup>359</sup>

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<sup>358</sup> van der Woude, 2001, p. 235; LEI, 1965, p. 31.

<sup>359</sup> Bauwens, A.L.G.M. & de Veer, J. (1990): "Vijftig jaar landbouw en LEI in een dynamische context", in: A.L.G.M. Bauwens (ed.): *Agrarisch bestaan*:

An important part of Dutch agricultural policy in the 1950s consisted in the regulation of land rent. The proportion of the Dutch cultivated area which was rented declined during the 20<sup>th</sup> century, but in 1948 the proportion was still 57%. The proportion of the leasers who were farmers themselves also declined; in 1950 the proportion was 40%.

In 1938 the net rents amounted to 27% of income generated in agriculture and fisheries (including rents), but in 1956 they were only 5%. According to van den Noort, the high price of non-legal land sales in the 1950s indicated that low proportion of land rent in per cent of agricultural income was the result of the regulation. In 1963 the land rent was deregulated, and this led to an accelerated rise in the price of land.

The provincial land chambers were originally autonomous, but under the law on land rents from 1958 the land rent was regulated directly by the Ministry of Agriculture.<sup>360</sup> The agricultural organisations favoured a deregulation of the land rent. A significant part of the revenue remained within the sector since circa 40% of the leasers were farmers themselves. At the same time, the rising costs of land rent which would follow from the deregulation would be included in the cost price calculations and hence in the guaranteed prices. The agricultural organisations rejected the proposed centralisation of land rent regulation under the Ministry of Agriculture. In the end the ministry had its way, but it had to accept that the law would only be valid for five years. The land rent regulation was discontinued when the law expired in 1963.<sup>361</sup>

After 1953 Dutch agricultural organisations increasingly complained that farmers were trapped between rising production costs and declining prices. In October 1956 the Landbouwschap conducted a campaign for additional

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*Beschouwingen bij vijftig jaar Landbouw-Economisch Instituut*, Assen: Van Gorcum, pp. 9-34;

van Nieuwenhuyzen, P.M. (1991): "De econoom: Jan Horring (1907-1972)", in: P.C.M. Hoppenbrouwers (ed.): *Een loopbaan in de landbouw: Twaalf portretten van markante figuren in agrarisch Nederland*, Groningen: NAHI: Historia Agriculturae, vol. XXIII, pp. 97-105; Krajenbrink, 2005, pp. 144f.

<sup>360</sup> van den Noort, 1965, pp. 78-93; Weststrate, 1959, p. 196;

Douw, L. (1990): "Meer door minder: Ontwikkelingen in de agrarische structuur na 1950", in: A.L.G.M. Bauwens (ed.): *Agrarisch bestaan: Beschouwingen bij vijftig jaar Landbouw-Economisch Instituut*, Assen: Van Gorcum, pp. 35-53, esp. pp. 43f.

<sup>361</sup> van Griensven et al., 2001, pp. 393-407; Piers, 1959, pp. 248-253;

Bos, A., Brouwer, J.W., van Griensven, P., Leenders, M. (2004): "Meer ruimte voor particulier initiatief en privébezit?", in: Jan Willem Brouwer & Peter van der Heiden (eds.): *Parlementaire Geschiedenis van Nederland na 1945: Deel 6: Het kabinet-Drees IV en het kabinet-Beel II 1956-1959: Het einde van de rooms-rode coalitie*, Centrum voor Parlementaire Geschiedenis Nijmegen, The Hague: Sdu Uitgevers, pp. 221-260, esp. pp. 239-255.

economic support through higher prices or subsidies. The Landbouwschap demanded a total extra sum of 350 million guilders. The minister of Agriculture, Sicco Mansholt demanded an additional amount of 200 million guilders (53 million US dollars) for Dutch agriculture. The agricultural organisations declared themselves disappointed with this lower demand, but they did not seriously try to obtain more than Mansholt demanded for them.

Mansholt was isolated in the Dutch government which at time in fact was negotiating on saved public expenses and wage restraint. Mansholt refused to make any concessions and threatened to resign as minister. In the end, he obtained that an extra sum of 200 million guilders was paid to agriculture. Some 60 million were paid by the consumers; 90 million were paid by the state; and 50 million – which would come from a revision of the norms in the cost price calculations – were held back until the end of 1957. In return for this, Mansholt agreed that the agricultural sector should be rationalised, but there was no clear plan for this.<sup>362</sup>

In 1924 a law had enabled the Dutch authorities to carry out projects of land consolidation without the consent of the farmers involved. In the 1950s land consolidation was intensified. By 1955 Dutch agricultural organisations and the Ministry of Agriculture still hoped that a policy of land consolidation and improved conditions for small farms could limit rationalisation to the tiniest farms. However, there was growing economic room for an active structural policy aiming at reducing the number of farmers. Industrialisation progressed, unemployment rates became low and the population pressure in Dutch agriculture eased.

In 1957 the Ministry of Agriculture proposed that there should be legal restrictions on the establishment as a farmer according to the size of the farm. The ministry argued that lacking flexibility in small farms impeded the adaptation of production to the export situation.<sup>363</sup> The agricultural organisations did not accept this. They declared that price policy should not be subordinated to structural policy, and that the government was overestimating the relation between agricultural structure and profitability. Like Danish agriculture, they argued, Dutch agriculture was trapped between

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<sup>362</sup> Krajenbrink, 2005, pp. 140f; Smits, 1996, pp. 173-175;

van Merriënboer, J. (2004): “Het kabinet van de bestedingsbeperking”, in: Jan Willem Brouwer & Peter van der Heiden (eds.): *Parlementaire Geschiedenis van Nederland na 1945: Deel 6: Het kabinet-Drees IV en het kabinet-Beel II 1956-1959: Het einde van de rooms-rode coalitie*, Centrum voor Parlementaire Geschiedenis Nijmegen, The Hague: Sdu Uitgevers, pp. 143-173, esp. pp. 148-150.

<sup>363</sup> KB, *HTK 1956-1957, 4500 Rijksbegroting 1957, Hoofdstuk XI no. 15, Memorie van Antwoord*, pp. 4ff;  
KB, *HTK 1957-1958, 4900 Rijksbegroting 1958, Hoofdstuk XI no. 2, Memorie van Toelichting*, pp. 10f.

rising costs of production and stagnant export prices. Danish agriculture had a better structure, but still lacked profitability, and structural rationalisation would therefore not solve the economic problem.<sup>364</sup> In the end the Ministry of Agriculture gave up its attempt to introduce an active structural policy in this way.<sup>365</sup>

In 1959 the agricultural organisations gave up their resistance against a reduction of the number of farmers beyond the liquidation of tiny holdings. But they maintained that the decision to leave the sector should be individual and voluntary. Furthermore, the rationalisation should not be a so-called “cold” process where farmers were simply forced out of business. The authorities should provide guidance and financial aid to structural development and should assist the re-education of people leaving the sector.

This position was a rejection in principle of government control over the individual farmers. Its implication was that an active structural policy would lead to a further increase in public expenses to agricultural welfare. On this basis the Landbouwschap proposed that the land consolidation programme should be extended. In the Dutch government there was political fight between the ministries of Finance and Agriculture over the amount and character of public expenses to structural policy in agriculture. In the end, the Dutch governments in 1960s expanded the structural policy along the lines proposed by the Landbouwschap.<sup>366</sup>

In 1956-1959 a debate evolved on whether the price guarantees to Dutch agriculture should be replaced with direct income support without relation to production. In July 1955 the Ministry of Agriculture asked the SER to examine the price formation of milk and food products in general. For this purpose the SER set up a temporary commission. In April 1956 the Ministry of Agriculture asked the SER to examine the general policy of guaranteed prices. The SER delivered the report on milk policy in September 1956, and the SER’s report on the general price policy was delivered in April 1959.

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<sup>364</sup> KB, *HTK 1956-1957*, Biesheuvel (ARP), 13-3-1957, p. 3549; KB, *HTK 1957-1958, 4900 Rijksbegroting, Hoofdstuk XI no. 11, Voorlopig Verslag*, pp. 1ff; Staten-Generaal: *Handelingen Eerste Kamer (HEK) 1956-1957*, Mertens (KVP), 28-5-1957, pp. 3419ff.

<sup>365</sup> Brouwer, 2004, pp. 239-250.

<sup>366</sup> Krajenbrink, 2005, pp. 146-154, 187-193; Smits, 1996, pp. 176-181; van den Brink, A. (1990): *Structuur in beweging: Het landbouwstructuurbeleid in Nederland 1945-1985*, diss. Landbouwuniversiteit te Wageningen, Wageningse Economische Studies vol. XIV, Wageningen: Pudoc, pp. 59-153; de Groot, M.N. & Bauwens, A.L.G.M.: “Vijftig jaar landbouwbeleid in Nederland – Consensus en conflict”, in: A.L.G.M. Bauwens (ed.): *Agrarisch bestaan: Beschouwingen bij vijftig jaar Landbouw-Economisch Instituut*, Assen: Van Gorcum, pp. 146-169.

During the discussions on milk policy the representative from the Central Planning Bureau proposed that the guaranteed price of raw milk should be based, not on the cost price, but on a calculated middle-term world market price, called the 'equilibrium price'. The agricultural organisations rejected the idea. They found that a certain degree of price regulation was necessary because there was no true world market in agricultural products, and Dutch agricultural policy should only seek to avoid an overly strong dispersal between domestic and international prices.<sup>367</sup> In the report on milk policy a clear majority in the SER turned down the idea of an equilibrium price.<sup>368</sup>

In the discussions on general price policy a dominant issue became the choice between price support and a system where direct subsidies were paid to farmers per hectare, independently of the volume of production. The agricultural organisations wanted to maintain the existing price-supporting system and they rejected any use of subsidies determined independently of the volume of production. They considered it fair to let the consumer pay the cost price, farm income should not rely on public charity, and the same policy should secure a reasonable agricultural income and reward efficient production.<sup>369</sup> Horrying proposed a system where direct subsidies were paid per product. Since this was relatively similar to the existing price-supporting system, the agricultural organisations accepted Horrying's proposal.<sup>370</sup>

The SER's report from 1959 on general price policy noted that in the harvest year 1956-1957 about 60% of the total Dutch agricultural production, excluding horticulture, fell under income-guaranteeing regulation. The question was whether a fair income level should be secured by means of price regulation, e.g., subsidies per product; or whether market prices should fluctuate freely while farmers were compensated by direct payments per hectare. Neither proposal had a majority the SER. In the choice between the two systems the SER was divided in two equally large parts.<sup>371</sup>

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<sup>367</sup> Nationaal Archief, The Hague (NA), toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Garantiebeleid Landbouw, inv. no. 390, Notulen 1955-1958* ("SER 390"), vergadering 10-2-1956; vergadering 25-5-1956.

<sup>368</sup> SER, 1956, pp. 50ff, 73ff.

<sup>369</sup> NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Garantiebeleid Landbouw, inv. no. 391, Vergaderstukken 1955-1959* ("SER 391"), G.B.L. 7, "Nota van de heer Chr. van den Heuvel met betrekking tot het garantiebeleid in de agrarische sector", 19-8-1957; NA, SER 390, vergadering 10-9-1957; vergadering 28-9-1957.

<sup>370</sup> NA, SER 390, vergadering 9-7-1958; vergadering 18-11-1958;

NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, inv. no. 129, Notulen 1959-1967*, vergadering 3-4-1959;

Landbouwschap: *Verslag der werkzaamheden over 1959*, pp. 14f.

<sup>371</sup> SER, 1959, pp. 5ff, 21ff, 31ff, 36ff, 44ff.

According to Krajenbrink, the large farmers and the KNLC were particularly against the idea of direct subsidies per hectare. In conformity with the wish of the Dutch government, the large farmers had made heavy investments in a modernisation of arable farming. But the proposed system of direct payments per hectare would only compensate for a part of the difference between the Dutch prices and the lower world market prices.<sup>372</sup>

The CBTB declared that Dutch agriculture would have accepted to replace the minimum prices in fodder grains with direct payments, in order to relieve the animal production from the economic burden of the import levies in fodder grains. However, the Dutch government refused to pay the demanded amounts of money for the subsidies. Failing that, the CBTB preferred to maintain the existing minimum prices in cereals.<sup>373</sup>

In 1958 the Social Democratic minister of Agriculture Vondeling rejected the proposal of direct payments per hectare.<sup>374</sup> The succeeding ministers of Agriculture from the confessional parties also rejected the proposal. In the confessional parties the representatives from Dutch industry, urban trade unions and economic experts supported the proposal. But the middle class of small urban traders, which had structural problems comparable to those in agriculture, did not like the proposal. The KVP would not support it.<sup>375</sup> The proposal of direct subsidies per hectare was not implemented, and Dutch agricultural policy continued along the existing lines.

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<sup>372</sup> Krajenbrink, 2005, p. 144.

<sup>373</sup> NA, *SER 390*, vergadering 12-11-1957.

<sup>374</sup> KB, *HTK 1957-1958, 4900 Rijksbegroting 1958 Hoofdstuk XI no. 2, Memorie van Toelichting*, p. 13; KB, *HTK 1957-1958, Vondeling*, 29-10-1958, p. 3196; *ibid.*, *Vondeling*, 4-11-1958, p. 3231.

<sup>375</sup> Vrije Universiteit Amsterdam, Historisch Documentatiecentrum voor het Nederlands Protestantisme [1800-heden] (HDC), *Archief Nederlandse Christelijke Boeren- en Tuindersbond, Notulen Bestuur* ("Archief CBTB Notulen Bestuur"), "Verslag van de vergadering van het Convent der Christelijk-Sociale Organisaties, gehouden op 17 december 1957 te 10.15 uur ten kantore Alexanderstraat 8, Den Haag"; *ibid.*, "Verslag van de vergadering van het Convent der Christelijk-Sociale Organisaties, gehouden op donderdag 20 maart 1958 ten kantore Alexanderstraat 8, Den Haag";

Katholiek Documentatie Centrum, Nijmegen (KDC), *Archief Katholieke Nederlandse Boeren- en Tuindersbond, inv. no. 33-61, Agenda's voor en notulen en bijlagen van de 1e – 98ste vergadering van het bestuur* ("Archief KNBTB 33-61 Bestuur"), "Verslag van de vergadering van de Veehouderij-Commissie, gehouden op maandag 1 december 1958 in Hotel Smits te Utrecht"; *ibid.*, vergadering KNBTB Bestuur 16-3-1959.

#### 3.4.12. *Instruments and institutions in Danish agricultural policy*

The main institutions in Danish agricultural market regulation in the 1950s were the export boards, and the Ministry of Agriculture and the Ministry of Trade and Commerce. The currency regulation, the licensing of exports in general and the quantitative regulation of imports were under the Ministry of Trade and Commerce.

For consumption milk the retail prices in cities were regulated by municipal committees under the supervision of the Ministry of Trade and Commerce. The cities constituted separate markets in consumption milk and the urban dairies were protected against competition from rural dairies.<sup>376</sup> Other special cases were sugar and industrial potatoes. The Ministry of Trade and Commerce every year fixed a sugar price and granted a monopoly of sugar production to concessionary enterprises. The ministry was authorised to limit the areas of sugar beet cultivation. For industrial potatoes the Ministry of Trade and Commerce administered a similar system.<sup>377</sup>

Most of the agricultural export licensing was not part of the general export regulation, but was placed under the Ministry of Agriculture. The issuing of agricultural export licences was usually liberal, and the regulation of exports was mainly carried out by the export boards. The regulation of cereals prices was also placed under the Ministry of Agriculture.

Of the total Danish state expenditure in favour of agriculture, only 3% consisted of grants and subsidies to production. The other 97% was devoted to research, education, advisory activities and technical projects.<sup>378</sup> Danish tariffs were generally low, and agriculture was no exception. Import levies were not used until 1958. In 1951-1953 the state had a monopoly in bread grain imports, but otherwise Denmark did not employ state trade after the privatisation of the export boards in 1950. But Denmark still to some extent applied import quotas in agricultural products. The official justification was that the import quotas prevented unfair competition from subsidised exports. Officially, 81% of the Danish imports of agricultural products were freed from quotas in 1955; in 1961 the percentage was raised to 83%.<sup>379</sup>

In 1958 an investigation of the possible influence of a European Free Trade Area on Danish industry came to a different result. In accordance with the general procedure in the OEEC, the official Danish liberalisation percentage in food and agricultural products was calculated from the basis year 1948. If

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<sup>376</sup> J.D. Rasmussen, 1982, pp. 225-234; Buksti, 1982, p. 454; Thomassen, G. (1948): "Prisregulering indenfor konsummælkhandelen", *Nationaløkonomisk Tidsskrift*, vol. 86, pp. 240-247.

<sup>377</sup> OEEC, 1956, p. 48.

<sup>378</sup> OEEC, 1957, p. 55.

<sup>379</sup> OEEC, 1956, p. 48; OEEC, 1957, pp. 49f; OEEC, 1961, pp. 129, 135.

instead the liberalisation percentage was calculated from the number of commodities actually traded in 1955, and if the Danish definition of various items was used, the result was that 70% of the imports of agricultural products and fish including canned food were free from import quotas.

For other agro-industrial products a calculation on the basis of the item definition in the EEC Treaty lead to the result that only 45% of the imports were free from import quotas. In this category the free imports only made up 8% of Danish production. Among the non-liberalised agricultural imports were bread grain and practically all food products with a high degree of manufacture. Import quotas thus protected a large part of the agricultural industry, and the protection was effective because the quotas were small. Thus, the Danish home market was relatively unprotected in agricultural raw materials and in agricultural products with a comparatively low degree of manufacture like butter, bacon, eggs, etc. But in agro-industrial products with a high degree of manufacture Denmark protected her home market equally much as other Western European countries.<sup>380</sup>

Around 1949 the Danish regulation of cereals and animal products was gradually phased out. Consumer subsidies were maintained for bread until 1952 and for consumption milk until 1955. Under the currency crisis in 1950 the Social Democratic minority government (1947-1950) tried to keep down domestic butter consumption in order to maximise the currency earnings from butter exports. In October 1950 a majority in the parliament forced through a phasing out of butter rationing and the government resigned.<sup>381</sup>

The Liberal-Conservative minority government (1950-1963) tried to solve the currency crisis by a package of various measures in 1951. The crisis package was worked out in negotiations with the Social Liberals and the Social Democrats. The package consisted of compulsory savings, increased purchase taxes which would not be compensated by higher wages, temporary maximum levels for domestic prices and profits, and temporary cereals regulation. The temporary price regulation included the fixing of maximum domestic prices for bacon, butterfat, calves, cattle, beef and veal. The cereals regulation consisted of forced delivery of certain quantities of rye, wheat, barley and oats to public stocks at fixed prices.

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<sup>380</sup> Stetting, Lauge (1958): "Virkningerne for dansk industri", in: Thorkil Kristensen (ed.): *De europæiske markedsplaner*, Copenhagen: Det Udenrigspolitiske Selskab, pp. 214-292, esp. pp. 224-231.

<sup>381</sup> Larsen, Dan (1994): "Smørstormen 1950: Et socialdemokratisk sammenbrud", in: Birgit Nüchel Thomsen: *Temaer og brændpunkter i dansk politik efter 1945*, Odense University Studies in History and Social Sciences vol. 173, Odense Universitetsforlag, pp. 73-99.

The agricultural organisations accepted the crisis package even though they found that agriculture made larger economic sacrifices than other sectors. The export boards administered the maximum prices. The Danish Farmers' Unions agitated strongly against the cereal regulation, arguing that farmers were obliged by law to sell too large quantities at too low prices. In this issue the president of Landbrugsraad, Hans Pinstруп acted more as the leader of the Danish Farmers' Unions. He came into personal conflict with the minister of Agriculture, Henrik Hauch. Other parliamentary representatives from the Danish Farmers' Unions such as Niels Eriksen and Johannes Larsen also criticised the regulation, but avoided polemics. The Danish Farmers' Unions obtained no substantial changes in the regulation, but the minister of Agriculture was worn down by the conflict and resigned a few months later.

Two related questions were raised during the debates in the parliament. They were, first, whether the minister of Agriculture was in fact seeking approval from Danish agriculture of the crisis package; and second, whether Danish agriculture should have decisive influence in the administration.

In the first question Hauch made it clear that he did not request approval from the agricultural organisations of the crisis package. For Hauch there were two overriding concerns. The first concern was that if the minority government did not immediately reach agreement on a crisis package with the Social Democrats and with the Social Liberals, then it might become necessary to take more drastic measures, which would not be beneficial to agriculture. The second concern was to secure the supply of bread grain in a situation where the currency reserves available for imports were exhausted. Pinstруп specified that he criticised the forced delivery of feed grain, not bread grain. The Social Liberals and Hauch did not think that bread grain could be treated in isolation from feed grain.<sup>382</sup>

Concerning the second question, the original wording of article 1 of the bill from March 1951 stated: "With consent from the Landbrugsraad and the Danish Smallholders' Unions, the minister of Agriculture is authorised to order that exports of bacon and butter only take place under rules established by the minister, and that these exports only take place through boards established by the minister for this purpose".<sup>383</sup> In April and May 1951 a parliamentary committee revised the bill. In article 1 the wording "boards established" was changed into "organs selected". The parliamentary committee specified that the Bacon Factories Federation and the Dairy

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<sup>382</sup> *Rigsdagstidenden, Forhandlinger i Folketinget 1950-51 (102. ordentlige samling)*, cols. 3134-3144, 3609-3659.

<sup>383</sup> *Rigsdagstidenden, Tillæg A, Forelagte lovforslag m.m. 1950-51 (102. ordentlige samling)*, lovforslag nr. 134, "Forslag til lov om udførsel af smør samt svin og flæsk m.v.", 15-3-1951, cols. 6074-6078.

Board had agreed to administer the law in accordance with its provisions, and the wording “organs selected” referred to the existing export boards.<sup>384</sup>

The Social Democrats and the Social Liberals made it clear that they did not intend to turn the private export boards back to public jurisdiction, but the minister of Agriculture should possess the necessary authority to implement the law. The Social Democrats, the Social Liberals and the Conservatives underlined that the wording “with consent from the Landbrugsraad and the Danish Smallholders’ Unions” did not mean that these organisations had a right of veto against the implementation of the law.<sup>385</sup>

The maximum prices of animal products ended in 1952, but the cereals regulation continued in almost unchanged form until 1953. It turned out that the farmers voluntarily sold much more cereals to the public stocks than they were required to under the legislation. The public cereals stocks became abundant and the cereals price was depressed. In order to support the price the government prohibited imports of bread grain until January 1954. In July 1955 the government again temporarily banned imports of bread grain.<sup>386</sup>

In the 1950s the agricultural organisations often pointed to the deteriorating terms of trade. In a joint publication in 1955 the cooperative federations, the Danish Farmers’ Unions and the Danish Smallholders’ Unions pointed to a growing discrepancy between the producer prices and the retail prices in food. The wages of the agricultural labourers followed the industrial wages closely, and the retail prices in food were part of the general price index which constituted the basis for the determination of industrial wages. From 1948 to 1954 general price index rose by 25%; nearly half of the rise came from increasing food expenses; and nearly half of this increase came from a rise in the retail prices in domestically produced Danish food products. The producer prices for sales of Danish food products to the home market only rose by 7%, but the retail prices in Danish food products rose by 47%.<sup>387</sup>

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<sup>384</sup> *Rigsdagstidenden, Tillæg B, Udvalgenes betænkninger m.m. 1950-51 (102. ordentlige samling)*, betænkning nr. 87, ”Betænkning over forslag til lov om udførsel af smør samt svin og flæsk m.v.”, 31-5-1951, cols. 2138-2140.

<sup>385</sup> *Rigsdagstidenden, Forhandlingerne i Folketinget 1950-51 (102. ordentlige samling)*, cols. 3077, 4191ff, 4199ff.

<sup>386</sup> Helmer Pedersen, 1988, pp. 246f; Helmer Pedersen, 1993a, pp. 310-314, 318; Statens Kornkontor (1959): *De danske kornordninger II: 1949/50-1957/58*, Copenhagen, pp. 17-30.

<sup>387</sup> De samvirkende danske Andelsselskaber, De samvirkende danske Husmandsforeninger, De samvirkende danske Landboforeninger (1955): *Undersøgelser over I. Landbrugets omkostningsniveau 1948/49-1954/55 II. Producentpriser og detailpriser på landbrugsvarer 1948-54*, Copenhagen.

The publication contained no specific proposals for action against the deteriorating terms of trade in agriculture, and it did not lead to political results. The private traders argued that the agricultural organisations had so strong control over production and wholesale trade that the farmers ought to be able to adapt supply to demand and production costs and still maintain a reasonable profit. This view was also held by many Danish politicians.

In a public statement in January 1954 the Danish Farmers Unions demanded a tax relief for farmers, and pointed to the fact that Denmark was the only country in the world where domestic prices followed the export prices. The Danish Farmers' Unions also suggested that overproduction of pigs could be prevented by means of cereals import regulation.<sup>388</sup> In January 1955 the Danish Farmers' Unions and the Danish Smallholders' Unions made a joint public statement. They pointed to Danish agriculture's deteriorating terms of trade and to the continued protection of foreign markets. In August 1955 the two organisations made another joint public statement. If the rise in production costs did not stop, they would demand compensation through a separation of Danish home market prices from declining export prices.<sup>389</sup>

In the spring of 1955 a strike among the agricultural labourers led to a strong reaction from the employers. Several rural dairies lockouted their workers and held back the delivery of milk to urban dairies. The Danish Farmers' Unions seriously considered the option of a production stop, but the conflict was averted when the parliament intervened and ordered the wages and working conditions in agriculture to be regulated by compulsory arbitration. In the spring of 1956 the general wage negotiations threatened to end in a total strike. The general conflict was prevented by an intervention from the government and the parliament. In this connection the Social Democratic Prime Minister H.C. Hansen promised the farmers that if the wage regulation led to problems for Danish agricultural exports, the government would negotiate with the agricultural organisations on compensatory measures.<sup>390</sup>

During 1957 the agricultural organisations discussed how the agricultural production should be adapted to the demand. The Danish Farmers' Unions and the Bacon Factories Federation supported a direct regulation, especially in the pig sector. But the Dairy Board and the Danish Smallholders' Unions

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<sup>388</sup> Buksti, 1974, pp. 142f; Helmer Pedersen, 1993a, pp. 315f.

<sup>389</sup> Helmer Pedersen, 1988, pp. 248f; Helmer Pedersen, 1993a, pp. 317f.

<sup>390</sup> Buksti, 1974, p. 141; Helmer Pedersen, 1988, p. 249; Helmer Pedersen, 1993a, p. 319;

Pedersen, Jørgen (1986): *Træk af Husmandsforeningernes historie*, pp. 14f, 22ff; Nielsen, Poul R. Østergård (1975): *En analyse af den førte politik vedrørende prisdannelsen for landbrugsvarer på hjemmemarkedet 1950-62, med særlig henblik på udviklingen fra liberalisme til regulering*, unpublished MA thesis, University of Aarhus.

rejected this solution. The Dairy Board believed that the dairy sector was so well organised that domestic prices could be separated from the export prices on a voluntary basis. If the public authorities would accept that the Dairy Board and the export boards in the dairy sector functioned as a private price cartel, intervention or supervision from the other agricultural organisations would not be necessary or desired. The Danish Smallholders' Unions disliked solutions where the freedom of the individual farmer or smallholder was reduced by quantitative regulations, and when the Dairy Board rejected the idea of a direct regulation, the smallholders also abandoned the idea.

As an alternative to regulating production the smallholders instead pointed to a centralisation of exports. In December 1957 the Danish Farmers' Unions and the Danish Smallholders' Unions made a joint public statement. The two organisations proposed a coordination of agricultural exports, an active price policy in the domestic market, bread grain regulation in the harvest year 1958-1959, and a revision of property taxes. The two organisations proposed that they themselves should supervise the coordination of agricultural exports while the autonomy of the export boards would be reduced. As an indirect result of the initiative, the law on agricultural exports was passed by the parliament in June 1958, and the Afsætningsråd was created.

In July 1957 the parliament temporarily authorised the minister of Agriculture to establish an obligatory milling ratio for domestically produced wheat and rye. In June 1958 the parliament passed a law on cereals for the harvest year 1958-1959. The law maintained the authorisation to establish an obligatory milling ratio for wheat and rye, but it also fixed minimum prices for bread grain and fodder grain. If the pig price declined, the minimum price in fodder grain would be lowered accordingly. In June 1959 the parliament passed a similar cereals law for the harvest year 1959-1960. The milling ratio was initially modest, but it was gradually increased to 90% for wheat (February 1960) and to 100% for rye (October 1959). In June 1959 the parliament established public regulation of home market prices in milk and dairy products. The regulation was later changed into a private and voluntary arrangement controlled by the Dairy Board. The cereals regulation was constantly prolonged, and after 1960 the home market regulations were extended to include nearly all animal products.<sup>391</sup>

In July 1957 the Social Democrats declared that they did not expect the cereals regulation to be only a temporary deviation from free trade. Rather, it could be the beginning of a process where the smallholders and the middle-sized farmers negotiated on the distribution of arable and animal production between them. The Liberals and the Social Liberals argued that the rise in

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<sup>391</sup> Buksti, 1974, pp. 55-67, 142f; Buksti, 1982, pp. 322-343; Helmer Pedersen, 1988, pp. 250ff; Helmer Pedersen, 1993a, pp. 320ff; Just & Omholt, 1984, pp. 59ff.

production costs and the continued protectionism in other countries had brought Danish agriculture in an unfairly difficult situation. The spokesman of the farmers Niels Eriksen (Liberal) believed that the cereals regulation reflected a recognition on part of the smallholders that unlimited supplies of subsidised cheap cereals from abroad would not in the long run be beneficial for them.<sup>392</sup> During the debate in the parliament in May 1958 Niels Eriksen demanded equal terms for Danish agriculture as a business sector.<sup>393</sup>

Denmark did not pursue an active structural policy in the 1950s. There was a strict legislation on land property. Until 1962 it was not possible without special permission to liquidate an agricultural holding with more than one hectare. It was traditional policy to parcel out large estates to smallholders, but around 1950 this policy was stagnating. Economic experts agreed that time worked against small farms.<sup>394</sup> The Social Democrats allowed the policy to continue, partly in order to maintain friendly political relations with the Social Liberals, partly because the unemployment rate was high while the migration of hired workers away from agriculture was not completed.<sup>395</sup>

When the Social Democratic government took office in 1947, the question was whether the Social Democratic spokesman in agricultural policy, Carl Petersen, should be minister of Agriculture. Carl Petersen was in favour of enlarging the smaller farms under mechanisation. Since his view was controversial, it was decided that the Kristen Bording, who had minister of Agriculture in the years 1929-1943, should take this post again. When Bording retired in 1950, Carl Pedersen succeeded him, but 45 days later the government resigned. When the Social Democrats returned to power in 1953, Carl Petersen had made statements on farm structure which alienated the Social Liberals. The Social Democratic leaders would only reappoint Carl Petersen minister of Agriculture if he renounced his statements on farm structure. Carl Petersen refused to do that, and instead of him, the smallholder-friendly Jens Smørum became minister of Agriculture.<sup>396</sup>

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<sup>392</sup> *Folketingstidende, Forhandlingerne i folketingsåret 1956-57 (108. årgang) II*, cols. 750-762, 770-776, 778-780.

<sup>393</sup> *Folketingstidende, Forhandlingerne i folketingsåret 1957-58 (109. årgang) III*, Niels Eriksen, 21-5-1958, cols. 4507-4514.

<sup>394</sup> Thorlund Jepsen, Gunnar (1964): *Strukturændringer i dansk landbrug: Økonomiske virkninger af den gældende jordlovgivning og alternativer hertil belyst ved beregninger over forskellige ejendomsstrukturer i dansk landbrug*, Skrifter fra Aarhus Universitets Økonomiske Institut no. 16, Universitetsforlaget i Aarhus;

Helmer Pedersen, Erik (1989): "Landbrugskrise med 50 års forsinkelse: 1930'ernes krise set i et længere perspektiv", in: *Økonomi og Politik* 1989, no. 2, pp. 83-90;

Helmer Pedersen, 1988, pp. 180-183.

<sup>395</sup> V. Sørensen, 2001, pp. 184ff.

<sup>396</sup> Kaarsted, 1977, pp. 381, 446.

Since the 1930s there was an awareness that dairies in Denmark generally were too small. In 1949 the Social Democratic government presented a bill to the parliament prescribing that Marshall Aid counterpart funds of a total value of 50 million kroner (9,5 million US dollars) would be given in low-interest loans to rationalisation of dairies. The loans would only be given to projects that had been approved by the Dairy Board, and the latter would be responsible for the administration of the loans.

The Dairy Board appreciated the proposal. However, in the parliament the bill was only supported by the Social Democrats and the Social Liberals, and the government gave up the proposal. All agricultural organisations except the Dairy Board were evasive on the issue, but it was well-known that the Danish Farmers' Unions did not like the idea of state loans. The Liberal Party found that the state should not support any economic sector by providing cheap loans.<sup>397</sup> Yet, despite the many touchy issues involved, the Dairy Board continued to exert leadership in dairy rationalisation in the 1950s. Originally the Dairy Board assumed leadership in order to prevent government tutelage, but the Dairy Board came to support rationalisation entirely of its own will. The Dairy Board regarded rationalisation as a means to diversify production and lower production costs. In 1958 the Dairy Board established a special planning committee to assist and guide the merger of dairies into larger units, and the process accelerated in the 1960s<sup>398</sup>

#### 3.4.13. *Instruments, institutions: Dutch and Danish policies compared*

The following brief summary does not assess the overall amount of agricultural protection, since this is better done in a European comparison. In bread grain both countries (Denmark from 1957 onward) employed an obligatory milling ratio which converged toward the national degree of self-sufficiency. The importance of rye as bread grain was declining in the Netherlands, but not in Denmark. Both countries abandoned state in cereals; in the Netherlands the imports of cereals were privatised in 1953. Both countries protected the development of agricultural industries with a high degree of manufacture. On the whole, Danish import policy was more oriented toward quantitative regulation, employed less stable, sophisticated or transparent price criteria, and was more unpredictable than Dutch import

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<sup>397</sup> *Rigsdagstidenden, Forhandlinger i Folketinget 1948-49 (100. ordentlige samling) II*, Peter Christensen, 24-6-1949, cols. 5141ff, 5172f.

<sup>398</sup> J.D. Rasmussen, 1982, pp. 220ff, 234ff; Buksti, 1982, pp. 360ff; Helmer Pedersen, 1988, pp. 182f, 208-210; V. Sørensen, 2001, pp. 150ff; S. Nielsen, 1962; S. Nielsen, 1986;

Vedholm, Hans (1977): *Udviklingen indenfor andelsmejeribruget: Perioden fra 1958-70 med specielt henblik på en analyse af forhandlingerne omkring dannelsen af Mejeriselskabet Danmark*, unpublished MA thesis, University of Aarhus.

policy. The fixing of Dutch prices on the basis of cost-price calculations in the Agricultural Economics Institute (LEI) had no parallel in Denmark.

Denmark had no parallel to the Dutch 'deficiency payments' in milk, or to the variable Dutch import levies in feed grain, or to the Dutch restitutions to pig and poultry meat exports. The so-called 'home market arrangement' in milk and dairy products in Denmark from 1959, which from 1961 onward was followed by similar arrangements in other animal products, was a state-approved arrangement between producers and consumers, rather than state intervention. In the Danish 'home market arrangements' the agricultural cooperatives and the export boards charged the retailers with a levy which was passed on to consumers while the revenue was paid the producers. In the Netherlands a comparable policy was only pursued for consumption milk.

In comparison with Denmark, the overall farm structure was weaker in the Netherlands while general unemployment rates were lower. For these and other reasons the Netherlands developed an active structural policy toward basic agriculture in the 1950s, several years ahead of Denmark. An active policy of land rent regulation was pursued in the Netherlands until 1963. Such a policy was not required in Denmark which had a large class of self-owning farmers since the land reforms in the early 19<sup>th</sup> century.

The description of the instruments and institutions leaves a similar picture as the description of objectives. The main demand of the Danish smallholders was not social security, but favourable commercial conditions such as a reasonable pigs-cereals price ratio, low industrial protection and the free right of disposition. The Danish smallholders were against a concept where agricultural price regulation was connected to general wage regulation.

In Dutch agricultural policy the more socially oriented objectives were paralleled by a greater degree of state intervention in price policy. On the other hand, state intervention was less arbitrary than in Denmark. There were several reasons for this difference. Firstly, basic agriculture was more dependent on a steady supply of imported cereals. Dutch policy did not have to cope with sudden problems of surplus production in cereals. Secondly, Dutch agricultural industry and private traders in highly manufactured agricultural products were economically and politically stronger than their Danish counterparts. The more diversified nature of Dutch agricultural production also meant that specific problems in various sub-sectors had less profound effects on the agricultural sector as a whole. As the agricultural terms of trade deteriorated, temporary interventions became more and more frequent in Denmark, first in the cereals sector and from 1959 onward also in the animal sector.

### 3.5. Agricultural policies in Western Europe

#### 3.5.1. Agricultural organisation

From 1949 to 1959 the share of employment in agriculture in per cent of total employment declined all over Western Europe. In Britain it declined from 6% to 4%; in Germany from 25% to 16%; in France from 29% to 25%; in Italy from 41% (1950) to 33%; in Belgium from 11% to 8%. In most Western European countries the share of agriculture in per cent of GDP continued to lag behind the sector's share of total employment. In 1960 the share of agriculture in per cent of GDP was 6%, in France 9%, and in Italy 13%. The only countries where agriculture had approximate parity in income with other economic sectors were the Netherlands, Britain, Belgium and – according to some sources – Denmark.<sup>399</sup>

The general pattern in Western European agriculture in the 1950s was mixed production on small and middle-sized farms. Among the six EEC countries, France and Luxembourg had the strongest structure of agricultural holdings by 1960. In the two countries only 48%, respectively, 50% of the holdings had less than 10 hectare. Among the four other EEC countries the percentage was 75% for Belgium, 69% for Germany, 85% for Italy, and 65% for the Netherlands.<sup>400</sup> The farm structure was further weakened by a tradition of splitting holdings under inheritance. In 1956 IFAP estimated that only 5% of the total agricultural area in Denmark needed consolidation. The corresponding percentage was 28% in Belgium, 30% in France, 38% in Switzerland, 40% in Italy, 43% in the Netherlands, and 50% in Germany.<sup>401</sup> In the 1950s some countries, most notably Germany, began to make massive public investments into agricultural structure and infrastructure, but until the late 1950s the sensitive question of small farms was generally avoided.

In the Netherlands and the Scandinavian countries the agricultural producers had strong loyalty toward their cooperatives while in Britain the agricultural cooperatives were weak. Between these extreme points Belgium, France, Germany and Italy had a middle position. The agricultural cooperatives in these four countries were looked upon favourably by national governments and they gradually strengthened their position. By 1970 the agricultural cooperatives had 15% of the total volume of cereals marketed in Belgium and Italy, 45% in Germany and 70% in France; in milk the agricultural cooperatives had 62% in Belgium, 52% in France, 83% in Germany and

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<sup>399</sup> Milward, 1992, pp. 231-237.

<sup>400</sup> Fennell, 1997, p. 74.

<sup>401</sup> Land- en Tuinbouworganisatie, The Hague (LTO), Archief Landbouwschap, *Microfiches, Dos. no. 40 (formerly 539): Agenda's Buitenland 1<sup>e</sup> vergadering december 1947 Stichting voor de Landbouw tot en met 45<sup>e</sup> vergadering november 1966*, IFAP secretariat: "Farm income and farm population", May 1956.

50% in Italy; in Belgium the cooperative auctions in fruits and vegetables had 60% of fruit and 40% of vegetables marketed.<sup>402</sup>

Especially in Germany and Italy the agricultural cooperatives were generally associated to the farmers' unions. The president of the Italian farmers' unions, the *Confederazione Nazionale dei Coltivatori Diretti (Coldiretti)* was also the president of the Italian union of agricultural cooperatives, the *Federazione Italiana dei Consorzi Agrari (Federconsorzi)*. The Italian agricultural consorzi were not producers' cooperatives in the sense that they were financed mainly by their members' shareholdings. The Federconsorzi was a hierarchically organised semi-official organ. The regulation of food markets was entrusted to the Federconsorzi which also handled half of Italy's sales of tractors, tractor fuel and fertilizers. By 1960 the Coldiretti controlled over 70% of the consorzi. The Coldiretti controlled more than 90% of the public agencies for medical and infrastructural support to farmers, *casse mutue*. About 80% of Italian farmers were member of the Coldiretti. Italian farmers generally voted for the Christian Democratic Party which ruled Italy for decades. The Coldiretti was politically allied with the party, and had strong parliamentary representation.<sup>403</sup>

In Britain the National Farmers' Union (NFU) had about 80% of the farmers as members. The NFU offered many services to its members, such as cut-rate insurance, and intermediation and advice in relations with government administration. The NFU was an integrated part of the technical and political processes by which the British guaranteed prices were determined on a regular basis. At the same time, the British government relied strongly on the NFU in the implementation of agricultural policy. The NFU was not allied to either Labour or the Conservative Party, and in the British election system the farmers' votes were of disproportionately large importance.<sup>404</sup>

In Belgium the Flemish *Belgische Boerenbund* was attached to the influential Catholic Party. The representation of farmers in the Belgian parliament was relatively strong, and the Boerenbund was a strong financial and political institution. The Boerenbund cooperated with the two Wallonian farmers' organisations *Alliance Agricole Belge* and *Fédération Nationale des Unions Professionnelles Agricoles*. These two organisations had contacts with Catholic and Liberal politicians.<sup>405</sup>

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<sup>402</sup> Butterwick & Neville-Rolfe, 1971, pp. 17f.

<sup>403</sup> Laschi, 1995, pp. 141ff; Keeler, 1987, pp. 263, 274-278; Butterwick & Neville-Rolfe, pp. 234f; Milward, 1992, p. 249.

<sup>404</sup> Keeler, 1987, pp. 262f, 271-274; Milward, 1992, pp. 250f.

<sup>405</sup> Mommens, 1995a, pp. 181-185; Milward, 1992, pp. 249f.

### 3.5.2. *Agricultural policy objectives*

In all countries an increased agricultural production was seen as a means to improve the balance of payments by reducing agricultural imports and/or increasing agricultural exports. Other objectives in agricultural policy related to stability of supply and prices, productivity and agricultural income.

In Britain the Agriculture Act from 1947 defined the general objectives. A stable and efficient agricultural industry should provide a certain – unspecified – degree of self-sufficiency in food. There should be proper remuneration and living conditions for farmers and agricultural workers and an adequate return on capital invested in the agricultural industry. Official government policy specified that agricultural production should be 60% larger than before 1939. There were no specified income objectives for agriculture, but the aggregate net income level in agriculture was taken into account during the annual review of guaranteed prices.<sup>406</sup>

The agricultural policies in France and Germany have been described previously. In the two countries it was official policy to increase agricultural production and improve productivity. A chief aim of government policy was to secure the regularity and stability of agricultural income.<sup>407</sup> Italy sought to increase agricultural productivity and encouraged production in sectors where the country depended on imports for the supply of food. A higher standard of living in Italian agriculture was a general aim, and the production costs were normally taken into account when fixed or supported prices were established, but no special legislative provisions guaranteed the stability of agricultural income or ensured parity with the income in non-agricultural sectors.<sup>408</sup> In Belgium it was an official objective to increase productivity in small holdings by lowering the production costs. Belgian price policy sought to achieve a certain minimum standard of living for farmers, while there was no strict objective of economic parity with other sectors.<sup>409</sup>

### 3.5.3. *Instruments and institutions in agricultural price policy*

Britain employed a system of guaranteed prices which covered all major food items and wool. Until 1954 the guaranteed prices normally were paid from state purchases at fixed prices, and thereafter the so-called ‘deficiency payments’ were the most generally used method. Farmers sold for what they could at the market and when necessary, the government paid them the

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<sup>406</sup> OEEC, 1956, pp. 255f; OEEC, 1957, pp. 311f; OEEC, 1961, pp. 317f.

<sup>407</sup> OEEC, 1956, pp. 53f, 69ff; OEEC, 1957, pp. 64ff, 90f; OEEC, 1961, pp. 138f, 157.

<sup>408</sup> OEEC, 1956, pp. 117ff; OEEC, 1957, p. 153; OEEC, 1961, pp. 206f.

<sup>409</sup> OEEC, 1956, pp. 25ff; OEEC, 1957, pp. 31ff; OEEC, 1961, 109ff.

difference between the average realised market price and the guaranteed price. For eggs and potatoes there were other systems of price support.

For some products there were producer-controlled marketing boards. Most important were the Milk Marketing Boards (MMBs). Apart from certain exceptions all milk producers were required to register with a MMB and sell their raw milk to the board. The British government guaranteed a price to each board and the boards decided for themselves what the individual farmers or classes of farmers should receive. The boards negotiated directly with the manufacturers and traders of milk on the price. The market price of consumption milk generally was higher than the market price of industrial milk. The price guarantee from the government made up for any economic loss from the milk sold for manufacture, to the extent that the loss could not be recovered through the price of milk sold for liquid consumption. The farmers received a uniform price of all the raw milk sold to the MMBs.

British imports of agricultural products from the OEEC area were generally free from quota restrictions and the import monopoly of the British state was gradually phased out. Britain applied tariffs in many agricultural products, including the bacon tariff from 1956, but the tariff rates were moderate, rarely exceeding 20% ad valorem. There was a Commonwealth preference in tariffs, but for food products the moderate level of the British tariffs reduced the importance of the preference.<sup>410</sup>

In Germany the four marketing laws from 1950 and 1951 constituted the framework of price regulation in agricultural products. The four marketing laws covered cereals and feeding stuffs, sugar, milk, milk products and fats, and cattle and meat. On the basis of the four laws, four so-called *Einfuhr- und Vorratstellen* (EVS) were established to regulate prices and markets in food and feed. Their main task was to influence prices on the home market by controlling imports and by undertaking storage. Legally the EVS had large powers of interventions, but in normal situations they would not make use of them. The costs of market regulation – stocking costs, insurance, etc. – were paid by the Ministry of Finance. If products were sold on the home market at a price below that at which the products were imported, the Ministry of Finance would pay the difference. On the other hand, if the selling price on the home market was higher than the import price, a levy was raised and paid to the Ministry of Finance.

The EVS were defined as state trade organs. An importer who intended to import products covered by the four marketing laws was obliged to conclude a contract with the EVS by which the EVS bought the products to be

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<sup>410</sup> OEEC, 1956, pp. 257ff; OEEC 1957, pp. 313ff; OEEC, 191, pp. 318ff; Butterwick & Neville-Rolfe, 1971, pp. 12ff.

imported. Under the same contract the EVS would then sell the products back to the importer, and by so doing the EVS would release them for selling on the home market. Without such a contract with the EVS the products could not be imported. If the market situation was deemed not to allow imports, the EVS could refuse products which were offered. Under certain conditions the EVS would also buy and sell on their own account.<sup>411</sup> The EVS included representatives from various ministries, Länder governments, farmers and producer cooperatives, wholesalers and retailers, industry and consumers. But the EVS operated under control of the Ministry of Agriculture and the participation of non-government interests was weak. Agricultural self-governance in a direct sense was limited.<sup>412</sup>

In consumption milk Germany applied a strict regulation where each dairy had its own district. Otherwise the German home market in agricultural products was relatively unregulated. From 1956 onward the German egg producers received an equalisation payment to compensate for the difference between the German price and the lower world market price in feeding grain.

At the national frontier the agricultural imports fell into three categories. The first category was products under the EVS, i.e., state trade. The second category consisted of products which took place on private account but were subject to quota restrictions. The third category consisted of products which took place on private account and which were liberalised, but were subject to import duties. Live animals for food, meat and butter fell under the first category while cheese, eggs and poultry meat fell under the third category.

With a few exceptions, fresh fruit and vegetables fell under the second category. By 1956 the original regime of lock-out periods – minimum or zero import quotas under the high season – had been replaced with systems of minimum prices in bilateral agreements. Imports of from the Netherlands were suspended when prices at Dutch auctions fell below the agreed floor levels. Imports from Italy and from various minor suppliers were suspended when producer prices on the German market fell below a certain minimum. Otherwise the import quotas were so large as to be ineffective.

In France the home market in cereals, sugar, meat and milk was regulated by inter-trade associations and related funds. Farmers and other private interests contributed to the financing of the associations and funds and participated in

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<sup>411</sup> Friedmann, Karen J. (1965): *German Grain Policies and Prices: 1925-1964*, Stanford University, California, Food Research Institute Studies, Vol. V, No. 1; Friedmann, Karen J. & Farnsworth, Helen C. (1966): *Grains in German Farming: Past Developments and Prospects for 1970 and 1975*, Stanford University, California, Food Research Institute Studies, Vol. VI, No. 1.

<sup>412</sup> OEEC, 1956, pp. 76ff; OEEC, 1957, pp. 92ff; OEEC, 1961, pp. 163ff; Butterwick & Neville-Rolfe, 1971, pp. 41f; Bühner, 1995, pp. 79ff.

their leadership, but the main payer was the French state. There were four categories of prices with a decreasing degree of market regulation. For wheat, barley, rye, rice, maize and sugar beet there were fixed prices; for oilseeds, meat, butter and cheese there were intervention prices; for milk and wine there were target prices; for oats, olive oil and potatoes there were support prices. At the national frontier the home market regulation was supported by state import monopolies, import quotas and tariffs. France had surpluses in wheat and sugar, and the French state subsidised exports of these and other products. In 1957-1959 the prices in major agricultural products were automatically adjusted to rising production costs.<sup>413</sup>

In Italy there was a strong state regulation of the supply and price of wheat. A certain proportion of the domestic wheat was compulsorily collected (20% or 30% according to crop size) and the foreign trade in wheat was subject to a state monopoly. The collection was carried out by the Federconsorzi on behalf of the Italian government. For rice, sugar beet and olive oil there was price regulation, but on a voluntary basis. For consumption milk the retail prices in large towns were regulated. Otherwise the Italian home market in agricultural products was relatively unregulated, and foreign trade was privatised and liberalised. Nominal tariffs on agricultural imports were high, but the rates actually applied were sometimes lower. Italy did generally not employ export subsidies, but exports of fruits and vegetables benefited from a reduction of transport rates for long-distance transportation.<sup>414</sup>

In Belgium most of the home market regulation was carried out by a product office, the *Office Commercial du Ravitaillement* (OCRA). The interventions of OCRA, which mainly concerned wheat and butter, were financed by the Belgian government. OCRA was assisted by an office for milk and dairy products. The sugar market was organised under an agreement between the government, the growers and the industry without official regulation.

Agricultural imports into Belgium took place on private account and Belgium applied the relatively moderate Benelux tariffs in agricultural products. Among the products free of quota restrictions were feed grain, oils and fats, frozen meat and cheese. Belgium employed a lock-out period for horticultural products during the high season. For fresh and chilled meat, butter, eggs, potatoes and various types of fresh fruits and vegetables Belgium applied a scheme of minimum prices toward imports from the

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<sup>413</sup> OEEC, 1956, pp. 56ff; OEEC, 1957, pp. 66ff; OEEC, 1961, pp. 139ff; Butterwick & Neville-Rolfe, 1971, pp. 43ff;

Farnsworth, Helen C. & Friedmann, Karen J. (1967): *French and EEC Grain Policies and Their Price Effects, 1920-1970*, Stanford University, California, Food Research Institute Studies, Special Issue.

<sup>414</sup> OEEC, 1956, pp. 122ff; OEEC, 1957, pp. 154ff; OEEC, 1961, pp. 209ff; Butterwick & Neville-Rolfe, 1971, pp. 42f.

Netherlands. Quotas to other exporting countries were only granted for those quantities which remained when the Dutch supplies had been used.<sup>415</sup>

In 1956 the OEEC calculated the degree of liberalisation of agricultural imports from within the OEEC area on 1 December 1955. The OEEC made alternative calculations with 1948 and 1953 as basis years. The results were somewhat different, but the relative position of the individual countries did not change fundamentally. The result of the calculation with 1953 as basis year is shown in Table 12 below. The highest percentage share of state trade in agricultural imports was found in Norway, France, Germany, Switzerland, Sweden and Britain. The lowest percentage share of agricultural imports subject to neither state trade nor quotas was found in France, Norway, Switzerland, Sweden, Germany and Britain.

**Table 12.** Intra-European agricultural imports 1-12-1955 (basis year 1953).

Country	Total imports \$million	% state trade	private trade % liberalised	% total trade liberalised
Austria	54,8	7,7	76,0	70,2
Benelux	283,6	-	92,1	92,1
Denmark	114,1	-	80,9	80,9
France	152,1	26,6	46,3	34,0
Germany	743,5	22,7	81,1	62,7
Ireland	53,2	4,5	85,8	80,9
Italy	206,8	12,1	99,6	87,6
Norway	50,8	46,1	75,0	40,8
Portugal	11,3	-	80,0	80,0
Sweden	114,4	21,8	72,4	56,6
Switzerland	163,8	22,1	69,6	54,2
UK	981,3	18,5	80,5	65,6
Total OEEC	2929,7	17,3	80,9	66,9

Note: Ireland: basis year 1954. Benelux: common list.

Source: OEEC, 1956, pp. 365ff, esp. p. 369.

Below, Table 13 gives a crude description of the import regulation in certain agricultural products in the six EEC countries, Britain and Denmark. Table 13 indicates whether trade was governmental or private, liberalised and/or subject to tariffs.

The general picture was that France and Germany made relatively large use of state trade and import quotas in cereals and animal food products. Britain and Italy generally privatised and liberalised their imports of such products. The Benelux countries and Denmark did not employ state trade, but to a

<sup>415</sup> OEEC, 1956, pp. 30ff; OEEC, 1957, pp. 32ff; OEEC, 1961, pp. 110ff; Butterwick & Neville-Rolfe, 1971, pp. 38f.

certain degree used import quotas. The most liberalised products, which were also the products with the lowest degree of market regulation within the national frontier, were eggs and cheese.

In many cases previously suspended tariffs were re-applied when a product was liberalised. The German and Belgian quota regulation of imports of fruits and vegetables employed minimum import prices while the quotas in practice were suspended, so that in fact a new system was invented.

For comparison, Table 13 includes the tariff levels fixed in the EEC Treaty from 1957. The EEC's tariff level would be relatively near to the German, Italian and French rates, which was higher than the tariff levels in Denmark and Benelux. However, in feeding stuffs based on oil seed the EEC's tariff level would be zero.

**Table 13.** Intra-European food imports by certain commodities 1-12-1955.

G = government imports. Q = quotas. L = liberalised.

Tariffs actually applied in 1957 (ad valorem) are shown in parenthesis. The tariff levels in Benelux, Denmark, Italy and Britain are those of 1956.

Country	Live animals for food	Meat	Butter	Cheese	Eggs	Cereals	Fresh fruits & veg.
Benelux	Q, L	Q, L (6-30)	Q (15)	L (15)	Q (5)	Q, L	Q (5-30)
Denmark	Q, L	Q (7)	Q	L (4)	Q	Q, L	Q, L
France	Q	Q (0-25)	G	G (15)	L (13)	Q	Q, G (5-70)
Germany	G (7-15)	G, L (10-20)	G (25)	L (25-30)	L (5-15)	G	Q (15)
Italy	L	L (18)	L (30)	L (10-25)	L	G, L (10-27)	L
UK	L (0-13)	Q, L (0-18)	L (4-6)	L (0-9)	L (0-9)	L	L, Q (0-9)
EEC	(11-16; Ngt)	(16-20; Ngt)	(24)	(Ngt)	(12-15)	(Av)	(12-25; Av)

“Ngt” indicates that the EEC's tariff level would be established in negotiations between the member states. “Av” indicates that the EEC's tariff level would be the arithmetic average of the national tariff rates in the member states.

In oil seeds and oleaginous fruits the EEC's tariff level was zero.

Source: OEEC, 1956, p. 49, 124, 154f, 261f, 365ff; OEEC, 1957, pp. 85, 94ff; Brusse, 1995, pp. 103-108.

Her Majesty's Stationery Office (1972): *Treaty establishing the European Economic Community Rome 25 March 1957*, London, pp. 101-107.

#### 3.5.4. Levels of agricultural protection

The general method for measuring the amount of price support is to calculate the difference between a hypothetical producer (or farm-gate) price in an unprotected market and the actual producer price obtained in the existing system. In this method it makes no difference whether the producer price is supported by means of market regulation or by means of a guaranteed price and ‘deficiency payments’. In addition to price support, agricultural protection may include direct subsidies to production. Direct subsidies that are not paid to a specific product, for instance subsidies to the purchase of fertilizers, cannot be measured as such. In the 1970s the so-called ‘producer subsidy equivalent’ (PSE) model was created for measuring the total amount of agricultural support, including price support and production subsidies.<sup>416</sup>

Forerunners of the PSE model were the investigation of British agricultural policy which the economist E.F. Nash published in an article in 1954, and the investigation of the same subject which the economist Gavin McCrone published in a book in 1962. On a comparative European basis, Nash and McCrone calculated the total price support to British agriculture and added the amount of production subsidies in order to obtain a measure of the total support to British agriculture.<sup>417</sup>

In 1961 the United Nations Economic Commission for Europe (UN-ECE) published an investigation of the margin of price protection in Western Europe in the 1950s. UN-ECE sought to develop a standard measure which was applicable to all countries and which indicated the final result of diverse protective measures. The protective margin indicated the percentage by which the producer price was raised as a result of the totality of measures. Production subsidies were not included in the calculation. According to UN-ECE, production subsidies in total rarely exceeded about 5% of agricultural output and more commonly only amounted to 1-2%.

UN-ECE considered it probable that the investigation overestimated the real protective margin somewhat. This was because a reduction of industrial protection might have changed the balance of payments equilibrium and led to a lower currency exchange rate, so that domestic agricultural production would have been more competitive against imports. UN-ECE assumed that if all forms of export subsidy were absent, the international price level would

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<sup>416</sup> Federico, 2005, pp. 196ff.

<sup>417</sup> Nash, E.F. (1965): “The competitive position of British agriculture”, in: Gavin McCrone & E.A. Attwood (eds.): *Agricultural Policy in Britain – Selected papers by E.F. Nash*, Cardiff: University of Wales Press, pp. 82-98; originally published in *Journal of Agricultural Economics*, Vol. XI, No. 3, June 1955.  
McCrone, Gavin (1962): *The Economics of Subsidising Agriculture: A Study of British Policy*, University of Glasgow Social and Economic Studies New Series, ed. D.J. Robertson, London: George Allen & Unwin, pp. 46-65.

be circa 10% higher in dairy products, while the difference would be smaller for other products. According to UN-ECE, the protective margin in the 1950s probably remained relatively small for meat, poultry, eggs, and feed grain. For wheat, milk products and to some extent sugar the protective margin was larger. During the 1950s the protective margin widened significantly for wheat and sugar and, in some countries, also for milk.

In the early postwar years several Western European countries produced wheat and sugar at reasonably competitive prices, but during the decline in world market prices after 1952 the protective margin became significant. For milk the protective margin was already in the early postwar years considerable in all Western European countries except Denmark and the Netherlands. In the latter two countries it was negligible in 1951. By 1958 the protective margin in milk had become significant in all Western European countries except in Denmark where it only rose to circa 10%.

UN-ECE divided the Western European countries into three groups. In the first group the margin of protection was relatively low, not exceeding 20%. In the second group there was an intermediate margin of protection, between 20% and 40%. In the third group there was a high margin of protection, over 40%. Around 1958 Denmark stood out in the first group as the sole country where domestic producer prices were generally in line with world market prices. After Denmark came, with some distance, France, Austria and Ireland. Because of an increased support to milk and cattle for slaughter, the Netherlands was placed between the first and the second group in 1958. In order of increasing protection, Belgium, Sweden, Britain, Germany and Italy belonged to the second group. In all these countries the protective margin was greatest for milk. Finland and Norway bordered on the third group, and Switzerland mostly belonged to the third group.<sup>418</sup>

In an article from 1962, the economist E.F. Nash summarised the UN-ECE's calculations. Below, Table 14 shows the estimated protective margins for certain products in the period 1956/57-1958/59. Further below, table 15 shows the average price paid by farmers for feed barley and maize in 1957/58-1958/59. German fodder grain growers received a higher price than their colleagues in the other EEC countries, but at the same time the protective margins for pigs and eggs in Germany were among the highest in Europe. The protective margin for milk in Britain was very high.<sup>419</sup>

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<sup>418</sup> UN-ECE, 1961, Chapter III.

<sup>419</sup> Nash, E.F. (1965a): "Agriculture and the Common Market", in: Gavin McCrone & E.A. Attwood (eds.): *Agricultural Policy in Britain – Selected papers by E.F. Nash*, Cardiff: University of Wales Press, pp. 109-141; originally published in *Journal of Agricultural Economics*, Vol. XV, No. 1, May 1962.

**Table 14.** Estimated protective margins in Western Europe, 1956/57-1958/59.

Country	Wheat	Barley	Sugar beet	Beef cattle	Pigs	Eggs	Milk
Belgium	67	16	36	30	2	44	127
France	18	10	15	26	n/a	5	61
Germany	61	59	56	34	29	48	72
Italy	67	47	45	36	29	49	155
NL	30	26	3	47	12	2	57
EEC mean	49	34	31	34	18	30	95
DK	18	0,5	14	≤0	≤0	≤0	12
Norway	89	25	n/a	32	15	22	165
Sweden	33	19	36	40	20	33	123
Ireland	16	≤0	49	≤0	≤0	19	90
UK	27	33	49	31	35	44	203

≤0: Domestic producer's price at or below corresponding export price.

France: data refer to 1958/59 and 1959/60, converted at the dollar exchange rate in force after 1-1-1959. UK, beef cattle: including calf, hill cattle and cow subsidies.

Source: Nash, 1965, p. 124.

**Table 15.** Average price paid by farmers for barley and maize in 1957/58-1958/59.

Country	Barley	Maize
EEC average	100	100
Belgium	112	83
France	76	101
Germany	128	136
Italy	91	87
Netherlands	98	93
Denmark	78	77
United Kingdom	92	91

Source: Nash, 1965, p. 126.

In his article from 1954 on British agricultural policy, E.F. Nash made an estimation of the prices which British farmers would receive if their production of milk, wheat, barley, oats, potatoes, sugar beet, beef, mutton, pig meat, eggs, poultry and wool were sold in competition with imports without 'deficiency payments'. The estimation was based partly on the 'deficiency payments' to individual products indicated in public budgets, partly on Danish, Dutch and other foreign reference prices.

The products considered represented more than 90% of British output. For all the products in total the estimated hypothetical import-parity price in 1954 was 76% of the current output price. The estimated output value at income-parity price was £740 million; the estimated output at current price was £970 million; the difference of £230 million was equal to the total estimated amount of price support through 'deficiency payments' and the milk sales monopoly in the Milk Marketing Boards. Production grants and

other subsidies amounted to some £60-70 million. The total economic support thus amounted to nearly £300 million. When expenses had been deducted from sales, the net income of British agriculture was £320 million. In other words, nearly 100% of the net income of British farmers came from price support and production subsidies.<sup>420</sup>

McCrone (1962) estimated the total price support in Britain and other European countries in the year 1956. Furthermore, McCrone estimated the total economic support to British agriculture with production subsidies included. McCrone used Nash's method for estimating the hypothetical British producer prices without 'deficiency payments' and without the milk sales monopoly in the Milk Marketing Boards.

According to official figures, the total support to British agriculture rose from £197 million in 1954-55 to £288 million, and then it stabilised at about £250-260 million every year. 'Deficiency payments' rose from £140 million in 1954-55 to £203 million in 1957-58, but fell to £151 million in 1960-61. Production subsidies increased steadily from £50 million in 1954-55 to £111 million in 1960-1961. On the basis of Nash's results, McCrone assumed that the artificial rise in the price of consumption milk created by the sales monopoly in the MMBs every year added another £90 million to the total support. The total value of 'deficiency payments', price support in the MMBs and production subsidies in 1960-61 would be circa £350 million.<sup>421</sup>

McCrone estimated the comparative levels of price support in the Western European countries (with production subsidies excluded) by calculating the agricultural output at assumed European import prices, and then comparing this calculated output with the actual output at national prices. McCrone's results are quoted in Table 16 below. After Finland and Switzerland, Britain had the highest degree of agricultural price support when measured as a percentage share agricultural output. With 24% Britain was clearly ahead of Germany (18%), France (15%) and Italy (14%). When agricultural price support is measured as the amount per head of active agricultural population, Britain with £251 per head came far ahead of all other countries. When agricultural support is measured as the amount per head of total population, Britain was behind Switzerland, Finland, France and Sweden, but ahead of Italy and Germany. In 1956, Finland, Switzerland, Sweden and Britain were the most protectionist countries, while Denmark, Austria, the Netherlands, Belgium and Ireland were the least protectionist countries.<sup>422</sup>

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<sup>420</sup> Nash, 1965, pp. 94ff.

<sup>421</sup> McCrone, 1962, pp. 46-50.

<sup>422</sup> McCrone, 1962, pp. 50-57.

**Table 16.** European price support levels in 1956.

	Output at national prices £mill.	Output at European import prices £mill.	Approx. price support £mill.	Price support in % of output at national prices	Price support per head active agricultural population £	Price support per head total population £
France	2.482	2.101	381	15	69	8,2
Italy	1.801	1.547	254	14	31	5,3
Germany	1.566	1.292	274	18	53	5,1
UK	1.298	990	308	24	251	6,3
NL	440	419	21	5	28	1,9
Denmark	368	359	10	3	19	2,2
Belgium	320	303	17	5	41	1,9
Sweden	275	218	57	21	90	7,8
Austria	206	197	9	4	9	1,3
Ireland	193	185	9	4	17	3,1
Switz.	182	129	53	30	147	11,2
Finland	214	124	90	42	98	21,0
Norway	115	95	20	17	54	5,5
All	9.460	7.958	1.502	16	-	-

Belgium: Including Luxembourg. Source: McCrone, 1962, p. 51.

Despite some differences of technical definition, UN-ECE's estimation from 1961 can be compared with McCrone's estimation from 1962. Both of them agree that Finland, Switzerland, Norway, Sweden, Germany, Italy and Britain had the highest degree of agricultural protection, and that Denmark had the lowest degree. In comparison with McCrone, UN-ECE regarded Britain as more equal to Germany and Italy; UN-ECE regarded France as less protectionist, and the Netherlands and Belgium as more protectionist.

Another estimation of the degree of agricultural price support in the 1950s was made in the Danish economist H.O. Hansen's dissertation from 1987 on agricultural policy in industrialised countries. H.O. Hansen used the so-called 'tariff value rate' as a measure for the proportion between the farm-gate price and the alternative price level in imports. The 'tariff value rate' was an average for all agricultural sectors. Production subsidies were not included in the calculation. Unlike UN-ECE and McCrone, H.O. Hansen did not use the international market price an indicator of the alternative price level in imports. Instead, H.O. Hansen used a weighed average of the farm-gate price in all industrialised countries as a reference. H.O. Hansen's findings are selectively quoted in Table 17 below.

H.O. Hansen came to largely similar conclusions as UN-ECE and McCrone. According to H.O. Hansen, Finland, Switzerland and Norway were the most protectionist countries around 1955, followed by Britain, Italy, Germany and Sweden. The degree of agricultural protection was low in Denmark and

Ireland, and moderate in the Benelux countries, France and Austria. Outside Europe, the United States and Canada had moderate levels of protection, while Australia and New Zealand abstained completely from protection.<sup>423</sup>

**Table 17.** Tariff value rate: Difference in per cent between average domestic price level and alternative import price level.

	middle 1950s	middle 1960s
Benelux	25	51
France	34	43
Germany	40	58
Italy	44	73
United Kingdom	47	32
Denmark	9	12
Norway	50	70
Sweden	40	63
Switzerland	76	86
Austria	30	32
Finland	98	97
Ireland	6	17
USA	21	18
Canada	25	12
Australia	0	0
New Zealand	0	0

Source: H.O. Hansen, 1987, pp. 37, 54-56.

### 3.5.5. Agricultural production and trade: Britain

In Britain there was an increase in food production as well as in net imports of food during the 1950s. The official British objective of raising agricultural production to 60% above its pre-war level was reached in 1956.<sup>424</sup> However, by international standards, Britain had a relatively low degree of self-sufficiency in food (production in % of total supply). The degree of self-sufficiency in meat stabilised at circa 60% from 1954 onward; in butter it fluctuated between 5% (1959) and 11% (1957); in cheese it remained circa 40%; in eggs it increased from 74% in 1953 to 94% in 1957.<sup>425</sup>

<sup>423</sup> Hansen, Henning Otte (1987): En analyse af landbrugspolitikens virkning på den internationale specialisering inden for landbrugssektoren i de industrialiserede lande, *Skrifter fra Økonomisk Institut, Den Kgl. Veterinær- og Landbohøjskole, Studier nr. 19*, Copenhagen: DSR Forlag, pp. 31ff, 54ff, 86ff, 183f.

<sup>424</sup> McCrone, 1962, pp. 60ff.

<sup>425</sup> FAO: *FAO Trade Yearbook*, various years 1952-1961; FAO: *FAO Production Yearbook*, 1954-1962.

The British meat market had many distinct categories. Denmark was the main supplier of bacon; Argentina supplied large volumes of beef, while Australia and New Zealand were the greatest suppliers of mutton and lamb. The distribution between individual categories was relatively stable in period 1950-1958. The Danish share of total supplies of meat and meat preparations to the British market remained stable at circa 23%; the Dutch share was usually around 7%; Argentina supplied between 9% and 21%; Australia and New Zealand together supplied between 25% and 39%.

It may perhaps be assumed that Denmark depended relatively much on the high quality of her bacon production, in comparison with the other exporting countries, for maintaining her share of the total British meat market. However, it is difficult to substantiate this argument without consulting a lot of statistics on input prices and output prices, and on British price and income elasticities, etc, which would go beyond the limits of this study. Against Dutch bacon exporters, Danish bacon exporters may have been able to incur the costs of defending their lead in high quality production because they had a comparative advantage in the general conditions of production.

The main competitors in the British butter market were Denmark, Australia and New Zealand. Denmark's share declined from 38% in 1953 to 24% in 1960; the Netherlands only supplied around 5% of British imports of butter. British cheese imports came mainly from Australia, New Zealand and Canada. Denmark's share was circa 10%, while the Dutch share was circa 6%. Denmark supplied more than half of British imports of eggs in shell, while the Dutch share was insignificant. The Dutch share of British imports of fruits and vegetables was circa 7%, while Italy's share was circa 10%.<sup>426</sup>

### 3.5.6. *Agricultural production and trade: "EEC-5"*

In all agricultural products except butter Germany was the member state in the EEC which had the largest imports. Belgium-Luxembourg, France, Germany and Italy will be considered as a single group, "EEC-5". In the five countries food production increased considerably during the 1950s, but the five countries' combined net imports of food also increased. For the five countries as a whole the degree of self-sufficiency in meat declined slightly from 99% to 95% between 1953 and 1959; the degree of self-sufficiency in butter fluctuated in the interval between 92% and 99%, and in cheese between 89% and 92%; in eggs the degree of self-sufficiency declined from 87% to 78%. In sum, "EEC-5" was constantly close to self-sufficiency in nearly all major categories of animal products with the exception of eggs.

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<sup>426</sup> United Kingdom Board of Trade: *Accounts relating to Trade and Navigation of the United Kingdom*: various years 1952-1958, London.

Since Britain would not participate in a supranational policy, it is only relevant to consider the degree of self-sufficiency in cereals in the EEC and Denmark. The latter country and the Netherlands have previously been treated. “EEC-5” generally had a high degree of self-sufficiency in cereals. When all cereals are counted together – in order to account for substitutions – the total degree of self-sufficiency in cereals in “EEC-5” in the 1950s was around 85%. The degree of self-sufficiency in “EEC-5” was uniformly high among different types of temperate-zone cereals, and it was also relatively high in maize. The degree of self-sufficiency was around 90% and rising in wheat; around 95% and rising in rye; around 80% in barley; around 95% but slightly declining in oats; and around 75% in maize.<sup>427</sup> When the high level of self-sufficiency in cereals in “EEC-5” is considered together with the high degree of self-sufficiency in animal products in “EEC-5”, the general impression is that of a rather closed circuit of agricultural production.

The calculation of total production and total net imports in the five countries does not consider the degree of trade interdependence between them. In nearly every agricultural product most of the exports in “EEC-5” went outside the group, while most of the imports came from outside “EEC-5”. An example is the trade in wheat. In 1958, the last year before the common market began to enter into force, France exported wheat for the value of \$106 million. Only a minor part went to Germany (\$23 million), while the rest was exported to non-EEC countries. France had more than half of the total wheat exports in the five countries (\$176 million). Germany had most of the imports of wheat in the five countries. In 1958 Germany imported wheat for \$155 million. The majority (\$119 million) came from North and South America. Trade interdependence between the five countries was equally weak in feed grain, meat, dairy products, etc. The only significant exceptions from this pattern were eggs and fruits and vegetables.<sup>428</sup>

Among the five countries, Germany was most interesting for Danish and Dutch exporters of animal products, and for Dutch and Italian exporters of fruits and vegetables. Germany imported greater volumes of meat and meat products from the Netherlands than from Denmark. But Germany also imported large volumes of live animals for slaughter, and the main supplier in this category was Denmark. When live animals for slaughter and meat and meat products are counted together, the imports from Denmark exceeded those from the Netherlands. In 1952-1960 total German imports of meat and livestock for slaughter grew from \$65 million to \$327 million (current

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<sup>427</sup> FAO: *FAO Production Yearbook*, various years 1954-1961; FAO: *FAO Trade Yearbook*, various years 1955-1961.

<sup>428</sup> United Nations, *Statistical Papers Series D: Commodity Trade Statistics*, Vol. VIII, No. 4 (1958), Geneva.

prices). The Danish share declined from 59% in 1952 to 33% in 1960. The Dutch share was circa 9% in 1950-1953, and circa 14% in 1954-1960.

Germany's imports of butter fluctuated, the extremes being \$50 million in 1950 and \$6 million in 1958 (current prices). Denmark and the Netherlands together supplied circa 50%. Denmark's share grew to 52% in 1955, but then declined. The Dutch share fluctuated from 16% (1956) to 43% (1950).

German imports of cheese grew steadily and after 1952 they constantly exceeded German imports of butter. Around 90% of German cheese imports came from Denmark and the Netherlands. During most of the 1950s the Netherlands had a larger share than Denmark, in terms of both quantity and value. The difference was smaller in quantity than in value, as Danish cheese was sold at cheaper prices. Between 1951 and 1960 German egg imports increased from \$69 million to \$165 million (current prices). Circa 75% came from Denmark and the Netherlands. Around 1956 the Danish share temporarily increased from circa 15% to circa 25%, while the Dutch share temporarily fell from circa 60% to circa 50%.

In the period 1950-1960 German imports of vegetables and garden products grew from \$25 million to \$120 million (current prices). Together, Italy and the Netherlands supplied circa 80%. Measured by quantity, the Netherlands had the largest share of German imports in the years 1950-1953, and again in 1959-1960, while Italy had the largest share in the years 1954-1958. Measured by value, the Netherlands had the largest share in the whole period 1950-1960. The Dutch share in terms of value declined from 58% in 1950 to 41% in 1955, but from 1956 onward it stabilised at 48%. In 1950-1960 Germany's imports of non-subtropical fruits grew from \$47 million to \$182 million (current prices). Italy's share increased from 28% to 52% while the Dutch share declined from 16% to 9%.<sup>429</sup>

### 3.5.7. *Agricultural production and trade: Summary*

All these numbers only provide a most sketchy description of the situation in the 1950s. Corrections for inflation, rolling averages, logarithmic scales, etc. are missing. Factors like income and price elasticities, relative and absolute price levels, income levels, demographic evolution, industrial trade, currency zones, balance of payments etc. are not considered.

The movement from state trade to private trade and from quotas to tariffs and variable import levies was in part a response to political pressure from

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<sup>429</sup> Statistisches Bundesamt: *Statistisches Jahrbuch für die Bundesrepublik Deutschland*, various years, 1952-1961, Bonn.

domestic consumers, foreign countries and international organisations. But it also reflected a process where agricultural policy instruments became more subtle, fine-grained and flexible. Many farmers were in a weak financial position and could not make longterm insurance against fluctuations in market conditions. The solution was to externalise the market risk to foreign sellers. In the system of state-centralised trade and payments in the first postwar years the buying countries could not entirely deny responsibility for the financial situation of the foreign sellers. But when agricultural imports were privatised and payments were multilateralised, national governments in the importing countries turned their exclusive attention to the financial situation of domestic producers. In this sense, agricultural exporters got the worst of both worlds in the OEEC regime.<sup>430</sup>

When the total levels of agricultural protection are compared to the various means of regulation and/or farm support, and when these again are compared to the evolution in the levels of self-sufficiency in Britain, respectively, in “EEC-5”, one conclusion is clear. Agricultural free trade in the simplest and most traditional sense of eliminating trade barriers at the national frontier was no longer a sufficient solution to the problem of distorted competition. Guaranteed prices and ‘deficiency payments’ had almost the same effect because such measures encouraged domestic production at competitive prices. Production subsidies, selective tax reductions, freight-rate cuts, etc. worked in the same direction.

The implication was that if a free trade regime was to have practical effect, it could not merely consist in the application of unilateral measures like the OEEC’s programme for the elimination of import quotas. The free trade regime had to include rules and standardised criteria for domestic national policies. There would have to be a common organ to decide whether trade-distorting domestic measures in a participating country justified retaliatory measures from other participating countries. In terms of scope and decision-making procedure, a free trade regime of this kind could have many similarities with a common regime of market intervention, provided that the latter also aimed at creating fair and relatively free terms of competition.

For Danish farmers it would be easy to enter a supranational regime aiming only at agricultural free trade as Denmark only pursued regulatory policies in few products and did not apply production subsidies. For Dutch farmers a free-trade regime might be acceptable, because free market access on equal and fair terms and an international ban on subsidies could lead to a rise in export prices, so that Dutch price guarantees became superfluous. Still,

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<sup>430</sup> Kjærgaard, N. (1951): ”Danmarks Landbrugseksport og Aftagerlandenes Handels- og Landbrugspolitik”, *Jydske Landbrug*, vol. 33, no. 42 (18 October 1951), pp. 587-595 and vol. 33, no. 43 (25 October 1951), pp. 601-608, esp. p. 605.

Dutch farmers might prefer a regime of joint intervention aiming at price stabilisation, not only in order to make the regime acceptable to French and German farmers, but also because Dutch policy was based on that concept.

For Dutch agricultural exports Germany and Belgium constituted the main markets, and for Dutch farmers a common price policy in the EEC would create an enlarged “home market” in animal products and horticultural products. However, if the “enlarged home market” also included cereals, and if the EEC’s price in fodder grains was higher than the Dutch price, then the preservation of “enlarged home market” would require not only refunds to animal exports to non-EEC countries, but also protection against imports of cereals-derived products from Denmark.

From the Danish perspective this would imply that the EEC developed a closed circle of domestic cereals and animal production and consumption from which Denmark was excluded. This would again create a dangerous dependence on the British market for agricultural exports, and it could lead to a substantial loss of existing exports to Germany without compensation elsewhere. On the other hand, in view of the fact that Britain continued to be the main market for Danish agricultural exports, it would be a drastic solution to the problem if Denmark joined the EEC and adopted a common price in fodder grain which very likely would be higher than the Danish fodder grain price prior to EEC membership.

A distinction must be made between the transitional period and the final stage in the creation of a European common market combined with common market regulation in agricultural products. During the transitional period the member states could continue to have separate price levels and trade policies. Yet, there might be a trade preference between the member states. This could mean that Germany gave special advantages to Dutch exporters in terms of import quotas and/or tariffs, etc., while the Netherlands would not have disadvantages in terms of price policy harmonisation. If the transitional period became perpetual, there would not be strong policy obligations for Denmark in case of participation, but only commercial losses in case of non-participation. In the same scenario the political perspectives in terms of supranational decision-making would also be negligible.

However, for Denmark and the Netherlands the British policy of self-sufficiency represented a common problem. If a political attack on British agricultural protection was effective, the result could be a substantial increase in food exports to this country. This would presuppose a framework of multilateral European negotiations, and probably negotiations involving both industrial and agricultural trade.

### 3.6. Working thesis: Assumptions reconsidered

#### 3.6.1. *Aspects of agricultural policies: Summary of the comparison*

The background description is summarised in the scheme below. In nearly every respect Danish policy was out of line with the mainstream in Western Europe and with the guiding principles in European agricultural integration.

In the Netherlands the Ministry of Agriculture had a large administration and controlled the regulation of market prices and guaranteed prices, and the ministry had its own Direction for International Affairs. The authority of the Ministry of Agriculture rested on permanent enabling acts. In Denmark the Ministry of Agriculture had a small administration and much of the market regulation was either administered by the Ministry of Commerce or was in practice delegated to the agricultural organisations. The authority of the Ministry of Agriculture only rested on temporary enabling acts which were typically renewed each year. In countries like Belgium, Germany and France it was primarily the Ministry of Agriculture (in Germany also the Ministry of Agriculture in each of the *Länder*) and other ministries which administered market regulation while the agricultural organisations probably were more involved in the administration of various subsidies to production.

If Denmark ratified a European treaty establishing a supranational regime in agriculture, the ratification law would have to include a permanent enabling act authorising the Ministry of Agriculture (and/or other ministries) to carry out some degree of market regulation, possibly also subsidies and production charges of various kinds. Possibly, the practical administration could be delegated to the agricultural organisations under government supervision. The European agricultural regime would be permanent in character. The treaty establishing the European Coal and Steel Community was valid for 50 years, and the European Economic Community had no limit of duration.

In terms of policy objectives Denmark was more oriented towards economic efficiency and less towards social security in agriculture than other European countries. There were additional (official or unofficial) objectives of achieving high and uniform veterinary standards, stable production and distribution, local economic stability, import saving, etc, which in some cases could speak against deregulation. But the efficiency objective was reflected in Denmark's preference for free and undistorted agricultural trade. Since Denmark in the 1950s did not pursue any consistent price policy but only applied occasional measures – after 1957 in an intensifying manner – the country in this respect was out of tune with the European mainstream and the guiding principles in the proposals for international regulation.

By 1955 Denmark had no price policy and no structural policy, but land consolidation had been completed long before. The Netherlands had moderate price policies and had growing expenditures to land consolidation,

improvement of rural infrastructure, etc., policies which gradually developed into a genuine structural policy aiming at rationalisation. To varying degrees, most other Western European countries were following similar policies as the Netherlands, but generally with more protectionist price policies.

The dominant pattern in Western Europe, including Denmark and the Netherlands, was small to middle-sized family farms with mixed farming. In some regions there was specialisation on crops or cattle farming, and France was a particular case because large farms specialising in crops (especially sugar beet and wheat) in certain regions in northern France were politically influential and had separate producer organisations. For Denmark and the Netherlands the internal French problems of income discrepancy between regions and inefficient price policy coordination were a cause for concern, because these problems in a central member state could influence a common European policy in a direction which impeded coordination between crops and animal production.

In the Netherlands, Britain and Belgium agriculture had nearly parity of income with other economic sectors. In the literature one finds different answers to the question whether Danish agriculture still had approximate parity of income by 1958. But all scholars agree that it was becoming more and more difficult for Danish agriculture to achieve parity of income, in view of the increasing production costs and the stagnating or even declining farm-gate prices. There is also agreement in the literature that the problems of Danish agriculture stemmed from the small size of the home market in combination with the proliferation of protectionist policies with import restriction, domestic production subsidisation and export subsidisation. This was a problem which Danish agriculture shared with Dutch agriculture, but the latter benefited from a larger home market and from national price policies which aimed at making farm production profitable.

The internal trade and transfers between sub-sectors and between farms of different size cannot be considered in separation from the structure of agricultural organisations. With a crude generalisation, it can be said that the Dutch and Danish agricultural cooperatives and the vertical organisations in which their influence was predominant organised the internal trade and transfers at the level of concrete, commercial transaction. The Dutch and Danish horizontal (general) organisations – including the farmers' unions and peak umbrella organisations like the Landbouwschap and the Landbruksraad – served as frameworks in which the sub-sectors and different farm groups cleared their interests and established the general conditions for the internal trade and transfers.

Dutch agriculture constituted a special case in the sense that the supreme coordinating organisation, the Landbouwschap, was a corporate organ under public jurisdiction. It was only established in 1954, and in a formal sense its

predecessor, the Stichting voor de Landbouw, was not a corporate organ. In reality, the Stichting was financed in a similar corporate manner, if only indirectly. The Stichting voor de Landbouw was merely intended to act as a substitute for the Landbouwschap until the latter had been established. Dutch agriculture also constituted a particular case by the organisation of both employers and employees in the vertical produktschappen (commodity boards) and by the latter's status as corporate organs.

Danish agriculture constituted a special case by the strong position of the cooperative federations and by the existence of a separate and politically potent national organisation for the smallholders. When the cooperative federations stood together, the Landbrugsraad could not act against their will. The Danish Farmers' Unions could then decide either to remain loyal to the Landbrugsraad or to go it alone. The privatisation of the export boards and the dominant position of the respective cooperative federations in them led to the formation of new clusters. The result was increased fragmentation of the organisational structure into sub-sector specialisation despite the continued unity of production (mixed farming) at the farm level.

In this sense Danish agriculture had some resemblance to French agriculture, but the French specialised producer organisations were not comparable to the Danish cooperative federations, and in France the fragmentation of the organisational structure reflected strong differences between regions in terms of production patterns, farm structure, income level, etc. On the other hand, Dutch agriculture resembled German agriculture in the high degree of political unity under leadership of the farmers' unions across sub-sectors and farm groups, and with the inclusion of commercially significant cooperatives under the farmers' unions' leadership. However, the German Bauernverband (DBV) was primarily a farmers' organisation, unlike the Landbouwschap. On the basis of non-corporate membership the DBV was able to organise the farmers almost as completely as the Landbouwschap.

In countries like France and Germany a high degree of self-sufficiency in fodder grains at farm level together with the domestic orientation of pig and poultry production meant that a high cereals price could be incorporated into the derived products. In the Netherlands the strong reliance on imported fodder grain together with the existence of a considerable home market in animal products made it possible to externalise the costs of cereals-buying farmers by means of a combined system of variable import levies in fodder grain and export refunds to derived products. In Denmark this was not possible, because the country was nearly self-sufficient in fodder grain, and because the home market was relatively small. However, as in Germany and the Netherlands the potential for conflict between small and middle-sized farms in Denmark was reduced by the prevalence of mixed farming.

<b>Aspects of agricultural policy</b>	<b>Policy at national level 1945-1960</b>	<b>International negotiations 1945-1960</b>
<i>Executive, legislative organs: competence, composition, procedure</i>	NL: strong Agriculture Ministry; permanent enabling acts DK: weak Agriculture Ministry; temporary enabling acts	- permanent enabling acts - High Authority - Council of Ministers - majority decisions
<i>Policy objectives: economic, social</i>	NL: as in international negotiations DK: low-cost production	- agricultural productivity - fair agricultural income - stable markets, fair prices
<i>Policy instruments, financing</i>	NL: moderate price policy, structural policy DK: no price policy, no structural policy	- common price, import levies, export refunds - 1958-: possibly structural policy
<i>Agricultural organisations: administrative, political position</i>	<u>NL, policy:</u> farmers' unions, farm labourers' unions, Landbouwschap (corporate) <u>NL, trade administration:</u> cooperative federations, produktschappen (corporate) <u>DK, policy:</u> farmers' and smallholders' unions and cooperative federations <u>DK, trade administration:</u> cooperative federations and private export boards	IFAP (private): political OEEC-partner COPA (private): political EEC-partner
<i>Agricultural organisations: internal structure, membership density</i>	NL: federations; medium to high density— corporate union in Landbouwschap DK: federations, high density	IFAP: national federations CEA (private): various COPA: national federations
<i>Income level</i>	NL, B, UK: near-parity DK: parity difficult	(none)
<i>Farm structure</i>	Small to middle-sized units	(none)
<i>Production, trade</i>	Generally: mixed farming DK: cereals balance, animal exports, mostly to UK, few products NL: cereals deficit, animal exports, mostly to the Six, many products	(none)
<i>Geographic area</i>	(none)	1950-1960: the Six
<i>Transitional period</i>	(none)	Trade prices, minimum prices, longterm contracts

### 3.6.2. *Economic aspects of a European price policy*

For Danish and Dutch agriculture the main problem in a common European price policy was the cereals price. The generally small size of Dutch farms and their strong dependence on purchased fodder grain placed them in a similar position as the Danish smallholders. However, the Netherlands had most of her cereals-derived exports going to the German market whereas Danish cereals-derived exports mostly went to the British market, and unlike Denmark, the Netherlands was far from self-sufficient in fodder grain.

For Dutch agriculture, a high European cereals price could be incorporated into a European home market price in cereals-derived products, but since a significant part of Dutch cereals-derived exports went to non-EEC countries, refunds to such exports would still be required. An alternative solution would be to continue to have cheap imports of fodder grain from non-EEC countries with the sole purpose of re-exporting them to non-EEC countries in manufactured form. Since the EEC countries in the 1950s still had an import surplus in cereals, such solutions might work in the short term. But the six countries' import surplus in cereals was declining, and if the EEC's common cereals price was set at a high level, this would effectively imply a policy of strategic self-sufficiency. If the EEC reached self-sufficiency in cereals, the export refunds to cereals-derived products could become subsidies, liable to political attacks and countermeasures in non-EEC countries, and the question of common financing could be complicated.

For Danish agriculture the question could be a source of internal dispute. Between middle-sized farmers and smallholders there was no significant difference in the degree of interest in butter and bacon exports to Britain, cheese exports to Germany, etc. But the ability of middle-sized farmers to supply themselves with cereals, and their greater farm size in general, placed them in a less vulnerable economic position than the smallholders.

The participation of the Netherlands and Denmark in a European regime with "EEC-5" would create different situations. Dutch participation would reduce the level of self-sufficiency in crops and would increase the level of self-sufficiency in animal products. Danish participation would increase the level of self-sufficiency in animal products further, but would also increase the level of self-sufficiency in crops. A certain equilibrium could exist between the EEC's respective trade balances in crops and animal products under Dutch participation, but the equilibrium would become more difficult to maintain under Danish participation. Danish or Dutch bacon exports had no market in "EEC-5". In terms of coordination between Danish cereals and bacon production, membership of the EEC was at best irrelevant.

Another question was how much self-management would be possible under a European regime. Danish agriculture had an outstandingly high degree of

self-management in the export boards, and in the Produktschappen Dutch agriculture had co-management with the Ministry of Agriculture.

It was theoretically possible that a European authority already during the transitional period, when each member state still had its own price levels, might undertake an allocation of imports, exports and perhaps even production. In practice, such allocations could only have a supplementary or complementary function in relation to national policies. Only when the final stage was reached, and when a common market was created together with common rules of competition and a tight coordination or fusion of national market organisations, would it be possible for a European authority to act as a common government.

As long as a European regime as a whole did not develop an agricultural export surplus, a common policy of price protection could be limited to measures at the external frontier while the common market could remain relatively unregulated – provided that the common market was not disturbed by floating currencies, balance of payments problems and overly diverging inflation rates, etc. But if the European regime developed an export surplus and resorted to export subsidies, storage, or perhaps tighter control of production, then the need for regulation in the common market would increase. The room for agricultural self-management would become smaller.

In general, the geographical direction of agricultural exports of a member state together with the trade balance of the European regime as a whole would influence the possibilities of self-management. Far more than Dutch agriculture, Danish had reason to fear that a European regime might interfere with self-management, especially concerning exports going to Britain.

Horizontal organisations like the Danish Farmers' Unions, the Danish Smallholders' Unions, the Dutch farmers' unions and the Landbouwschap would consider all exports as a whole; they would consider the likely price levels and price relations between all agricultural products in the European regime; and they would give more weight to political co-decision than to administrative self-management.

Sub-sector organisations (e.g. the Danish cooperative federations and the Dutch produktschappen) would give primary consideration to their own particular exports, price levels and administrative competence. If the sub-sector exports in question mainly went to markets in the regime, the sub-sector organisation concerned would give most consideration to the commercial aspects. This was not only for the interests at stake, but also because it would be easier to maintain self- or co-management in an enlarged 'home market'.

On the other hand, if the sub-sector exports in question mainly went to markets outside the regime, the sub-sector concerned would find it irritating to have interference from a European authority and/or other member states even during the transitional period. In view of the orientation of Danish bacon exports, the Bacon Factories Federation would dislike the creation of a European regime that went beyond purely voluntary coordination, unless Britain was part of the regime.

### *3.6.3. The international work of agricultural organisations*

In all Western European countries the agricultural organisations expanded their international activities after 1945. This created a potential possibility of international coordination of production and trade in direct negotiation between national agricultural organisations, and not only in negotiation between national governments. Around 1950 Danish agriculture in theory pursued a policy of trade deregulation in the OEEC whereas in practice Danish agricultural organisations decided the terms of Danish agricultural exports in direct negotiation with the British state.

By 1950 it may not yet have been clear to policy-makers that a European free trade regime in agriculture would have reach deep into national policies in order to be effective. Danish agricultural organisations' policy of free trade in the OEEC had a background in the fact that multilateral cooperation between national governments on production coordination could be difficult for them to control. As long as multilateral cooperation was limited to free trade, it would appear to be harmless. In view of their experience in Benelux, Dutch agricultural organisations were less fearful of losing control, and more fearful of achieving nothing whatsoever in international cooperation. The expansion of Danish and Dutch agriculture's international activities in the 1950s may have reflected a perception that even a free trade regime without common price regulation still required political involvement, cooperative relations and technical capacity to mutual supervision, etc.

Robinson (1961), Peterson (1979), Krajenbrink (2005) and many other scholars observed that the international activities of organised agriculture also acquired an identity dimension. The activities constituted the practical exercise of the organisations' independence in relation to the political system, as well as a symbol of their independence. The establishment of national agricultural organisations as international actors meant that the creation of a supranational regime presented fewer menaces and more opportunities. But the creation of an intergovernmental regime also came to present fewer menaces and more opportunities.

#### *3.6.4. Domestic agricultural policy and the CAP*

In the Netherlands the policy of guaranteed prices by itself worked well from the viewpoint of Dutch agriculture. Under the decline in international food prices after circa 1954 Dutch agriculture was able to maintain income parity. The strong increase in price support meant that Dutch agricultural income increasingly depended on political decisions, but the attempt from Dutch industry, trade unions, the Social Democrats and economic experts to replace price support with direct subsidies was repelled.

For Dutch agriculture the advantage of the CAP would not be that it created a new political system, but that the international coordination in the CAP created an economic “coordination dividend” and/or cost externalisation which reduced the budgetary pressure on agricultural income policy. The working thesis assumes that Dutch agriculture by 1958-1960 did not work for the creation of a closed ‘agricultural circuit’ in the EEC out of distrust in the longterm political viability of the existing national system.

In Denmark a similar question can be asked, although in a different context. At least from the point of view of the Danish Farmers’ Unions, the existing national system by 1957 had become unsatisfactory, and the question was how it should be changed. The Danish Farmers’ Unions realised that more political co-decision and less self-determination was required. The working thesis assumes that the Danish Farmers Unions would not see Danish membership of the EEC as a means to replace the existing Danish system with a new and more farmer-friendly system in the CAP. The main reason is that the majoritarian Social Democratic led coalition government would decide the precise internal terms of EEC accession. The government could take many measures against a transfer of income from industry to agriculture or from labour to land. The national economic and political context was so much larger than the CAP that such measures would always be possible.

In contrast to the Green Pool, the Stresa conference in 1958 and the European Commission’s draft CAP proposal from 1959 indicated the CAP could include a strong element of structural policy. Eventually, structural policy only became a weak element in the CAP, but this was difficult to predict. By 1959 Dutch agriculture had formulated a fundamentally positive position toward an active structural policy in the Dutch context. Assumedly, the general terms and conditions for Dutch structural policy, together with tactical and political considerations relating to financing, would decide the position of Dutch agriculture toward a European structural policy.

In Denmark the situation was different. For the Danish Farmers’ Unions a European structural policy would be unproblematic. The question is whether the possibility of a European structural policy could make it more difficult for the Danish Smallholders’ Unions to support EEC membership.

The resistance from the Danish smallholders and from their political friends in the Social Liberal Party against an active structural policy in Denmark was strong throughout the 1950s. They would not accept to have a minister of Agriculture who was in favour of an active structural policy. Would they accept to have a European Commissioner for Agriculture who was in favour of that? But it could be argued that structural policy in a European context was not comparable to structural policy in a Danish context.

By 1945 the Danish smallholders ceased to be hired farm labourers with a tiny plot of land and instead became settled farmers. They were prepared to accept a low standard of living in order to maintain their social status as independent businessmen. They did not feel that they in any sense were comparable to submarginal farmers in high-cost countries. Their holdings were generally not in need of land consolidation. If national structural policies were coordinated at the European level, it could be more difficult to defend the existing strict regulation of farm mergers in Denmark.

It would not be useful for the Danish smallholders to ask for guarantees in structural policy in case of EEC accession, because future governments would not be bound by such guarantees. Like Dutch agriculture, Danish agriculture would be far more immediately influenced by price and market policy in the CAP. All in all, structural policy cannot be expected to appear in the Dutch and Danish sources as an important issue in relation to the CAP.

#### *3.6.5. Ideology and organisation politics*

The CAP as a concept was in contradiction to the liberal ideology of Danish agriculture, the Liberal Party and the Social Liberal Party. As previously described, the ideology of Danish agriculture contained more than economic liberalism, and the sector itself as well as the political system could accept deviations from economic liberalism in case of emergency. It was argued that Danish agriculture and the political system would find it difficult to participate as co-founders of a European price policy, whereas they would find it easier to accept Danish participation in a European price policy with the six ECSC countries if the alternative was exclusion from their markets.

However, in 1956 the European Free Trade Area emerged as a potential liberalist alternative. Perhaps the FTA could include an effective agricultural free-trade regime which could reduce British protectionism and thus could lead to a lower degree of self-sufficiency in Britain. In that case the emergency situation might be alleviated, and the case for Danish membership of the EEC might be weakened.

An internal problem for Danish agriculture was the power struggle between the Afsætningsråd and the Landbrugsraad. At first sight it might appear to be

irrelevant for the EEC issue. But it related to the relations between organised agriculture and the political system and to the organisation of the Danish agricultural economy. The long-drawn-out power struggle between the organisations around 1958 did not make it easy for them to work out a clear concept for the relations to the Danish political system under EEC membership and for Danish agriculture's position in the landscape of national and European agricultural organisations in the CAP framework.

#### *3.6.6. Foreign policy context*

For Dutch agriculture the external context favoured participation in a project which was limited to the Six, because general Dutch foreign and security policy as well as Dutch industrialisation were oriented toward Germany. For Denmark the picture was less clear. Danish foreign policy was oriented toward the cooperation with Britain and the Nordic countries, and Danish industrial exports were to a great extent oriented toward the same countries.

In his Ph.D. thesis from 2004 on Denmark's accession to the European Community, Morten Rasmussen questioned the economic rationality of Denmark's decision in 1959 to participate in the European Free Trade Association (EFTA) instead of the EEC. Rasmussen argued that the potential for Danish exports in high-growth industrial sectors was larger in the EEC than in the EFTA. Participation in EFTA also meant that Denmark was victimised by the EEC's agricultural protectionism. Denmark pursued a policy of industrial development in protection against German competition. Milward (2005) found that while Denmark did achieve substantial economic growth, countries which laid themselves open to industrial integration with Germany fared better. The choice for Scandinavia was one of affinities, of language, culture, social attitudes and social policy, but it was perhaps also strengthened by suspicion of the EEC's corporatist capitalism and by a defensive nationalism against Germany.<sup>431</sup>

It is difficult to assess whether the Nordic orientation of the Danish government would influence the content of the agricultural organisations' positions toward EEC membership; or whether it would only influence the ways in which the organisations presented their positions in the question. Probably the former would only happen if the organisations had taken a doubtful position toward EEC membership on the basis of internal considerations of agricultural economy and policy.

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<sup>431</sup> M. Rasmussen, 2004, pp. 41-85; Milward, 2005, pp. 72-78.

### 3.6.7. *Predictions*

Danish agriculture's policy toward the Green Pool and the CAP would be fragmented, reactive and relatively commercially oriented. The Danish Farmers' Unions, the Danish Smallholders' Unions, the Dairy Board and the Bacon Factories Federation would effectively take independent positions. By contrast, Dutch agriculture' policy toward the Green Pool and the CAP would be united, active and relatively politically oriented.

Sub-sector organisations in Danish and Dutch agriculture would consider European integration from the geographic orientation of their own exports. The Danish Dairy Board would be divided between concerns for butter exports to Britain and concerns for cheese and butter exports to Germany. During the Green Pool negotiations the common external tariff in oilcakes was not yet decided while in the CAP it was set at zero from the outset in the EEC Treaty. This did not preclude a general rise in agricultural production costs under a common policy with the Six, and participation in the EEC could complicate Danish trade relations with Britain since the EEC's common trade policy included imports of industrial products. However, for a sub-sector organisation like the Dairy Board such contextually oriented considerations would be somewhat abstract.

If the Six established a preferential arrangement, the result could be a partial or complete loss of existing and potential dairy exports to Germany and Italy. Even if the loss was compensated by increased exports to Britain – which was unlikely before 1955, but perhaps not entirely impossible in a Free Trade Area after 1956 – Danish exporters would still find themselves at the mercy of British policy. For these reasons the Dairy Board might take a positive position toward participation in a supranational regime with the Six if the alternative was exclusion from trade arrangements between the Six. The Danish Bacon Factories Federation would always be negative toward participation in a supranational regime with the Six.

For the Dutch Meat Commodity Board the geographic orientation of meat exports was complex. If a common market or preferential agreement in the Six could be established without exports to other countries being burdened by obligations or interventions, then this would be a tempting option. For the Dutch Dairy Commodity Board the exports of butter and cheese to the Six mattered much more than exports to Britain, but in view of the large exports of milk products to non-European countries it was important to maintain as low production costs as possible together with freedom of disposition.

The position of Dutch agriculture toward European integration would be decided by the Stichting voor de Landbouw/Landbouwschap, and mainly by the farmers' organisations. The general orientation of Dutch agricultural exports and an interest in becoming political and ideological co-founders of a European regime would be strong reasons for Dutch agricultural

organisations to engage themselves actively and positively in European negotiations from the beginning. The concept of a European policy of price stabilisation was in accordance with Dutch policy principles and with the ideology of Dutch agriculture.

Because decision-making by unanimity would tend to drive the common prices upward (or could prevent the common market from being established at all), because Dutch agriculture's competitive ability would be weakened by high production costs, and because it was Dutch policy to seek productivity-oriented weighing between efficiency and security, Dutch agriculture would support the introduction of decision-making by majority.

The liberal ideology of Danish agricultural organisations would be a strong reason for them not to participate actively and positively in negotiations with the Six on a common price policy. But the situation could change if the negotiations reached a stage where Danish agriculture was menaced by trade-political exclusion. If the Green Pool and the CAP are compared, it would be easier for Danish agriculture to agree on participation in face of threatening exclusion in the former case. There were two reasons for this.

Firstly, there was no liberal alternative to the Green Pool, and no possibility for commercial compensation through an agreement with Britain. Secondly, as a sector-specific project the Green Pool was hampered by the difficulty of establishing a common market price, which reflected a wider problem of lacking reciprocity between industrial and agricultural interests. Therefore the political and economic implications of joining a supranational Green Pool would be relatively limited for Danish agriculture. After 1956 the Free Trade Area might appear to be a liberal alternative to participation in the EEC, and the FTA might offer compensation for reduced exports to the EEC in the form of increased exports to Britain. At the same time, EEC membership had much wider economic and political implications, because all economic sectors were included in the common market.

In a European price policy the Danish middle-sized farmers would be in an economically safer position than the smallholders. Politically the middle-sized farmers would also be in a safer position than the smallholders, because the Danish Farmers' Unions could always fall back on the financial resources and international connections of the Landbrugsraad, and these were much larger than the resources of the Danish Smallholders' Unions. Therefore it would be easier for the Danish Farmers' Unions than for the Danish Smallholders' Unions to decide in favour of participation in a price policy with the Six, and this difference would be greater after 1956.

## 4. Agricultural integration 1945-1960

### 4.1. The World Food Board (1946)

The sources used do not indicate a strong involvement of Dutch and Danish agricultural organisations in the World Food Board (WFB). The national governments did not make great efforts to consult agricultural organisations. Dutch and Danish agriculture willingly participated in the establishment of IFAP in May 1946. In Dutch agriculture there was a feeling that it would be dangerous not to have an international private agricultural organisation as a political counterpart to the WFB. In Denmark the Landbrugsraad without success tried to obtain a central position in the administrative links between Denmark and FAO. If the Dutch and Danish agricultural organisations had any considerations regarding the composition, procedures and competences of the supranational authority, the sources are silent on them.

On the economic side there were certain differences between the positions taken by Dutch and Danish agriculture. The former stressed the need for a stabilisation of the world market and wanted to maintain the possibility of a national regulation of prices and wages.<sup>432</sup> The latter were mainly interested in free international trade, which meant that the WFB should deal with market prices rather than producer prices. Danish agriculture did not like the basic premise that the stabilisation of crops prices through the interventions of an international agency was a precondition for free trade in animal products, but this was a far less important factor than the British position toward the WFB. In the existing bilateral system of trade and payments the prices in the international trade in food products were in fact decided by the British import prices. Danish agriculture believed that Danish food exporters ought to receive the same price as British producers.<sup>433</sup>

The discussions in the Dutch government mainly concerned the question of how to maintain collective discipline and responsibility in production and

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<sup>432</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no 27: Agenda's Hoofdbestuur Stichting voor de Landbouw 1<sup>e</sup> vergadering juli 1945 tot en met 130<sup>e</sup> vergadering augustus 1953*, vergadering Stichting voor de Landbouw Hoofdbestuur 5-6-1945; LTO, *Archief Landbouwschap, Microfiches Dos. no. 36: Notulen Bestuursvergaderingen 1<sup>e</sup> vergadering 25 juli 1945 tot en met 94<sup>e</sup> vergadering oktober 1958*, vergadering Stichting voor de Landbouw Hoofdbestuur 3-7-1946.

<sup>433</sup> Landbrugsraadets Arkiv, Copenhagen, *Landbrugsrådet (LR), Præsidiemeddelelse (PM) 1/1946*, Præsidiemøde 23-1-1946; *LR, PM 3/1946*, Præsidiemøde 28-3-1946; *ibid.*, A.P. Jacobsen: "De forenede Nationers Levnedsmiddel- og Landbrugskonference i Quebec"; *LR, PM 4/1946*, Præsidiemøde 11-4-1946; *LR, PM 5/1946*, Præsidiemøde 8-5-1946; *LR, PM 8/1946*, Præsidiemøde 20-6-1946; *LR, PM 11/1946*, Præsidiemøde 28-8-1946.

expenditure. If production regulation became necessary, countries which were to reduce agricultural production might demand compensation in the industrial field. The minister of Agriculture, Mansholt acknowledged the danger of artificially high prices, the underestimated need for production control in the WFB proposal, and the need for a clarification of the issue of financing, but Mansholt considered it vital to secure agriculture against falling prices, and by the WFB might provide price stability. The Dutch ministers agreed that the Netherlands should support the WFB, but the financial burden should only be carried by nations with agricultural surplus production, and the relation between agricultural and industrial prices should be taken into account.<sup>434</sup>

During the FAO Conference in Copenhagen on 2-13 September 1946 the WFB proposal was discussed between government delegations from many countries. FAO's Secretary-General John Boyd Orr argued that the WFB should be autonomous in relation to other international organisations dealing with trade and economic policy. Most countries, including Denmark, took a non-committal position. Denmark feared that the fixing of basic prices by the WFB might punish animal production. Britain stressed the interests of consumers and importing countries, feared the introduction of restrictive agricultural production control, and rejected the creation of an autonomous WFB. France eagerly supported the WFB. On behalf of the Netherlands, Mansholt supported the WFB, but he warned that in the determination of basic prices and in the inevitable introduction of production control the WFB could face a choice between economic efficiency and social security in the agricultural sector.<sup>435</sup> No agreement was reached, and in October 1946 the United States, Britain and Canada turned down the WFB proposal.<sup>436</sup>

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<sup>434</sup> NA, toegangsnr. 2.03.01, *Ministeries AOK en AZ, Kabinet van de Minister-President (1940) 1942-1969 (1975)*, inv. no. 2649: *Stukken betreffende de Voedsel- en Landbouworganisatie van de Verenigde Naties (FAO) 1945-1969 ("AOK 2649")*, "Mondiale en bilaterale goederenovereenkomsten in verband met F.A.O. zitting te Kopenhagen", 14-8-1946, annex: "Rapport betreffende mondiale en bilaterale goederenovereenkomsten", 14-8-1946;

NA, toegangsnr. 2.02.05.02, *Raad van Ministers 1823-1973, zijn Commissies en Onderraden 1936-1973 en de Raad van Ministers van het Koninkrijk 1955-1973, Microfiches Notulen Raad voor Economische Aangelegenheden (REA)*, vergadering 20-8-1946;

NA, AOK 2649, C. Hoogkamp aan den Heer Voorzitter van den Raad voor Economische Aangelegenheden, "Ontwerp formulering van een instructie voor de F.A.O.-delegatie", 23-8-1946; NA, REA, vergadering 27-8-1946.

<sup>435</sup> FAO (1947): *Proceedings of the Second Session of the Conference*, Washington.

<sup>436</sup> NA, REA 23-10-1946.

## 4.2. The Green Pool (1950-1955)

### 4.2.1. *The content of the Mansholt Plan*

Between June and October 1950 the Dutch Ministry of Agriculture produced numerous drafts of minister Mansholt's Plan for European agricultural integration. In its initial version the Mansholt Plan foresaw the fixing of a single producer's price in all member states. The common price should be set at a middle level, but nearer to the price level of the cheapest exporting member-state. If some member states wanted to maintain a lower producer's price than the common price, they should be obliged to maintain the common price in their exports to other member states. The national prices should not be decided autonomously by the member states in the transitional period. The common price should in the first instance apply to cereals, meat and dairy products. In June 1950 the ministry briefly considered the option of a quantitative European regulation of fodder imports as a means to prevent surplus production of meat and eggs, but the idea was abandoned.

The High Authority – or whatever it was called in the ministry's drafts and notes – should be authorised to impose a levy on state imports from non-member countries if these imports endangered the stability of the common price. In order to finance the stabilisation of prices a European agricultural fund should be created. The fund might also grant financial aid to the adaptation of agriculture in high-cost member states. The fund should create stocks, and it should make agricultural exports to non-member countries competitive by means of subsidies. The revenue from the levies on imports from non-member countries would go to the fund, and could be employed to finance the subsidies to exports to non-member countries.

The High Authority, which administered the fund, would have a number of tasks. It should decide which products a common European market price applied to; it should determine the European price and the measures taken to defend that price; it should negotiate a price regulation with member states whose national prices were different from the European price; it should work for a longterm decline of the European price; it should negotiate with national governments on a rationalisation of agricultural production.

In July 1950 the ministry decided that the High Authority should be separate and independent board which cooperated with a council of national ministers. The High Authority should have a small number of members who would be appointed by the member states according to a rotating order. There should be a balance between importing and exporting countries in the national representation. The High Authority should take its decisions by simple majority, and it should possess its own administrative and technical staff, financed by contributions from the member states. The High Authority should be responsible toward a Council of Ministers, and it should be bound by instructions from the Council in all its tasks. The Council should be able

to take its decisions by qualified majority. The member states would be bound by the decisions of the High Authority and the Council.<sup>437</sup>

Several Dutch ministers were sceptical toward the idea of a single European price. They feared that it would tend to be set at a high level, so that production in high-cost member states was stimulated. Minister of Finance P. Liefstinck preferred to have two sets of prices, a minimum and a maximum price. Minister of Economic Affairs J.R.M. van den Brink feared that in return for being entitled to maintain a low Dutch price level, the Netherlands might have to accept to pay for the preservation of agriculture in high-cost member states. For instance, the revenue from Dutch export levies in the agricultural trade between member states might be paid as compensation (*perequation*) to producers in high-cost member states.<sup>438</sup>

On 11 October 1950 Mansholt presented a modified version of his plan to the Dutch government. According to the new version, there would be a minimum and maximum price, and countries like the Netherlands would be entitled to apply a lower price level than the one decided by the European

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<sup>437</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 671, Stukken betreffende plan van actie voor de Europese economische integratie opgesteld door minister Stikker 1950-1951*, S.L. Louwes to Mansholt, "Europese economische integratie", 16-6-1950; *ibid.*, "Ontwerp-considerans van de landbouwparagraaf in het Nederlandse Plan van actie", 27-6-1950; *ibid.*, "Wijziging op ontwerp-considerans van de landbouwparagraaf in het Nederlandse Plan van actie d.d. 27-6-1950", 29-6-1950; *ibid.*, van Arcken to I. Samkalden, 18-7-1950; NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 674, Stukken betreffende een plan voor de Europese landbouwintegratie, opgesteld door minister Mansholt 1950-1953 ("LNV-DIO 674")*, "Integratie Europese landbouw", 21-7-1950; *ibid.*, "Treffende: Integratie Europese landbouw: Nota voor de Heer Minister", 24-7-1950.

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties (1950-1959), inv. no. 672, Stukken betreffende de behandeling van de Europese landbouwintegratie door de Raad van Economische Aangelegenheden (REA), 1950-1952 ("LNV-DIO 672")*, Mansholt to prime minister Drees, "Integratie Europese landbouw", 4-8-1950;

NA, REA, vergadering 12-9-1950;

NA, LNV-DIO 674, "Voor de Heer Minister: Integratie Europese landbouw", undated;

NA, LNV-DIO 672, Mansholt to prime minister Drees, "Integratie Europese landbouw", 29-9-1950; *ibid.*, copy of note from the D.G. Buitenlandse Economische Betrekkingen (BEB) to minister van den Brink, "Integratie Europese landbouw", 2-10-1950; *ibid.*, Samkalden to Mansholt, "Nota voor de heer Minister", 2-10-1950; *ibid.*, Samkalden to Mansholt, "Indiening van het landbouw-integratieplan", 2-10-1950.

<sup>438</sup> NA, REA, vergadering 3-10-1950.

institutions. The Dutch government approved the Mansholt Plan, on the condition that the plan emphasise the transitional period at the expense of the final stage.<sup>439</sup> The Ministry of Agriculture subsequently completed the new version of the plan. The new version underlined that there could not be a single European market price. Nor could there be completely free trade in agricultural products. The member states could maintain national prices, but there should be a ‘negotiated’ price for the trade between them.

The basis for determining the trade price should be the general economic situation, and not only the situation in agriculture. Important factors were the European trade balance, the maintenance of imports from non-European countries, welfare policy, and the contribution from agriculture to general employment. The idea of a coordinated import policy in agriculture was maintained. As compensation to the high-cost countries the European agricultural fund would grant financial aid to agricultural development in weaker regions. Part of the revenue from the export levies in the trade between the member states might be paid to the fund for this purpose. The new version was approved by the Ministry of Economic Affairs.<sup>440</sup>

Did the agricultural leaders have any influence on the negotiations between ministries, and did they even know their content? To judge from the sources, Mansholt obtained approval from the Stichting voor de Landbouw to the general ideas in the initial version of his plan in May 1950. Subsequently he gave the first priority to obtaining approval from the Dutch government. In November 1950, when the government’s approval had been obtained at the price of accepting a prolonged transitional period with a separate, low Dutch agricultural price level, Mansholt again turned to the agricultural leaders and asked them to confirm their approval of the plan. This time he consulted them at the parliamentary level, a more committing political framework than his consultation with the Stichting in May 1950 had been.

#### 4.2.2. Dutch agriculture’s position: May-November 1950

On 12 May 1950 Mansholt presented his integration plan to the Stichting. Mansholt explained that the agricultural organisations in the importing

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<sup>439</sup> NA, *REA*, vergadering 11-10-1950.

<sup>440</sup> NA, *LNV-DIO 674*, “Nota voor de heer Minister”, 17-10-1950;

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 675, Stukken betreffende interdepartementaal overleg over de Europese landbouwintegratie 1950-1953*, Samkalden to Mansholt 17-10-1950, annex: “Europese samenwerking op het gebied van de landbouw”, 17-10-1950; *ibid.*, “Amendementen op de nota inzake integratie van de Europese landbouw”, 24-10-1950; *ibid.*, van den Brink to Mansholt, 24-10-1950.

countries would not accept the price fluctuations which followed from free trade in food products. In Mansholt's vision European integration in agriculture would mean the establishment of a middle price level. This would be advantageous for the Netherlands because Dutch and Danish agriculture had the lowest cost prices in Western Europe. A precondition for European integration in agriculture was a stabilisation of prices in milk, meat, dairy products, cereals and feeding stuffs. An important means for the stabilisation of prices would be agreements on minimum export prices. According to Mansholt, the British Ministry of Food practically decided the European trade price in eggs and butter fats. The Ministry of Food wanted to reduce the British expenses on food imports, and therefore had chosen the extremely low cost price in New Zealand as the basis of the British import price. Germany would soon raise her tariffs in agricultural products.

The president of the Stichting voor de Landbouw, H.D. Louwes (KNLC) believed that Mansholt's analysis was correct. The political influence of the national agricultural organisations was an obstacle to European integration. Dutch agriculture had unsuccessfully tried to establish confidential contacts with Danish agriculture. Furthermore, the Netherlands should take into account the possibility that the ongoing mechanisation in French agriculture could turn France into an agricultural exporter. This would reduce the room for Dutch food exports. Another leading figure in the Stichting, W.J. Drosen (KNBTB), found that it would be necessary to regulate production at the European level. A Dutch-German agreement on minimum export prices would not be a sufficient basis for European integration in agriculture.

Mansholt pointed to the fact that Western Europe as a whole, with Britain included, had an import surplus in food and feeding products. Even a small increase in the consumption level would greatly increase the possibilities for food exports. There would be basis for increased production in both France and the Netherlands. Even small surpluses could disrupt the market price, so a certain degree of market regulation was required. It would not be possible to regulate the entire production from above, and cost-effective productions should be rewarded. Increased production should not be stimulated by artificial measures, but should follow from improved export opportunities. If the mechanisation of French agriculture led to increased production, the Netherlands should be prepared to conclude a longterm contract with France in order to buy French cereals at a fair price. The Netherlands should be prepared to sacrifice a part of her production in some agricultural sectors. Dutch horticulture should accept competition from Italian exporters.

Mansholt and the Stichting agreed that the Netherlands should propagate the idea of European integration. The Ministry of Agriculture and the Stichting would explain the idea to their foreign partners, and at the same they would try to reduce the widespread suspicion toward Dutch price policy. For this

purpose the Stichting should strengthen its international contacts, especially with German agricultural organisations.<sup>441</sup>

On 17 May 1950 the Stichting's Board discussed the wording of a Dutch statement to IFAP's annual congress. Some of the Board members felt that the statement too strongly supported the surrender of national sovereignty and the creation of a European authority in agriculture. H.D. Louwes did not reject the criticism, but he found that Dutch agriculture should present a substantial statement. The Stichting would not be bound by the statement in its political actions. As a compromise H.D. Louwes accepted that the statement should stress the ability of the European organ to take independent decisions, rather than its supranational authority.<sup>442</sup>

Agricultural integration in the Benelux and more generally was discussed between Mansholt, van den Brink and leading agricultural representatives in the Dutch parliament during a combined meeting of the Standing Agricultural Committee and the Standing Trade Policy Committee of the Tweede Kamer on 9 November 1950.

Van den Brink underlined that in spite of the principle of free exchange of goods and services within an economic union, it was necessary to draw a distinction between agricultural and industrial products. In agriculture there was a special problem because the ground could not lie fallow. Complete economic integration was therefore not possible in the field of agriculture. Van den Brink believed that the Mansholt Plan was largely in accordance with the agreement on agricultural trade within the Benelux. The difference in agricultural prices ought to derive only from variations in basic conditions that were unchangeable. Examples of this were the differences in national

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<sup>441</sup> NA, toegangsnr. 2.11.07.01, *Ministerie van Landbouw, Visserij en Voedselvoorziening, inv. no. 170, Directie van de Landbouw: Algemene Zaken, 1905-1954, I.F.A.P. Marshall-Commissie*, "Verslag van de vergadering van de Minister van Landbouw, Visserij en Voedselvoorziening met de Stichting voor de Landbouw en de Commissie Buitenland der Stichting, gehouden Vrijdag 12 Mei 1950 te 9.15 uur";

LTO, *Archief Landbouwschap, Microfiches Dos. no. 62: 053.3 Minister van Landbouw – Stichting agenda dd. 7-10-'48 tot en met agenda 28-10-'54; Minister van Landbouw – Landbouwschap agenda dd. 2-12-1954 tot en met agenda dd. 2-11-'72; 0.53.7 Verslag Minister – Stichting voor de Landbouw dd. 20-12-'49 tot en met 28-10-1954; 0.53.7 Minister van Landbouw – Landbouwschap Verslag dd. 2-12-'54 tot en met 2-11-'72*, "Conclusies van de vergadering van de Minister van Landbouw, Visserij en Voedselvoorziening met de Stichting voor de Landbouw en de Commissie Buitenland der Stichting, gehouden op Vrijdag, 12 Mei 1950, te 9.15 uur, op het Ministerie van Landbouw, Visserij en Voedselvoorziening, Bezuidenhout 30, 's-Gravenhage".

<sup>442</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 36*, vergadering Stichting voor de Landbouw Hoofdbestuur 17-5-1950.

limits to production, but not differences in organisation and effectiveness. Van den Brink could find no objective formula for the partition of the revenue from export levies, but the most logical solution seemed to be to share the revenue equally between the exporting and importing countries.

The CBTB's president Chris van den Heuvel (ARP) asked whether not the differences in cost price between Dutch regions were larger than between Belgium and the Netherlands. Despite the regional differences in cost price there was only one national milk price in the Netherlands. Mansholt replied that it was technically impossible to have more than one Dutch milk price, but it was technically possible to have separate national prices in Benelux.

F. den Hartog (KNLC, VVD) felt the Netherlands too readily accepted the promotion of agricultural production in Belgium and other countries, which could reduce the room for Dutch exports. W.J. Drosen (KNBTB, KVP) asked how the government would attain the reduction of agricultural subsidies in the Netherlands and Belgium. Mansholt replied that the Netherlands had declared her willingness to abandon all unilateral subsidies if a common regulation was achieved in the Benelux. That, however, would depend on a coordination of general economic policy. Mansholt did not think that a stimulation of agricultural production in other countries necessarily would reduce the room for Dutch exports.

G.M. Nederhorst from the PvdA – not one of the agricultural leaders – observed that the Schuman Plan for European integration in coal and steel foresaw that the revenue from trade levies between the member states would be used as a financial pool where the better equipped member states subsidised the less well equipped member states. In the Benelux Agricultural Protocol this model was not used. Mansholt replied by referring to the framework of European agricultural integration. Van den Brink stressed that the existence of a low agricultural cost level in the Netherlands did not mean that the Dutch should subsidise all other countries.<sup>443</sup>

On 23 November 1950 Mansholt discussed his integration plan with leading agricultural representatives in the Dutch parliament in a combined meeting of the Standing Agricultural Committee and the Standing Trade Policy Committee of the Tweede Kamer. This time van den Brink was absent. According to Mansholt, the freeing of trade in the OEEC could not proceed much further. As import quotas had become partially impossible, several countries were introducing alternative measures to protect their farmers. In

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<sup>443</sup> NA, toegangsnr. 2.02.28, *Archief Tweede Kamer, inv. no. 5470, Vaste Commissie Handelspolitiek, Notulen van de gecombineerde vergaderingen van de Vaste Commissies voor de Handelspolitiek en voor de Landbouw en Visserij ("TK 5470")*, gecombineerde vergadering 9-11-1950.

most OEEC countries agricultural products still largely fell under the non-liberalised part of imports. The Dutch government was seeking a complete liberalisation sector by sector and on this basis the Mansholt Plan rested.

Van den Heuvel asked how the European agricultural fund would be financed. If the fund was financed by the revenue from levies on products in low-cost countries, and if at the same time the fund gave subsidies to products from high-cost countries, then this would hamper efforts to lower the cost price. Van den Heuvel doubted whether the European countries would accept the surrender of national sovereignty to an international organ in agriculture. Drosen doubted whether the High Authority could assert itself toward the Council of Ministers unless it received more powers. Den Hartog posed the question of British participation.

Mansholt believed that the importing countries might decide to participate in agricultural integration if a general breakdown in trade cooperation would endanger their own industrial exports. Some European countries were willing to surrender a part of their national sovereignty, provided that a balanced share of authority was established between the supranational organ and the member states. If it was considered necessary to maintain a stable price for a particular product, a common tariff would be introduced for imports from non-member states of the product in question. The implication was that the revenue from the common tariff could constitute a financial source for the European agricultural fund. Mansholt stressed that it should not be a *perequation* fund for paying compensation to high-cost producers.

Mansholt foresaw the continued existence of parallel price levels. It was not the intention to let low-cost countries contribute financially to the European agricultural fund. If the European trade price was higher than the Dutch price, then the difference would only mean increased Dutch earnings from exports. The system which was practised in the Benelux should not be applied to European agricultural integration. France wanted European agricultural integration to include the unification of national imports through a single common board. Mansholt did not consider that to be desirable or practically possible. It would be sufficient to establish a coordinated policy of imports. In the horticultural sector, and especially in perishable products, the European regime could not include a stabilised international trade price. The geographical framework was defined broadly as the OEEC area. The Council of Ministers should not be composed only of ministers of Agriculture, but also of ministers of Economic Affairs. Whatever representation was chosen by the member states, the Council of Ministers should not become a closed agricultural circle.

Van den Heuvel questioned the relation between the Mansholt Plan and the GATT. The latter did not permit a high level of agricultural protection. If a common policy was introduced for certain agricultural products, substituting

(i.e., competing) products would have to be included. Furthermore, van den Heuvel doubted whether the member states would have an equal amount of influence in the Council of Ministers. Droesen found that the Council of Ministers should not possess more authority than the corresponding Council of Ministers in the Schuman Plan for a European Coal and Steel Community. Mansholt did not consider GATT important, and he agreed that substituting products should be included in a common policy. Fats produced by means of social dumping could be denied entrance to the European market. But the use of margarine could not be rejected, for social and economic reasons. The influence of the Council of Ministers had not yet been defined, and this was a crucial question. The influence of the Council would probably be stronger than in the Schuman Plan, and certainly not weaker. The distribution of influence between the member states was not yet clear.<sup>444</sup>

For Dutch agricultural leaders the impression must have been confusing. In May 1950 they had approved the overall objective of the Mansholt Plan, a common agricultural market with a single price and a certain degree of market intervention on part of European authorities. In November 1950 they were asked to approve a version of the Mansholt Plan where there would be separate national price levels during a transitional period that might last forever. There would be a negotiated trade price between the member states and the difference between the trade price and the internal Dutch price would be equalised by trade levies. There would still be a European trade preference and some degree of supranational decision-making.

Who should receive the revenue from the levies? All ministries and Dutch agriculture rejected a *perequation* model where low-cost producers paid compensation to high-cost producers. Apart from that, the question was not clarified. The absolute minimum seemed to be that half of the revenue should go to the Netherlands, but to whom in the Netherlands? Mansholt stressed the agricultural export earnings while van den Brink stressed the Dutch industrial cost level. Dutch agricultural leaders did not press the issue, in order not to reduce the scope for a compromise with high-cost countries, despite the potential risk of an unholy alliance between the latter and the Dutch ministries of Finance and Economic Affairs. This was a sign that their commitment to the Mansholt Plan was genuine.

#### 4.2.3. Dutch agriculture's position: 1951-1953

In the Stichting voor de Landbouw's periodical *Mededelingen* a series of articles in January-April 1951 described the Mansholt Plan and the economic and social aspects of European agricultural integration. The Stichting

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<sup>444</sup> NA, TK 5470, gecombineerde vergadering 23-11-1950.

declared its support to the creation of a supranational organ and to the introduction of a common European trade policy in agriculture. An immediate removal of all trade restrictions between the member states would only be possible if the agricultural producers received compensation through direct subsidies. There were many problems in a system of direct payments, and the Stichting found that a slower reduction of the trade restrictions between the member states would be the best solution.<sup>445</sup> Dutch and German agricultural organisations held meetings in Bonn and Koblenz on 12-13 April 1951. The Stichting supported the Mansholt Plan and tried to reduce German fears of a liberalist European agricultural policy. The Stichting pointed to the trade price for the Dutch butter exports to Belgium as a possible model for a European trade price.<sup>446</sup>

On 12 June 1951 the Stichting's president H.D. Louwes (VVD) declared in the Eerste Kamer that the fundamental problem in international agricultural policy was to prevent strong fluctuations and create a certain permanent purchasing power. For a successful implementation of the Mansholt Plan it was necessary to attain a reduction of the differences between national cost prices. In general, the farmers in Western Europe relied too strongly on economic security through price support and did not pay enough attention to the potential advantages in education and information. Public authorities should only intervene to stabilise the price as a last resort.<sup>447</sup>

On 23-30 September 1951 the Confédération Européenne de l'Agriculture (CEA) held its general assembly in Venice. The assembly passed a resolution on European agricultural integration. Prior to the assembly a draft of the resolution was distributed to CEA's members. A large majority of the Dutch CEA members (the KNBTB, the KNLC, the National Cooperative Council, and others) found the draft resolution unacceptable. It was overly conservative and contradicted the Mansholt Plan. The Dutch CEA members decided to work out an alternative proposal for the resolution which reflected the views of Dutch agriculture.<sup>448</sup>

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<sup>445</sup> "Economische Integratie", *Mededelingen*, 1951, nos. 1-3 (12 January, 26 January, 9 February), pp. 1-2, 13-15, 21-22;

"Economische integratie en West-Europese landbouw", *Mededelingen*, 1951, nos. 5-7 (9 March, 23 March, 6 April), pp. 61-64, 77-80, 93-96.

<sup>446</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 62*, "Enkele mededelingen omtrent de besprekingen tussen de Stichting voor de Landbouw en de Duitse landbouworganisaties, die op 12 en 13 april te Bonn en Koblenz werden gehouden", 14-4-1951, annex: Stichting voor de Landbouw: "Die europäische Zusammenarbeit in der Landwirtschaft", 8-4-1951.

<sup>447</sup> KB, *HEK 1950-1951*, H.D. Louwes (VVD), 12-6-1951, p. 452.

<sup>448</sup> Katholiek Documentatie Centrum, Nijmegen (KDC), *Archief Katholieke Nederlandse Boeren- en Tuindersbond, inv. no. 5322: CEA: 1951* ("Archief KNBTB 5322"), "Kort verslag van de vergadering der C.E.A., gehouden op maandag 5

There were two main differences between the Dutch alternative proposal and the resolution which was passed by CEA's general assembly. Firstly, in both texts the European farmers demanded economic security, but in the Dutch proposal the economic security was made conditional on active efforts on part of the farmers to increase productivity and production. Secondly, CEA's resolution explicitly rejected rules on an automatic reduction of the trade barriers between the European countries. The Dutch proposal was silent on this issue. Both texts, and most insistently CEA's resolution, demanded that organised agriculture should be consulted.<sup>449</sup>

In December 1951 the parliamentary assembly of the Council of Europe adopted the Frenchman René Charpentier's plan for the creation of a supranational European Agricultural Community. In so doing, the assembly rejected the counterproposal for intergovernmental agricultural cooperation presented by David Eccles from Britain. In the assembly the Dutch agricultural representative W. Rip, one of the CBTB's leaders, supported the Charpentier Plan.<sup>450</sup> This was not out of love for the plan's French-inspired economic content, but Rip regarded the supranational principles in the plan as more important, and to vote for the Charpentier Plan only was committing at the most abstract and ideational level. On behalf of Dutch agriculture, B.W. Biesheuvel, another leading figure in the CBTB, followed the same line in the framework of IFAP. The sources previously quoted suggest that the CBTB's president Chris van den Heuvel was sceptical toward the Mansholt Plan. Van den Heuvel was a strong agricultural leader, but he was mostly concerned with domestic Dutch politics, and he left it to Rip and B.W. Biesheuvel to take care of international and European policy. This indicated that van den Heuvel was not positively against the Mansholt Plan.

How should one then interpret the sceptical remarks from van den Heuvel and Droesen during the discussions with van den Brink and Mansholt in November 1950? Van den Heuvel was anxious about the influence of small countries, whereas Droesen from the KNBTB was completely in line with Mansholt's vision of a strong High Authority. The common denominator for van den Heuvel and Droesen was a fear that high-cost producers in large member states could dominate the common price policy. Whether or not the final stage was reached, high-cost producer domination was unacceptable.

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september 1951 des namiddags te 7.00 uur in restaurant "Den Hout", te 's-Gravenhage".

<sup>449</sup> Confédération Européenne de l'Agriculture [CEA] (1952): *Resolutionen angenommen durch den Verband der europäischen Landwirtschaft – CEA an seiner 4. Generalversammlung in Wiesbaden (7. – 14. September 1952)*, Brugg, pp. 4-6; KDC, *Archief KNBTB 5322*, "Ontwerp resolutie C.E.A. Inzake de Europese Agrarische Samenwerking", 14-9-1951.

<sup>450</sup> Noël, 1999, pp. 105ff, 145ff.

The Dutch and German agricultural organisations held meetings in Bonn on 31 March – 1 April 1952. The meetings served to prepare an official contact meeting in The Hague on 19-20 May 1952. The leader of the DBV, Andreas Hermes declared that he would like to see a joint statement from Dutch and German agriculture on the Green Pool. According to Mehrens from the DBV, there seemed to be disagreement in the question whether the Green Pool should include all agricultural products or only a few, selected products. Mehrens was not certain that Germany could accept that the agricultural surpluses from other countries came to her market, like for instance, Dutch butter. As the first products for European integration in agriculture the DBV mentioned cereals and sugar. Hermes underlined that before anything else the economic security of German farmers should be guaranteed. Provided that this condition was fulfilled, the DBV would not insist on a limitation of the Green Pool to a few products, and the DBV would not resist the creation of a supranational organ. Hermes mentioned the possibility of ‘industrial compensation’, namely, that increased German agricultural imports should be accompanied by equally increased German industrial exports.

The Stichting was against a limitation of the Green Pool to a few products, because the different sectors in agriculture were interrelated. The Stichting did not only consider the Green Pool from the perspective of economic security, but looked at the position of agriculture in the national economy as a whole. Mehrens regarded a harmonisation of production costs as a precondition for European agricultural integration. In the existing situation the differences between national cost prices were too large. Mehrens was uncertain whether a Green Pool which included all agricultural products could stand alone without a general economic integration.<sup>451</sup>

On 25 April 1952 the Stichting’s leaders discussed the situation. A European decision to implement the Green Pool would require much preparation. The question was whether Dutch agriculture should participate wholeheartedly in such preparatory activities. President H.D. Louwes pointed to the question of cost prices. Louwes believed that an integration of European agriculture would only be possible in the long term if the position of the small family farms in Europe was improved. The greatest progress could be achieved in the field of education and information.

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<sup>451</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no 27*, bijlage agenda vergadering Stichting voor de Landbouw Hoofdbestuur 23-4-1950, “Verslag bespreking met vertegenwoordigers van het Deutscher Bauernverband te Bonn op 31 Maart en 1 April 1952”, 5-4-1952.

Some of the Stichting's leaders took a certain reservation. They found that the political aspects of the Green Pool were too unclear, and that beyond a certain point, which was decided by climate and soil quality, the differences between national cost prices could not be levelled out. Louwes found that the difference in climate and soil quality was an exaggerated argument against market unification. C.S. Knottnerus, who in 1951 had succeeded Louwes as president of the KNLC, feared that Dutch agriculture was putting too strong emphasis on the Mansholt Plan as the sole plan for European integration in agriculture. Knottnerus regarded the Mansholt Plan as the best plan in the existing situation, but each country should take a step in the right direction, and the indispensable point was the creation of a High Authority. Louwes argued that in principle the Mansholt Plan should be the starting point.

During the European conference in Paris on 25-30 March 1952 Mansholt had insisted that the common European market should not be limited to a small number of agricultural products. The later president of the KNBTB, C.G.A. Mertens found that there were three alternative solutions. The first solution, which was ideal for Dutch agriculture, was a common market encompassing all Western European countries and including all agricultural products. Mertens expected that this would not happen. The second solution was a Green Pool which included all agricultural products, but encompassed only a few Western European countries. The third solution was a Green Pool which included only some agricultural products, but encompassed the whole of Western Europe. If the first solution was excluded in practice, Mertens would prefer the second solution. But he would not rule out the third solution in advance, if the second solution proved to be impossible.

Louwes found that outwardly the Stichting should avoid mentioning the third solution. Knottnerus thought the Netherlands should accept economic disadvantages in the short term if it could further the ultimate aim of European integration. Louwes argued that the Netherlands should maintain the objective of European unification. The Stichting's leaders decided that Dutch agriculture should participate actively in the preparatory activities. The European conference in Paris in March 1952 had decided to set up a Working Party to collect basic material and prepare a new conference. The Stichting decided to appoint a representative, E. van de Wiel, to the Working Party in Paris. Van de Wiel was an assistant director in the Agricultural Economics Institute (LEI). From its budget the Stichting would pay the expenses for a strong representation in the Working Party. In June 1952 the Stichting decided to ask IFAP's secretariat in Paris to use its influence on the European members to put indirect pressure on the national governments to speed up their contribution of basic material to the Working Party.<sup>452</sup>

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<sup>452</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 25: Besluitenlijsten Dagelijks Bestuur April 1946 tot en met 414<sup>e</sup> vergadering 22 december 1965*,

The DBV's delegation to the official Dutch-German contact meeting in The Hague on 19-20 May 1952 was led by Hermes. The Stichting and the DBV issued a common resolution declaring that the re-establishment of convertibility between the European currencies was a precondition for the removal of tariffs and for further economic unification. The existence of many farms with different conditions made it necessary to proceed cautiously toward the unification of national markets. A harmonised agricultural policy should aim at specialisation, modernisation and expansion of agricultural production. On well-managed and efficient farms the agricultural labourers should receive a pay per-hour equal to the wage received by a skilled industrial worker. The farm leader should obtain a reasonable profit. A European agricultural economics institute should be set up to stimulate and coordinate research in equivalent national institutes.<sup>453</sup>

In November 1952 the Stichting's leaders discussed whether the agricultural organisations in the Six should establish special contacts with each other. It was concluded that the creation of such a narrow group would not improve the situation for the Netherlands. The Stichting should be cautious in this respect.<sup>454</sup> On 18 February 1953 the Stichting's leaders discussed the draft of a note on the Green Pool. The draft note stated that general economic integration was desirable, but not a precondition for initiating agricultural integration. However, complete integration in agriculture presupposed general economic integration. If necessary, a limitation to the most important products could be accepted. The Stichting would accept a limitation of the European Agricultural Community to the Six if the surrender of national sovereignty became a condition for participation. It should be possible for other countries to become member of the Community.

A long transitional period would be necessary. During the transitional period the existing protection should be removed; social, economic and trade policy

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vergadering Stichting voor de Landbouw Dagelijks Bestuur 2-4-1952; vergadering Stichting voor de Landbouw Dagelijks Bestuur 15-4-1952; vergadering Stichting voor de Landbouw Dagelijks Bestuur 22-4-1952;

LTO, *Archief Landbouwschap, Microfiches Dos. no. 36*, vergadering Stichting voor de Landbouw Hoofdbestuur 25-4-1952;

LTO, *Archief Landbouwschap, Microfiches Dos. no. 25*, vergadering Stichting voor de Landbouw Dagelijks Bestuur 20-5-1952;

LTO, *Archief Landbouwschap, Microfiches Dos. no. 36*, vergadering Stichting voor de Landbouw Hoofdbestuur 21-5-1952; vergadering Stichting voor de Landbouw Hoofdbestuur 18-6-1952.

<sup>453</sup> "Duits-Nederlandse besprekingen over het Groene Plan", *Mededelingen*, 1952, no. 12 (6 June), pp. 173f.

<sup>454</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 25*, vergadering Stichting voor de Landbouw Dagelijks Bestuur 26-11-1952.

should be coordinated; technical skills and production patterns should be improved and adjusted; possibly, a migration of labour out of agriculture should be stimulated; investments should be furthered. There should be a common, or at least a closely coordinated import policy toward non-member countries. On export side it should still be possible to have close contact with markets outside the Community. A supranational organ should decide the degree of national protection in the member states, and should contribute to the adaptation of agriculture to the unified market. There should be a system of minimum prices between the member states, and the supranational organ should either supervise or carry out the minimum price system.<sup>455</sup>

During the discussion between the Stichting's leaders on 18 February 1953 the main question was the supranational organ. Some leaders felt that the emphasis on the supranational organ was too strong. They feared that other countries would shy away from participation. B.W. Biesheuvel defended the wording in the note. He believed that a supranational organ was necessary, and he argued that Dutch organised agriculture should take a clear position. The Stichting's leaders approved the note, but asked the secretariat to consider a more flexible wording on the supranational organ.<sup>456</sup>

In July 1952 Mansholt established a National Advisory Commission on European Agricultural Integration. The commission was led by civil servants from the ministries of Agriculture and Economic Affairs. In the commission were representatives from various ministries and public agencies, the Stichting, the commodity boards, private trade, employers, trade unions, the National Cooperative Council, the European Movement, etc.<sup>457</sup>

In August 1952 Mansholt asked the commission to consider the geographical extension of the European Agricultural Community. Mansholt was in favour of establishing a collective economic responsibility under supranational

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<sup>455</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no 27*, bijlage agenda vergadering Stichting voor de Landbouw Hoofdbestuur 21-1-1953, "Concept. Afdeling Buitenland, "Standpunt der Stichting voor de Landbouw inzake de Europese landbouwintegratie"", 1-1-1953;

LTO, *Archief Landbouwschap, Microfiches, Dos. no. 549 (or 28): Agenda's Hoofdbestuur Stichting voor de Landbouw 13<sup>e</sup> vergadering september 1953 tot en met 46 vergadering december 1954; Mededelingen 1952 tot en met 1954*, "Afdeling Buitenland, "Standpunt van de Stichting voor de Landbouw inzake de Europese landbouwintegratie"", 1-2-1953.

<sup>456</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no 36*, vergadering Stichting voor de Landbouw Hoofdbestuur 18-2-1953; vergadering Stichting voor de Landbouw Hoofdbestuur 18-3-1953.

<sup>457</sup> NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Europese Economische Integratie 1956-1957, inv. no. 431, Correspondentie 1956-1957 ("SER 431")*, announcement from Mansholt, 9-7-1952.

institutions, but this would mean that the Community only could have the Six as members. In the light of the special position which the Netherlands occupied as an agricultural exporter within the Six, Mansholt suggested a partnership between the Community and Britain and, possibly, Denmark.<sup>458</sup>

The commission set up product subcommissions which were dominated by sub-sector interests. The Cereals Subcommission stressed that a European regime should not force Dutch bread producers to use low-quality French wheat. Dutch animal production depended on imported fodder grains, and there should not be a European policy of self-sufficiency in cereals.<sup>459</sup> The Dairy Subcommission was divided in the question of an obligatory European preference in sales. Some could accept it in exchange for a European preference in buyings. Others feared that it could disturb the exports to non-member countries.<sup>460</sup>

The Meat Subcommission supported the creation of a supranational European organ and a common trade policy. A protection of the European fodder grains price against fluctuations in the world market price would be useful. The Community could be limited to the Six in the first instance.<sup>461</sup>

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<sup>458</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Stukken betreffende de instelling, samenstelling en werkzaamheden van subcommissies van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE 1952-1953, inv. no. 714, Subcommissie voor de vaststelling van de meest wenselijke gebied voor de integratie in West-Europa, 1952 ("LNV-DIO 714")*, Mansholt to S.L. Louwes, "De meest wenselijke geografische omvang van de agrarische integratie", 26-8-1952.

<sup>459</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Stukken betreffende de instelling, samenstelling en werkzaamheden van subcommissies van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE 1952-1953, inv. no. 700, Subcommissie Granen 1952-1953, vergadering 6-10-1952; vergadering 17-10-1952; ibid., Concept-Advies, 22-10-1952; ibid., vergadering 30-10-1952.*

<sup>460</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Stukken betreffende de instelling, samenstelling en werkzaamheden van subcommissies van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE 1952-1953, inv. no. 712, Subcommissie voor Zuivel 1952-1953, vergadering 3-12-1952; vergadering 10-12-1952.*

<sup>461</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Stukken betreffende de instelling, samenstelling en werkzaamheden van subcommissies van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE 1952-1953, inv. no. 708, Subcommissie voor Vee en Vlees 1952-1953, "Advies voor de Nationale Commissie voor de Europese LandbouwinTEGRATIE van de subcommissie voor vee en vlees", 2-2-1953.*

The Fruits and Vegetables Subcommittee supported European integration. The allocation of production should never be dictated from above through a cultivation plan. In the trade between the member states the tariffs and import quotas should be replaced with minimum prices. These should not be higher than the cost price in the exporting country.<sup>462</sup>

The representatives of the agricultural industry were reserved toward the creation of a supranational organ, but they were isolated. The president of the Crops Commodity Board, T.P. Huisman believed that the French and the Dutch proposals for the Green Pool did not foresee a transfer of national import and export policies to the supranational organ. Agricultural imports from non-member countries would be coordinated in order to create a mutual preference. Apart from this coordination, the member states could retain their independence in domestic policy. They could continue to apply price regulations, import restrictions and export subsidies. The Ministry of Agriculture replied that the supranational organ in principle could take over the means and responsibilities of national policies. The complete transfer of the sovereignty in agricultural trade policy from the member states to the supranational organ would become inevitable. This was foreseen in both the French and the Dutch proposal, but since a common European regulation of prices and imports was a delicate issue for the American government, this point had been held in vague terms.<sup>463</sup>

A special subcommittee was set up to evaluate the consequences of European agricultural integration for the Dutch national economy. B.W. Biesheuvel represented Dutch agriculture in the subcommittee. In its report

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<sup>462</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Stukken betreffende de instelling, samenstelling en werkzaamheden van subcommissies van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE 1952-1953, inv. no. 701, Subcommissie Groenten en Fruit 1952-1953, "Rapport van de "Subcommissie voor Groenten en Fruit" aan de "Nationale Commissie van Advies voor de Europese LandbouwinTEGRATIE"', 9-12-1952;*

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Stukken betreffende de instelling, samenstelling en werkzaamheden van subcommissies van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE 1952-1953, inv. no. 717, Ingekomen en uitgegane stukken van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE, 1952-1954 ("LNV-DIO 717"), vergadering 5-9-1952.*

<sup>463</sup> NA, *LNV-DIO 714*, Frietema to F.J. van der Dussen, 8-9-1952; *ibid.*, T.P. Huisman to DIO, 10-9-1952; *ibid.*, E.H. van der Beugel to J.J. van der Lee, 11-9-1952; *ibid.*, Samkalden to subcommittee members, 24-9-1952; *ibid.*, vergadering 26-9-1952; vergadering 3-10-1952; *ibid.*, Samkalden to S.L. Louwes, 20-10-1952, annex: "Concept"; NA, *LNV-DIO 717*, vergadering 21-11-1952.

from January 1953 the subcommission concluded that nearly all reports from the product subcommissions took their starting point in the creation of a European Agricultural Community consisting of the Six.

The reports expressed a general fear that European protection could cause the Dutch competitive position in markets of non-member countries to weaken or even disappear. The reports rejected an obligatory European buying preference, so that Dutch agriculture could continue to import raw materials at a low price from non-member countries. The reports also rejected an obligatory European sales preference. Even if the prices in the markets of non-member countries were lower than in Europe, Dutch agriculture considered the strategic interest in maintaining its position in the markets of non-member countries to be more important. The European preference should only consist in the reduction of internal trade barriers.

The creation of a unified European market could make possible a growth in the Dutch production of milk and poultry and, to a lesser extent, pigs. This would increase the Dutch imports of fodder. Since the Dutch price in fodder was higher than the world market price, the fodder price would perhaps not rise. The European tariff should be restituted to the exports of manufactured products to non-member countries. There would be a rise in the Dutch prices in bread, consumption milk, sugar, and possibly in dairy products. The Dutch cost of living index would rise, but the total effect would be limited.

During the transitional period the most prohibitive tariffs between the member states would probably be attacked in the first place. This method would be advantageous for the Netherlands. The reduction of trade restrictions between the member states would make possible an increase in Dutch agricultural exports already during the transitional period. In order to maintain a low price level in exports to non-member countries, the Netherlands should be entitled to take measures to prevent a rise in the home market price during the transitional period.<sup>464</sup>

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<sup>464</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Stukken betreffende de instelling, samenstelling en werkzaamheden van subcommissies van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE 1952-1953, inv. no. 715, Stukken betreffende de totstandkoming van een rapport van de Coördinatiecommissie LandbouwinTEGRATIE betreffende de vermoedelijke gevolgen voor de Nederlandse volkshuishouding van een eventuele Europese landbouwinTEGRATIE 1952-1953, "Rapport betreffende de vermoedelijke gevolgen voor de Nederlandse volkshuishouding van een eventuele Europese landbouwinTEGRATIE", 30-1-1953; NA, LNV-DIO 717, vergadering 13-3-1953.*

#### 4.2.4. Dutch agriculture and the Green Pool: Main lines

After March 1953 Dutch agriculture maintained the same position as before. Dutch agriculture supported the transfer of the Green Pool to the OEEC, but did so only in order to prevent stagnation in a separate intergovernmental European organisation. Dutch agriculture gave supported supranational cooperation and gave a relatively low priority to British participation. On this point it seems that Mommens (1995b) overestimated the willingness of Dutch agriculture to reduce the supranational element in order to allow for British participation. Dutch agriculture went so far as to abstain voluntarily from presenting official opinions on the Green Pool, if this in any way could make it possible for other countries to point to apparent differences of view between the Stichting and Mansholt in the supranational issue.

The relatively low priority given to British participation had a commercial background in the fact that the Six were becoming the primary market for Dutch agricultural exports. Which aspects of agricultural policy are treated in the sources to the Green Pool in 1950-1955, and which aspects are not? One finds many details on agricultural trade, production, income and farm structure. There is also some detail on the competence, composition and procedures of the supranational organ. Already in 1950 it became clear that the supranational organ in the Dutch version would not be a European state trader. There would be a Council of Ministers and a High Authority. The materialisation of the European Coal and Steel Community in 1951 probably removed much initial fear of domination by large member states.

Confusion surrounded the transitional arrangements. In 1952 the idea of a negotiated trade price lost ground to the concept of national minimum prices. There was consensus that there should not be a European *perequation* fund since such a fund could punish and undermine the competitive ability of Dutch agriculture. Apart from this, the question of common financing was postponed and was made conditional on the institutional arrangements. The European agricultural fund would have similarities with what FEOGA became in the 1960s, and the balance between pooling and delegation of authority was not decidedly different from procedures in the EEC. The Mansholt Plan's objectives were more oriented toward efficiency and less toward security than the CAP's objectives, but the difference was about nuances and negotiation tactics.

From the outset Mansholt consulted the Stichting voor de Landbouw, the organisation was represented by an observer in the Dutch delegation to the European conferences, and Mansholt invited the Stichting to take an active part in the Working Party in Paris. All this indicated that co-decision would continue under the European regime.

#### 4.2.5. *Danish agriculture and the supranational Green Pool*

Until the mid-1951 the position of Danish agriculture toward the Green Pool was that the issue could better be treated in the framework of the OEEC. In 1951 Danish agriculture and Per Federspiel from the Danish Liberal Party supported the intergovernmental British plan from David Eccles against the supranational French plan from René Charpentier in debates in the parliamentary assembly of the Council of Europe.<sup>465</sup> Danish agriculture associated the Green Pool with planned economy and state control, and since Britain was by far the most important market for Danish agricultural exports, the economic benefits from participation in an agricultural regime with the Six were considered highly doubtful at best.

During 1952 it became clear that Britain would not renew the longterm contracts when they expired around 1955. There were signs that the international price level in food products would fall when the Korean crisis came to an end. All this meant that the dependence on the British market, which would be the result if the markets of the Six were reserved for Dutch exporters, became more menacing. For the Danish Dairy Board this was disturbing. In the Benelux the Netherlands had so to speak confiscated the Danish butter exports to Belgium. In the years after 1950 there was a partial reorientation of Danish dairy production away from butter, which was mainly exported to Britain, and into cheese that was mainly exported to Germany. The diversification and modernisation of Danish dairy production would be endangered if the Benelux experience was repeated in the Six.

In October 1951 the Landbrugsraad's secretary Niels Kjærgaard in an article in the official periodical of the Jutland Farmers' Unions, *Jydsk Landbrug*, described the situation in national policies and international cooperation. Kjærgaard concluded that agricultural free trade was unrealistic. On this background Kjærgaard evaluated the Green Pool. The proposals aimed at the creation of a unified European market in agricultural products, but for social reasons they rejected a rapid reduction of trade barriers between the participating countries. There would be transitional measures which had the character of planned economy. Danish agriculture regarded the transitional measures as a roundabout method which could easily come out of control. The result could be that the participating countries were locked into an inflexible trade system based on commodity agreements. Despite their scepticism, Danish agricultural organisations followed the Green Pool attentively. Considerable export interests could be involved, and the fate of the Green Pool would largely depend on political factors.<sup>466</sup>

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<sup>465</sup> Noël, 1999, pp. 105-156, esp. pp. 106f, 110, 114, 124, 140f, 150.

<sup>466</sup> Kjærgaard, 1951, p. 608.

During a meeting in the National Cooperative Council (*Andelsudvalget*) on 6 June 1952 the Green Pool was discussed. The Bacon Factories Federation's president Kristian Røhr-Lauritzen found that the Green Pool so far had been of little interest. Denmark had good relations with Britain, the greatest buyer of Danish agricultural products. Røhr-Lauritzen would find Danish participation in a European agricultural regime particularly troublesome if the regime was governed by a specialised Authority. But Denmark had exports of butter and other agricultural products to the Continental countries, and should not exclude herself from the Green Pool negotiations. The Dairy Board's president Søren Overgaard agreed with Røhr-Lauritzen.<sup>467</sup>

On 8-10 September 1952 a Dutch-Danish contact meeting was held in The Hague. Mansholt declared that the decision to participate in a European Agricultural Community was political in the first instance. Discussions on economic detail could only begin when the political decision had been taken. The Landbrugsraad's president Hans Pinstrup took the opposite position. Pinstrup found that the economic and technical details should be clarified before a political decision was taken. Supranational organs should only be established in those areas where it was necessary, if any such areas existed.

Danish agriculture wondered how the European price would be determined. Mansholt could not give a precise answer to the question. If Europe had a surplus, it could be necessary to lower the European price or create stocks. Perhaps it would not always be necessary to establish a single European price. In some cases it could be sufficient to establish a minimum price and a maximum price. But the supranational authority should determine the export price in the trade between the member states. This meant that the supranational authority could have indirect influence on the domestic price in member states with a strong export orientation. In products like meat, eggs, etc. this could be a problem. Mansholt underlined that the member states should have a preferential position in the European market.<sup>468</sup>

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<sup>467</sup> Erhvervsarkivet, Århus (EA), *De Samvirkende danske Andelsselskaber Andelsudvalgets Arkiv, 1.3. Andelsudvalgets møder ("Andelsudvalget 1.3")*, møde 2-4-1952.

<sup>468</sup> LR, *PM* 16/1952, Landbrugsministeriet: "Referat vedrørende det dansk-hollandske kontaktmøde i Haag i dagene 8.-10. september 1952", 17-9-1952; Rigsarkivet, Copenhagen (RA), *Landbrugsministeriet (LM), Landbrugets Udførselsjournal (LUJ)* (1952) 385<sup>10</sup>, Landbrugsministeriet: "Referat vedrørende det dansk-hollandske kontaktmøde i Haag i dagene 8.-10. september 1952", 11-9-1952; LTO, *Archief Landbouwschap, Microfiches Dos. no. 12: Agenda's Dagelijks Bestuur Stichting voor de Landbouw 13 juni 1951 tot en met 17<sup>e</sup> vergadering Dagelijks Bestuur Landbouwschap januari 1955*, agenda vergadering Stichting voor de Landbouw Dagelijks Bestuur 16-9-1952, annex: "Memorandum", signed H.D. Louwes, 9-1952.

Danish agriculture began to fear the creation of a preferential arrangement between the Six. During a meeting in the Landbruksraad's leadership on 15 October 1952 the Bacon Factories Federation stressed that Britain was the main market for Danish agricultural exports. The Danish Farmers' Unions argued that Denmark should keep in touch with the Six. The Dairy Board supported that Denmark should participate constructively in the Green Pool negotiations in order to prevent a separate arrangement between the Six.<sup>469</sup> During a meeting in the National Cooperative Council on 13 November 1952 the Dairy Board's president Søren Overgaard declared that the need to preserve Danish exports to the Six made it necessary to participate in the Green Pool negotiations. Besides, Denmark was a low-cost country and would therefore occupy an advantageous position in negotiations with high-cost countries. On the other hand, the divergence between national interests and policies would make it difficult to work out a common arrangement. For Denmark the position of Britain had decisive importance, and there was no prospect of Britain becoming part of a European agricultural organisation.<sup>470</sup>

Danish agricultural organisations discussed the Green Pool during a meeting in the Agricultural Production and Sales Committee (*Landbrugets Produktions- og Afsætningsudvalg*) on 12 November 1952. The secretary in the Agricultural Production and Sales Committee, S.P. Jensen had composed a note on the Green Pool, and he asked for authorisation to continue to work on this question. The agricultural organisations agreed to this.<sup>471</sup> S.P. Jensen delivered a note on the Green Pool to the Agricultural Production and Sales Committee on 28 November 1952.

S.P. Jensen's note operated with the idea of a European system consisting of multilateral longterm agreements and a common controlling and price-stabilising Pool. S.P. Jensen assumed that the system would have all OEEC countries except Britain as member. In most agricultural products the system would have a net export surplus for which Britain would be the dominant market. There would be two different ways of organising the sales to Britain. The first option would be to let the exporting countries undertake their respective sales to Britain individually. The second option would be to let the Pool buy the entire net surplus from the exporting countries, so that the Pool took upon itself the responsibility for the sales.

If the exporting countries undertook their respective sales to Britain individually, they would probably conduct their negotiations with Britain in

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<sup>469</sup> LR, PM 16/1952, Præsidiemøde 15-10-1952.

<sup>470</sup> EA, *Andelsudvalget 1.3*, møde 13-11-1952.

<sup>471</sup> EA, *De Samvirkende danske Andelsselskaber Andelsudvalgets Arkiv*, 6.2. *Landbrugets Produktions- og Afsætningsudvalg 1949-58 ("Andelsudvalget 6.2")*, "Referat af møde i Landbrugets Produktions- og Afsætningsudvalg onsdag den 12. november 1952 kl. 9.00".

common. But even if they did so, they would still find themselves in a weak position, because the absence of alternative markets would be obvious. The British policy of guaranteed domestic prices would always bring Britain to apply import restrictions of some kind. The exporting countries might come in a situation where they had considerable surpluses for which they could find no outlet. S.P. Jensen concluded that the method of individual sales to Britain would create so large problems as to endanger the entire system.

S.P. Jensen considered it more likely that the Pool in a formal sense would buy the entire net surplus from the exporting countries, and take over the responsibility for the sales. Then the Pool could offer the surplus for sale at a fixed price. S.P. Jensen assumed that Britain and other countries outside the system would buy the greatest part of the surplus at this price. The remainder could be sold at a lower price, or stored. In an arrangement of this type there was a danger that the exporters might lose the direct contact with the British market. But this could be prevented if the exporting countries were in fact undertaking the sales to Britain. The exporting countries would still have the incentive to compete in terms of quality, equipment, advertising, etc., but the price competition and the price risk would be partly eliminated.

S.P. Jensen went on to suggest that the European system could employ quantitative regulation of cereals and feeding stuff as a means to reduce animal production (pigs, milk, etc.) in times of failing export opportunities. If for instance an outlet could not be found for 20% of the normal export surplus in animal products, a corresponding reduction in animal production could be created through a reduction of the feeding stuff imports by 16% – 17%. Since about 7% of total animal production was exported, this would mean a reduction of total animal production by 1% – 2%.

S.P. Jensen believed that for those animal products which were unsuitable for storage, a common regulation of feeding stuff imports could be the sole means for stabilising production and prices. Every autumn the participating countries could hold a conference where each country presented its estimations on production, exports and imports of animal products in the approaching harvest year. On this basis the total imports of feeding stuff could be fixed and allocated between the participating countries. A regulation of feeding stuff imports, possibly combined with a creation of reserve stocks, could also be part of a system of longterm contracts in individual animal products. Once a mechanism for stabilising supply and prices in fodder grain and feeding stuff had been created, the European negotiations could turn to the more difficult question of agreements in animal products. S.P. Jensen assumed that the most efficient producing countries could obtain a certain priority in the distribution of feeding stuff.

S.P. Jensen believed that in case of a new international crisis the importing countries would be much more inclined to use import quotas than they had

been before the War. This could make it completely impossible for the exporting countries to find an outlet for their surpluses. A common feeding stuff regulation could be the lesser evil if the alternative was to have import regulation in animal products, because the latter method would lead to much stronger intervention.<sup>472</sup>

How should the significance of this source be assessed? Its author, S.P. Jensen, had a double position. He worked for the Agricultural Production and Sales Committee, thus, for all the member organisations in the committee (the Danish Farmers' Unions, the Danish Smallholders' Unions, and the cooperative federations). At the same time he worked for the Danish Farmers' Unions. The note was written entirely on his own account, and the records do not reveal any discussions on the content of the note between the member organisations in the Agricultural Production and Sales Committee.

S.P. Jensen's note is at the same time one of the weakest and one of the best sources to the reactions of Danish agriculture to the Green Pool. It represents the only documented attempt on part of Danish agriculture to undertake a detailed consideration of the institutional, political and economic content of a supranational regime. However, with Alexander George's and Andrew Bennett's expression, the paper trail ended before decisions were made.

However, other sources (quoted below) indicate that the leaders in the Danish Farmers' Unions sympathised with the idea of European production control while the Danish Smallholders' Unions and the Bacon Factories Federation did not like it. One may perhaps infer that the Danish Farmers' Unions supported the related idea in S.P. Jensen's note, and that the Danish Smallholders' Unions and the Bacon Factories Federation rejected it: the creation of a European Pool which negotiated joint trade agreements with non-member countries – mainly Britain – on behalf of the members, but left the concrete trade administration in the hands of the member states and their agricultural organisations.

S.P. Jensen took his starting point in a European system which comprised all OEEC member countries except Britain. But it seems that the inclusion of Ireland, Sweden, Norway, Switzerland and Austria only was a practical approximation, useful for the calculations of trade and production which the note contained, and not an indispensable condition. If S.P. Jensen had concluded that the system was unworkable without British participation, the implication would have been that the system could only exist as an

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<sup>472</sup> EA, *Andelsudvalget 6.2*, "Notat vedrørende visse problemer i forbindelse med en europæisk landbrugsordning", signed S.P. Jensen, 28-11-1952; *ibid.*, "Notat vedrørende forskellige problemer i forbindelse med den grønne plan", signed S.P. Jensen, 9-1-1953.

intergovernmental arrangement. By excluding Britain from the calculations and concluding that the system still could work, S.P. Jensen indirectly made it possible to argue that it was relevant for Denmark to consider participation in a supranational European regime.

S.P. Jensen was silent on the question of the composition, procedures and competences of European institutions, but there were certain premises in his note. First, the European institutions should not be state traders themselves, but the allocation of quotas between the member states would leave these with the individual choice between state trade and private trade. Second, the European agencies that negotiated trade agreements with non-member countries and distributed quotas between the member states would carry out their tasks in cooperation with a conference or council of member state governments. Whether national sovereignty in a juridical sense would be transferred to the European institutions was not specified, and it was not clear whether the member states would take decisions by unanimity or majority. But S.P. Jensen displayed a belief that the member states' national interests had to be respected, regardless of formal procedures.

S.P. Jensen assumed that the Green Pool would be a sector-specific project. Otherwise it would not make sense to include all OEEC countries except Britain in the calculations of production and trade. This assumption seems to have been shared by all Danish agricultural leaders. However, toward the end of 1952 it seemed that the creation of a European Army between the Six would be accompanied by the creation of a so-called Political Community. Possibly, the political integration between the Six would be accompanied by general economic integration. The Netherlands worked for the creation of a customs union and an Agricultural Community in the framework of the Political Community between the Six.

During the Dutch-Danish contact meeting in Copenhagen on 14-15 January 1953 Mansholt did not specify whether it would be possible for Denmark to participate in the Agricultural Community without participating in the Political Community. It seemed that Mansholt could accept that Denmark participated in the Agricultural Community. But he made it clear that the supranational authority in agriculture would not be independent from the supranational organs in the Political Community. In February 1953, prior to the European agricultural conference in Paris, the Six would hold a separate meeting. At this meeting, Mansholt mistakenly expected, the Six would decide to establish the Agricultural Community. Mansholt ruled out the possibility of a Danish participation in the meeting between the Six.

The president of the Danish Smallholders' Unions, Lauritz Nielsen, declared that the small farms were strongly interested in the efforts to create favourable conditions for production and, especially, exports. But Lauritz Nielsen feared the creation of a European regime could necessitate a

common regulation of production, and he in particular feared a politically decided distribution of cereals imports between the member states. According to Mansholt, the supranational authority should fix minimum and maximum prices. Within these limits there would be a spectrum of national prices. In this way there would be an upper limit to the degree of agricultural protection in the member states, so that trade could be more free. In order to defend the outer limits of the price spectrum, the supranational authority could employ instruments like stocks and import common external import levies, etc. The member states would have a considerable trade preference which could be of great value in times of economic depression. Mansholt considered it dangerous to depend on exports to a single market, and in this connection he mentioned Britain.

The Landbruksraad's secretary-general Høgsbro Holm suggested that a European anti-dumping clause against non-European cereals exports could be introduced. Mansholt replied that the Netherlands disliked a quantitative regulation of cereals imports, but if the United States decided to pursue an aggressive policy of cereals exports, the Agricultural Community would possess stronger and more effective means than an anti-dumping clause to defend the internal price stability.<sup>473</sup>

In order to prepare the meeting with the Dutch delegation, the Danish organisations and the minister of Agriculture from the Liberal Party, Jens Sønderup held a meeting on 13 January 1953. As he had been throughout the Green Pool negotiations, Sønderup was sceptical toward supranational cooperation in agriculture. Jørgen Gram from the Danish Farmers' Unions argued that Denmark should take a positive position. The European countries should coordinate their agricultural production policies, and the limited Danish production would have to be adapted to the total situation. Røhr-Lauritzen agreed with Sønderup, and Røhr-Lauritzen stressed that almost all Danish exports of bacon went to Britain. He also rejected a quantitative cereals regulation, especially in view of the large cereals imports in Britain

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<sup>473</sup> LR, *PM* 1/1953, Landbruksministeriet: "Referat vedrørende det dansk-hollandske kontaktmøde i København den 14. januar 1953", 19-1-1953; RA, *LM*, *LUJ* 386, Landbruksministeriet: "Referat vedr. det dansk-hollandske kontaktmøde i København den 14. januar 1953", 15-1-1953; NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 825, Stukken betreffende standpunten van, alsmede besprekingen met, buitenlandse regeringen over de Europese landbouwintegratie 1950-1955*, "Note for the Minister. Re: Your visit to Denmark", 3-1-1953; *ibid.*, "Note for the Minister. Re: Your visit to Denmark", 5-1-1953; *ibid.*, J.J. van der Lee: "Besprekingen te Kopenhagen op 14 en 15 Januari 1953", 17-1-1953, annex: "Het agrarisch-economische deel der besprekingen", signed W. Le Mair, 19-1-1953; *ibid.*, Mansholt to J. Sønderup, "Memorandum on agricultural integration", 10-2-1953.

and Germany. Pinstrup disagreed with Røhr-Lauritzen. Pinstrup was certain that an international overproduction of animal products would occur sooner or later, and it was in the interest of the exporting countries to avoid drastic regulations as in the 1930s.<sup>474</sup>

On 5 March 1953 Danish agricultural leaders and minister of Agriculture Sønderup discussed the Green Pool. Pinstrup argued that during the coming European conference in Paris the Danish delegation should be authorised to decide in favour of Denmark's participation in supranational cooperation. This could be necessary in order to maintain a Danish position in the inner circle of the negotiations. Lauritz Nielsen emphasised that Danish agriculture could not tolerate a preferential Dutch position in the German and Italian markets. Overgaard was of the same opinion. Sønderup maintained that the Danish delegation could not make binding decisions during the conference.<sup>475</sup>

The central point for Danish agriculture was thus to remain in the European inner circle and prevent the creation of a preferential Dutch position in the markets of the Six. If it was necessary in order to achieve this aim, a supranational authority could be accepted in principle. On the other hand, Danish agriculture was prepared to sacrifice the supranational principle in order to make possible the participation of a large group of countries in the European regime. This became clear during a meeting between the Scandinavian agricultural organisations in Copenhagen on 10-11 February 1953. The president of the German Bauernverband (DBV), Hermes participated in the meeting on 11 February 1953.

During the meeting on 10 February 1953 the Landbrugsraad's secretary Finn Thøgersen argued that the Nordic countries by participating actively in the Green Pool negotiations could influence the outcome in a direction which conformed to 'their traditional world-views and policies'. This applied to various issues like: how to have as many member countries as possible in the regime; whether the executive European organs should have supranational authority; the relations between agriculture and European economic cooperation in other areas; and the duration of the transitional period. Thøgersen emphasised that by participating in the approaching European agricultural conference in Paris the Scandinavian countries would not commit themselves in advance to any particular solution.

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<sup>474</sup> RA, LM, LUJ (1953) 386<sup>16</sup>, Landbrugsministeriet: "Referat af møde hos landbrugsministeren den 13. januar 1953 kl. 11 vedrørende det dansk-hollandske kontaktmøde om den grønne plan den 13. – 14. januar 1953", 26-1-1953.

<sup>475</sup> RA, LM, LUJ (1953) 386<sup>61</sup>, Landbrugsministeriet: "Referat af møde hos landbrugsministeren torsdag den 5. marts 1953 kl. 17", 11-3-1953.

During the meeting on 11 February 1953 Hermes declared his rejection of a supranational authority. Hermes envisaged an intergovernmental European regime which would not be limited to the Six, and in which the national agricultural organisations would be consulted. Lauritz Nielsen feared that a breakdown in the European conference could lead to the creation of exclusive cooperation between the Six. Hermes believed that German agriculture could prevent this. On behalf of Danish agriculture, Overgaard and Gram applauded Hermes's policy toward the Green Pool.<sup>476</sup>

#### *4.2.6. Danish agriculture and the intergovernmental Green Pool*

Between the European agricultural conference in Paris in March and the next conference in Paris in July 1954 Danish agricultural organisations and the government repeatedly discussed whether the Green Pool should be transferred to the OEEC. The European negotiations on single commodities in subcommittees under the so-called Interim Committee dried out by the end of 1953, and possible transfer of the Green Pool to the OEEC became the dominant question.

During a meeting in the Landbrugsraad Presidium on 25 January 1954 Pinstrup and Overgaard argued that objective of the Danish policy toward the Green Pool should be to prevent the creation of an agricultural union between the Six. Therefore Denmark should not commit herself to any particular position concerning a transfer of the Green Pool to the OEEC. On this point there was agreement in the Landbrugsraad, and the agreement was confirmed during a meeting in the Presidium on 12 February 1954.<sup>477</sup>

During a Dutch-Danish contact meeting in Copenhagen on 25-26 January 1954 the Dutch delegation argued that the Green Pool ought to be transferred to the OEEC. On behalf of the Landbrugsraad, Thøgersen expressed a fear that a transfer of the Green Pool might bring Germany to abandon her commitment to the negotiations. He found that the results achieved by the OEEC in the agricultural field were discouraging. If nevertheless it was decided to transfer the Green Pool to the OEEC, then there should be guarantees that agriculture in the future received a more substantial treatment in this organisation. According to the Dutch record from the

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<sup>476</sup> LR, *PM* 2/1953, "Referat af Nordens Bondeorganisationers Centralraads Præsidiemøde den 10. Februar 1953 kl. 10 i København"; *ibid.*, ""Den Grønne Plan" af Kontorchef Finn Thøgersen ved NBC's Præsidiemøde i København den 10. Februar 1953"; *ibid.*, "Referat af et Møde den 11. Februar 1953 kl. 10 mellem Repræsentanter for tyske og skandinaviske Landbrugsorganisationer vedrørende "den grønne plan".

<sup>477</sup> LR, *PM* 2/1954, Præsidiemøde 25-1-1954; LR, *PM* 4/1954, Præsidiemøde 12-2-1954.

contact meeting, Thøgersen feared that a transfer of the Green Pool to the OEEC could lead to a division within the OEEC between the Six and the other OEEC countries. According to Thøgersen, such a division within the OEEC could be the ultimate result if the Netherlands continued to work for the creation of a European supranational authority in agriculture. Thøgersen did not think that the creation of a supranational authority was necessary to achieve concrete results in European agricultural cooperation.

The civil servants in the Danish Ministry of Agriculture supported a transfer of the Green Pool to the OEEC. They did not think the OEEC had performed so poorly in agricultural policy coordination, and they feared that a separate intergovernmental European agricultural organisation would be dominated by French and German agricultural protectionism. However, they stressed that the Danish government had not yet taken a decision in the question. The Danish Smallholders' Unions agreed the Dutch delegation and with the Danish Ministry of Agriculture, that the Green Pool ought to be transferred to the OEEC in order to create general economic coordination against French and German agricultural protectionism.<sup>478</sup>

In April 1954 Britain presented a proposal to the OEEC for a strengthening of the activities of this organisation in the field of agricultural trade expansion, productivity improvement, etc. Among other things, Britain proposed that the OEEC's agricultural committee should have a stronger position than before. During a meeting between the Danish Ministry of Agriculture and the agricultural organisations on 23 April it was decided that Denmark should not take a clear position, and that the British proposal was unsatisfying. However, on 1 May 1954 the Social Democratic government decided that it would support the British proposal and the transfer of the Green Pool to the OEEC.<sup>479</sup> On 4 May 1954 the Ministry of Foreign Affairs and the Landbrugsraad held a meeting on the question. The Landbrugsraad maintained that a transfer of the Green Pool should only take place in ways which conformed to German visions for European agricultural cooperation. Otherwise there would be a danger that the Six at a later point in time established their own framework for agricultural cooperation.<sup>480</sup>

Whereas Dutch and Danish agriculture held one or two contact meetings every year, contact meetings between French and Danish agriculture were

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<sup>478</sup> LR, *PM* 4/1954, Landbrugsministeriet: "Referat vedrørende det dansk/hollandske kontaktmøde i København den 25.-26. januar 1954", 5-2-1954; LTO, *Archief Landbouwschap, Microfiches, Dos. no. 40 (formerly 539)*, "Verslag van de Deens-Nederlandse landbouwbesprekingen te Kopenhagen op 25 en 26 januari 1954", signed J.S. Biesheuvel, 2-2-1954.

<sup>479</sup> LR, *PM* 9/1954, "Notat", 3-5-1954.

<sup>480</sup> LR, *PM* 9/1954, "Referat af et møde i Landbrugsraadet den 4. Maj 1954 om det europæisk-økonomiske samarbejde", 10-5-1954.

unusual. With reluctant approval from the Landbrugsraad the Ministry of Agriculture invited French agriculture to send a delegation to a contact meeting in Copenhagen on 9 June 1954. During the contact meeting the Danes were evasive on the question of a transfer of the Green Pool to the OEEC. The Landbrugsraad downplayed its resistance against the transfer, and the Ministry of Agriculture and the Danish smallholders downplayed their support to it. Denmark clearly tried to use the political conflict between Britain and France on the Green Pool as a means to extract concessions from both countries in the question of free versus regulated agricultural trade. In this respect the French representatives had nothing to offer.

The president of the Danish Smallholders' Unions, Lauritz Nielsen, expressed his belief that the efforts to establish a working programme for European agricultural cooperation would sooner or later lead to the creation of a strong supranational authority. Lauritz Nielsen doubted whether a supranational authority could produce satisfying results in the form of freer agricultural trade. He did not accept that the creation of a European preference in cereals imports should be a precondition for freer agricultural trade. On that point he was supported by the Danish Farmers' Unions.<sup>481</sup>

On 2 July 1954 the minister of Agriculture Jens Smørum held a meeting with the agricultural organisations. The government was firm in its decision that Denmark would support a transfer of the Green Pool during the approaching European agricultural conference in Paris. The Landbrugsraad's secretary Niels Kjærgaard argued that it was necessary to respect the interests of the agricultural importing countries.

According to Røhr-Lauritzen, Denmark in fact possessed a preferential position in the British bacon market, but some of the larger European countries were approaching the point of self-sufficiency in food. Therefore Røhr-Lauritzen supported Kjærgaard's argument that Denmark should not commit herself definitively to any particular position. The Danish Smallholders' Unions supported the transfer of the Green Pool to the OEEC, and found that Denmark should not support French or German proposals for the creation a separate club for the national ministers of Agriculture within the OEEC framework.<sup>482</sup>

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<sup>481</sup> LR, *PM* 10/1954, Landbrugsministeriet: "Referat af dansk/fransk kontaktmøde i København den 9. juni 1954", 16-6-1954.

<sup>482</sup> RA, *Udenrigsministeriet (UM) 1946-1972, Gruppeordnede Sager, jr. nr. 75B20, Den Grønne Plan*, Landbrugsministeriet: "Referat af møde hos landbrugsministeren den 2. juli 1954 kl. 16.15 vedrørende det standpunkt, den danske delegation til landbrugsministerkonferencen i Paris den 6. juli 1954 skal tage", 3-7-1954.

#### *4.2.7. Danish agriculture and the Green Pool: Main lines*

The change in the attitude of Danish agriculture toward the Green Pool can be illustrated by a comparison between Kjærgaard's article in the official periodical of the Jutland Farmers' Unions in October 1951 and S.P. Jensen's note to the Agricultural Production and Sales Committee in November 1952. The two sources were opposite in purpose and character, as Kjærgaard expressed official viewpoints toward a wide audience while S.P. Jensen gave confidential advice to a small circle of agricultural leaders. Since Kjærgaard acknowledged that agricultural free trade was impossible, his article may have prepared the later change of official policy. But S.P. Jensen went much further, and where Kjærgaard had warned against the danger of being locked into commodity arrangements, S.P. Jensen embraced that concept.

In fact, during the negotiations in the Interim Committee in Paris in 1953-1954 the Danish representatives agreed to an arrangement for dairy products where the importing countries would undertake a controlled enlargement of their imports. It is uncertain whether Denmark would have accepted an obligation to buy French wheat in return for increased exports of dairy products. At any rate, the negotiations in the Interim Committee fell apart. It is beyond the scope of this study to investigate why the Danish government supported the transfer of the Green Pool to the OEEC in July 1954. But later in the same year Denmark threatened to lay down a veto in the OEEC against the proposed target of 90% quota liberalisation if the OEEC refused to impose binding measures against high tariffs and state trading. It was consistent with this policy to keep agricultural policy within the OEEC.

Danish sources do not contain many details on the composition, procedures and competences of a supranational authority. In 1952 the Landbrugsraad definitively abandoned all hopes for a European deregulation of agricultural trade and instead only aimed at a controlled enlargement of it. This made the creation of a supranational authority more acceptable, but the Landbrugsraad did not regard the creation of such an authority as a precondition for trade enlargement. The Landbrugsraad became more willing to accept a European coordination of agricultural production, but again, the Landbrugsraad saw no need to create a supranational authority for this purpose.

The change of perception and policy was much less pronounced in the case of the Danish smallholders. Like the Landbrugsraad they doubted the will or ability of a supranational authority to reduce agricultural protectionism, and their weaker structural position made them fearful of a coordination of production together with the importing countries. They feared the creation of a preferential arrangement between the Six, but when that danger seemed to be absent in 1954, they shifted back to a pro-British position.

#### **4.3. Dutch and Danish agriculture and the Green Pool: Comparison**

The results of the separate examinations of Dutch and Danish agriculture's positions toward the Green Pool can be summarised and compared by using the general division of agricultural policy into single aspects. In the question of the competences, composition and procedures of European executive and/or legislative organs, there was a tendency in both countries to concentrate less on details and direct attention to the central question of sovereignty transfer. The tendency was always stronger in Denmark than in the Netherlands, obviously because Denmark was not involved in the formulation of the Mansholt Plan, but considered all French and Dutch Green Pool proposals from the outside.

Dutch agriculture had a strong preference for the Mansholt Plan over the French Green Pool proposal, but Dutch agriculture had to reckon with the possibility that Mansholt himself might sacrifice some elements in his plan in order to achieve agreement with the French government on a joint Dutch-French proposal. Therefore Dutch agriculture insisted on the core concept of supranational decision-making and for this reason – but only for this reason – supported the French politician René Charpentier's proposal to the parliamentary assembly of the Council of Europe in December 1951.

While Dutch agriculture always supported the supranational principle, Danish agriculture by the end of 1952 ceased to insist on its rejection. From this point onward the comparison between the two countries can no longer be a stylised juxtaposition of contrary political principles. On the economic side developments went in the opposite direction, from absolute to relative agreement. Until the end of 1952 Dutch and Danish agriculture had been united in rejecting the elements of planned economy in the French Green Pool proposal. This agreement continued, but Danish agriculture became more willing than before to accept transitional trade arrangements of a long duration. The change was most pronounced for the Landbrugsraad. The Danish smallholders maintained a position toward the economic aspects of the Green Pool that was comparatively closer to the Dutch position.

The reserved attitude of Danish agriculture toward the Mansholt Plan was rooted in sceptical expectations as to whether a supranational authority would be able or even willing to reduce agricultural protectionism. On this point Dutch agriculture came to fundamentally different conclusions. If the Danish Farmers' Unions did not find it difficult to accept the creation of a supranational authority, then it was only because the middle-sized farmers' position in the agricultural economy was relatively safe from harmful obligations under a common market policy where the supranational authority failed to suppress protectionism. It was not because the Danish Farmers' Unions shared the positive belief which Dutch agriculture had in the ability of a supranational authority to suppress protectionism.

Conversely, the comparatively exposed structural position of the Danish smallholders in the agricultural political economy, in combination with the strong orientation of Danish agricultural production toward items exported to the British market, meant that the Danish smallholders were inclined to be less tolerant than their Dutch colleagues toward political imperfections in the supranational authority.

The empirical findings indicate that sector associations would be less concerned with political co-decision at the macro-level, and more concerned with self- or co-management at the micro-level. Sector associations whose production was largely exported to Britain or to other non-member countries would be more fearful of losing self- or co-management than sector associations whose production was largely exported to the Six.

This was the case in the Netherlands (where the agricultural industry was fearful of a supranational authority), as well as in Denmark (where the bacon factories were fearful of a supranational authority). For sector associations whose exports would remain within a European 'home market', the prospect of interference from a supranational authority was weaker, and at the same time the economic risks involved were smaller, so the margin of tolerance toward interference from a supranational authority was larger.

In this respect Dutch horticulture was a particular case. Dutch exports of fruits and vegetables had a relatively strong orientation toward the markets of the Six, and the sector thus remained within an enlarged 'home market'. The sector supported the creation of a supranational authority, even though the sector feared the imposition of a European cultivation plan from above. At the same time Dutch horticulture had reason to fear that in a liberal common regime – with no preferential agreements with Germany and Belgium and with no Dutch home market protection – the sector might be competed out by Italian horticulture. Dutch horticulture thus decided to cut the Gordian knot. The sector followed the Dutch mainstream and insisted that the supranational authority should possess the powers as well as the obligation to create equal, free and fair terms of competition in the European 'home market'. The sector decided to believe in the ability and will of the supranational authority to act in this way, and also decided to believe in the ability of the sector itself to survive under such conditions.

In the Green Pool negotiations there was an asymmetrical interaction pattern between the Netherlands and Denmark. The actions of the former strongly influenced the actions of the latter; the opposite was not the case. There are two possible explanations for this asymmetry, which do not exclude one another. The ideological predisposition of Danish agriculture and the Danish political system against the concept of a European price policy made it difficult to break with the existing domestic and foreign policy of free trade. But even if Denmark did break with her liberal principles and adopted a

similar policy as the Netherlands, Denmark would still be more in need of the Netherlands as a political ally for this purpose than vice versa. The background description pointed to structural factors which tended to place Dutch agriculture in a stronger position in international negotiations than Danish agriculture. Among such factors were the more central position of the Netherlands in European security policy and economic cooperation, the stronger contacts from Dutch agriculture to trade unions and political parties, the existence of a strong Ministry of Agriculture in the Netherlands, the larger Dutch home market, etc.

Dutch agricultural leaders on several occasions willingly admitted that many lower rank-and-file members in the organisations regarded the creation of a supranational authority with fear. Farmers saw themselves as people who loved freedom. Probably, the main reason why Dutch agricultural leaders employed the freedom discourse was that they wanted their planned corporate peak organisation (the Landbouwschap) to be recognised as a political partner in the European regime. It was a signal to the Dutch government and to the private agricultural organisations in other countries that Dutch agricultural leaders would give expression to farmers' material interests and professional and cultural identity. This implied moral support to the Commodity Boards' wish for freedom of disposition. It was also a signal to Dutch farmers that the organisations' leaders were alert to the danger of losing touch with them when decisions were moved to the European level.

National and international agricultural organisations came out of the Green Pool negotiations with positive gains. They obtained increased official recognition as policy partners, gained greater expertise and experience in multilateral negotiation, and created long-lasting separate networks of their own in parallel to the governmental international institutions. They were beginning to outrank the industrial national federations in terms of capacity to international organisation. Dutch and Danish agricultural organisations were no exception from this pattern. The gains seem to have been distributed more or less evenly between vertical and horizontal organisations.

In late 1954 the Green Pool was effectively finished, the OEEC and GATT were stagnating, and international food prices were beginning to decline. Dutch agriculture and Mansholt turned to the Benelux, and in 1955 again to the Six. In the Mansholt Plan Dutch agriculture found a long-lasting concept for international cooperation. By contrast, Danish agriculture was bewildered. When the Danish government in May-July 1954 supported the transfer of Green Pool to the OEEC, the government drew the conclusion of Danish agriculture's failure to produce either longterm policy concepts or tangible commercial gains in the Green Pool.

#### **4.4. Dutch agriculture and the CAP, 1955-1960**

##### *4.4.1. Dutch agriculture and the EEC Treaty, 1955-1957*

In the negotiations between the Six on agriculture in the EEC Treaty the position of the Dutch government evolved in the following manner. The initial aims of the Dutch government were: a low common external tariff, a rapid decision on the transition to a common organisation of agricultural markets, elimination of national minimum import prices, and economic reciprocity in longterm contracts between the member states.

There were three phases in the evolution of the Dutch position. The first phase lasted until mid-December 1956. In this phase the Netherlands demanded a maximum level of 3% for raw materials in the common external tariff, and this maximum level should apply to both agricultural and industrial raw materials. Furthermore, there should be a binding date for transition to a common market organisation. National minimum prices should be strictly limited to the transitional period; member states should only determine the minimum prices autonomously in the beginning of the transitional period; and there should be institutional procedures for the definition of criteria for minimum prices. Longterm contracts should be based on reciprocity; restitutions to derived exports to non-member countries should be financed in common; the buying member state in a longterm contract should be able to fix a maximum price level. The Dutch conditions for longterm contracts remained unchanged throughout the negotiations.

The second phase lasted from mid-December 1956 until the end of February 1957. This phase was marked by a Dutch proposal from 23 January 1957. The Netherlands accepted a separate common external tariff for agricultural products. Instead of a binding date for the transition to a common market organisation, the Netherlands only demanded that the decision should be taken by majority-voting in the Council of Ministers in the second stage (fifth to eighth year) of the transitional period. The Netherlands accepted that national minimum prices could last beyond the transitional period, but demanded that the criteria should be determined by majority-voting in the Council of Ministers in the second stage. From the third stage onward the minimum prices should be determined by the Council of Ministers.

The third phase lasted from the end of February 1957 until the end of the negotiations in March 1957. The Six agreed on a status quo solution: member states could maintain their national tariffs in agricultural products until the common market organisation was established. There was an exchange of concessions, in that the Netherlands obtained the right to maintain a zero tariff in oil seeds until the common market organisation was established, while the Netherlands accepted that the decision to introduce the common market organisation would be taken by unanimity in the second stage of the transitional period. The Netherlands also accepted that common

decisions on national minimum prices would be taken by unanimity in the second stage. The Dutch government made the creation of a strong European Commission the cornerstone of its hopes for the implementation of the common market, in agriculture and in general.

In November 1956 the Ministry of Agriculture estimated that if all French demands for cost harmonisation were met, Dutch exports of pig products would become less considerably competitive. The maintenance of exports of meat products and bacon to the United States and Britain would require \$2,4 million in extra subsidies every year. Of this amount only 65% could be financed by the revenue from Dutch import levies in cereals. The ministry decided to transmit these calculations to the Landbouwschap.<sup>483</sup>

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<sup>483</sup> NA, toegangsnr. 2.02.05.02, *Raad van Ministers 1823-1973, zijn Commissies en Onderraden 1936-1973 en de Raad van Ministers van het Koninkrijk 1955-1973, Microfiches Notulen Ministerraad (MR)*, vergadering 22/23-5-1956; vergadering 1-10-1956; vergadering 19-11-1956; vergadering 17-12-1956; vergadering 24-12-1956; vergadering 7-1-1957; vergadering 4-2-1957;

NA, toegangsnr. 2.02.05.02, *Raad van Ministers 1823-1973, zijn Commissies en Onderraden 1936-1973 en de Raad van Ministers van het Koninkrijk 1955-1973, inv. no. 411, Raad van Ministers van het Koninkrijk (Rijksministerraad, RMR), Notulen 1955-1959*, vergadering 1-2-1957; vergadering 25-2-1957;

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw en Visserij, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 730, Stukken betreffende het op initiatief van de Benelux hervatten van Europese integratie-besprekingen 1955-1956*, W. LeMair to Mansholt, 26-11-1955; *ibid.*, "Aantekening over de bespreking bij de Minister naar aanleiding van het document Spaak over de landbouw op 30 november j.l.", 30-11-1955; *ibid.*, W. LeMair to Mansholt, 5-12-1958; *ibid.*, "Brusselse werkdocumenten", signed W. LeMair, 30-12-1955; *ibid.*, "Aantekening van de bespreking op 11 januari j.l. te Brussel over de landbouw", signed W. LeMair, 13-1-1956; *ibid.*, "Aantekening naar aanleiding van de bespreking van de Minister met de heren Uri en Von der Groeben (redactiecommissie Spaak) op 26 januari 1956", signed W. LeMair, 25-1-1956; *ibid.*, W. Le Mair to Mansholt, 27-1-1956; *ibid.*, J.J. van der Lee to M. van der Beugel, 10-2-1956;

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw en Visserij, archief van de Directie Internationale Organisaties 1950-1959, Multilaterale beleidsvergaderingen 1953-1960, inv. no. 123, Vergadering 27-34, 1956*, 27e multilaterale beleidsvergadering 6-1-1956; 29e multilaterale beleidsvergadering 24-4-1956; 30e multilaterale beleidsvergadering 4-7-1956; 33e multilaterale beleidsvergadering 2-11-1956; 34e multilaterale beleidsvergadering 28-11-1956;

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Multilaterale beleidsvergaderingen 1953-1960, inv. no. 124, Vergadering 35-42, 1956 ("LNV-DIO 124")*, "Europese integratie: Landbouw", 7-1-1957; *ibid.*, 35e multilaterale beleidsvergadering 8-1-1957; 36e multilaterale beleidsvergadering 21-2-1957;

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 731,*

Meeting in the framework of the Central Organ, Dutch agriculture, industry and private trade together evaluated the situation in February 1956. Dutch industry was worried, because some of the six countries had a high tariff, and this could create a high average tariff in a customs union, with the result that the Dutch position in international competition was weakened. Dutch agriculture shared this fear, but was also strongly interested in the creation of a unified market between the Six. The Ministry of Economic Affairs estimated that the price-raising effect of the customs union would only be 1,2%. However, the trade-political effects were difficult to predict.<sup>484</sup>

On 11 April 1956 the Ministry of Agriculture consulted Dutch industry, agriculture and trade. The ministry recognised the dangers in a high tariff level in a customs union between the Six. The ministry found that the terms of competition and the escape clauses should be brought under supranational control. Dutch industry, agriculture and trade feared that the Netherlands as an agricultural exporter would have a difficult position in the Community of the six countries. It was acknowledged that in order to gain the advantages from economic integration the Netherlands would have to accept certain costs. The Dutch strategy should be to keep the costs as low as possible.<sup>485</sup>

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*Besprekingen ter voorbereiding van de oprichting van een gemeenschappelijke markt 1955-1957*, "Betreft: Nieuwe Franse voorstellen voor de landbouwartikelen", signed W. Le Mair, 2-1-1956 [erratum for 1957]; *ibid.*, "Nederlandse delegatie bij de intergouvernementele conferentie voor de oprichting van een gemeenschappelijke markt en van Euratom. Weekverslag No. 30. Periode 26 februari – 3 maart 1957. Hoofden van Delegatie";

NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Europese Economische Integratie 1956-1967, inv. no. 429, Vergaderstukken 1956-1957 ("SER 429")*, "Intergouvernementale conferentie voor de oprichting van een gemeenschappelijke markt en van Euratom, No. 13, Weekoverzicht periode 10-15 december 1956, Werkgroep Marché Commun"; *ibid.*, "Intergouvernementale conferentie voor de oprichting van een gemeenschappelijke markt en van Euratom, No. 14, Weekoverzicht periode 17-22 december 1956, Comité Hoofden van Delegatie"; *ibid.*, "Intergouvernementale conferentie voor de oprichting van een gemeenschappelijke markt en van Euratom, No. 16.a., Weekoverzicht periode 7-12 januari 1957, Werkgroep Gemeenschappelijke Markt"; *ibid.*, "Intergouvernementale conferentie voor de oprichting van een gemeenschappelijke markt en van Euratom, No. 18b., Dagoverzicht 23-24 januari 1957, Comité Hoofden van Delegatie".

<sup>484</sup> NA, toegangsnr. 2.19.103.11, *Stichting Centraal Orgaan voor de Economische Betrekkingen met het Buitenland [COBB], 1946-1987, inv. no. 5, Notulen van bestuursvergaderingen, met bijlagen 1955-1960 ("Centraal Orgaan 5")*, bestuursvergadering 24-2-1956.

<sup>485</sup> LTO, *Archief Landbouwschap, Microfiches, Dos. no. 40*, "Kort verslag van de vierde bespreking over buitenlandse aangelegenheden met de Directie van de Voedselvoorziening op 11 April 1956".

On 25 April 1956 the Landbouwschap's leaders discussed the situation. Some leaders argued that if the trade in agricultural products within the customs union between the Six was freed from restrictions, this would be sufficient compensation for the disadvantages created by a high common external tariff. If necessary the exports to non-member countries could be maintained by means of subsidies. The economic expert F.W.J. Kriellaars from the KNBTB believed that a high common tariff could create problems for Dutch exports of pork and eggs, but not for Dutch exports of vegetables and bulbs. Kriellaars feared that if the Six replaced the internal tariffs and import quotas with national minimum import prices, the result could be that agriculture was effectively taken out of European integration.<sup>486</sup>

In an internal note from 7 June 1956 the Landbouwschap estimated the economic consequences of a common market between the Six. Under the common external tariff the Dutch imports would become more expensive. The effect would be particularly strong in raw materials like fodder grains. Fodder grains constituted 70% of the total production costs in eggs, 50% in pig meat and 10-15% in milk. The wage level was expected to rise in the common market and wages paid to farm labour constituted an important part of the costs in labour-intensive productions like horticulture and milk.

As a result of the rising costs the competitiveness of Dutch agriculture would be weakened. But this would not be a great problem provided that the tariffs and import quotas in agricultural products in the common market were quickly eliminated. The conclusion was that Dutch agriculture should support the creation of a common market on two conditions. Firstly, there should not be a European Agricultural Protocol taking agriculture out of the common market. Secondly, the common external tariff should be set at a level as close as possible to the Dutch tariff level.<sup>487</sup>

The Central Organ urged the Dutch government not to bind itself to concessions without prior consultations with industry, agriculture and trade. B.W. Biesheuvel (CBTB) warned against a high common external tariff and the CBTB's president Chr. van den Heuvel underlined that larger agricultural trade should be part of the general economic integration.<sup>488</sup>

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<sup>486</sup> LTO, *Archief Landbouwschap, Landbouwschap Microfiches, Dos. no. 40*, vergadering Landbouwschap Commissie Buitenland 25-4-1956.

<sup>487</sup> HDC, *Archief CBTB Notulen Bestuur*, Landbouwschap: "D.B. No. 461 vergadering Dagelijks Bestuur d.d. 4 Juli 1956. Enkele opmerkingen betreffende de integratie van West-Europa", signed C.P. Driesprong, 7-6-1956.

<sup>488</sup> LTO, *Archief Landbouwschap, Microfiches, Dos. no. 40*, "Korte samenvatting van de vijfde bijeenkomst met de Directie van de Voedselvoorziening over buitenlandse en internationale aangelegenheden, gehouden op woensdag, 20 juni 1956, ten departemente, Boorlaan, 's-Gravenhage";

On 24 July 1956 the Landbouwschap's leaders examined the Spaak Report. The KNLC's president C.S. Knottnerus considered it an illusion to believe that France and Germany would abandon the protection of their farmers. The chairman of the Landbouwschap's Foreign Affairs Commission, J.S. Keyser feared that a customs union might have strong negative effects for Dutch agriculture. The secretary J.S. Biesheuvel did not expect that the agricultural cooperation between the Six would reach very far, unless a complete guarantee of economic security was given to French agriculture, and such a guarantee could be difficult to accept for Dutch agriculture. Keyser thought that Dutch agriculture could not afford to make any new concessions.<sup>489</sup>

The Landbouwschap's evaluation of the Spaak Report in July 1956 marked a turning point in the relationship between Dutch agriculture, industry and government under the EEC Treaty negotiations. Until July 1956 Dutch industry was more sceptical of the customs union than Dutch agriculture, but after this time the roles were reversed. The most likely explanation is that Dutch agricultural leaders found signs in the wording of the Spaak report that the CAP might become excessively protectionist.

On 19 September 1956 the Ministry of Agriculture consulted Dutch industry, agriculture and trade. French and Belgian agriculture proposed that a meeting should be held between the agricultural organisations of the Six, but Dutch agriculture was against such contacts. Dutch agriculture found that the Netherlands should bring no further sacrifices unless substantial advantages were obtained for Dutch agricultural exports.<sup>490</sup>

On 17 October 1956 the Landbouwschap's leaders discussed the situation. B.W. Biesheuvel feared a development where more and more French demands were met, and he warned that for Dutch agriculture this could create an economic disaster. The Landbouwschap's president H.D. Louwes found that the Dutch government was conducting the treaty negotiations in a single-handed manner. The Landbouwschap's leaders decided that since the

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NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, (1938-) 1950-1959 (1960), archief van de Directie Internationale Organisaties, inv. no. 108, Stukken betreffende de instelling en de werkzaamheden van de Commissie voor Buitenlandse en Internationale Aangelegenheden 1955-1956 ("LNV-DIO 108")*, "Résumé van de vijfde bijeenkomst inzake overleg over buitenlandse en internationale aangelegenheden, gehouden op 20 juni 1956", 27-7-1956;

HDC, *Archief CBTB Notulen Bestuur*, vergadering CBTB Bestuur 19-7-1956.

<sup>489</sup> LTO, *Archief Landbouwschap, 048.9 Buitenland Correspondentie '47 t/m 66*, vergadering Landbouwschap Commissie Buitenland 24-7-1956.

<sup>490</sup> NA, *LNV-DIO 108*, "Résumé van de zesde bijeenkomst inzake overleg over buitenlandse en internationale aangelegenheden, gehouden op 19 september 1956", 19-10-1956.

negotiations were accelerating, the organisation should display a clear interest.<sup>491</sup>

In an open letter to the Ministry of Agriculture on 26 October 1956 the Landbouwschap rejected a high common tariff and demanded the inclusion of agricultural products in the common market. The Landbouwschap strongly supported the proposal in the Spaak Report that the general rules in the treaty also should apply to agriculture. The individual member states should not be entitled to conduct an independent agricultural trade policy. The prices for raw materials and particularly fodder grains should not be set at a level which created serious difficulties for Dutch agricultural exports to non-member countries. The Landbouwschap rejected France's demand for a European preference through longterm contracts. A European preference should only be created through the elimination of trade barriers between the member states, thereby bringing exporters in non-member countries at a competitive disadvantage. The Six should not become self-sufficient in agricultural products.<sup>492</sup>

During a meeting with the Ministry of Agriculture on 2 November 1956 Dutch industry, agriculture and trade expressed their demands. The treaty should contain guarantees for the implementation of the common market. The guarantees should consist in the creation of strong common institutions and rules for the automatic creation of the common market. No concessions should be given to France in the question of longterm contracts. If longterm contracts on wheat imports from France were tied to longterm contracts on exports of manufactured agricultural products to France, then GATT rules would be violated. Dutch agriculture feared that the application of export restitutions under a high common tariff could develop into concealed export subsidies. With regard to price stabilisation, Dutch agriculture rejected all ideas of common import monopolies.<sup>493</sup>

On 7 November 1956 Mansholt and the Landbouwschap decided that informal meetings on the treaty negotiations should be held on a regular basis between the inner circle in the Ministry of Agriculture and a small

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<sup>491</sup> LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 17-10-1956.

<sup>492</sup> NA, *SER 429*, E.I. 25, "Standpunt van het Landbouwschap inzake een Westeuropese Douane-Unie", 26-10-1956;

LTO, *Archief Landbouwschap, Agenda's Dagelijks Bestuur*, agenda vergadering Landbouwschap Dagelijks Bestuur 30-10-1956;

LTO, *Archief Landbouwschap, Besluitenlijst Dagelijks Bestuur*, vergadering Landbouwschap Dagelijks Bestuur 30-10-1956.

<sup>493</sup> NA, *LNV-DIO 108*, "Résumé van de zevende bijeenkomst inzake overleg over buitenlandse en internationale aangelegenheden, gehouden op 2 november jl.", 3-12-1957.

delegation from the Landbouwschap (several meetings were subsequently held; no records have been found). Mansholt found that as an agricultural exporter the Netherlands was in a special position among the six countries. The Netherlands should seek only to make concessions that did not harm essential export interests. But the Netherlands should also be careful to avoid being manoeuvred into a position where it was the Dutch policy which prevented the inclusion of agriculture in the common market. Therefore Mansholt would accept the French demand for longterm contracts on certain conditions. Mansholt's arguments impressed the Landbouwschap which abandoned its unconditional resistance against longterm contracts. The Landbouwschap only maintained that the question should not be seen in isolation from the common external tariff and the institutional procedure.<sup>494</sup>

Together with the Landbouwschap's letter from 26 October 1957 the meetings on 2 and 7 November 1957 constituted a distinct set of interaction and mutual adjustment between the government and the Landbouwschap. With the letter from 26 October 1957 the Landbouwschap was ringing the alarm bell. The government was receptive to the message and began to display greater willingness to consult the Landbouwschap. This implied that conventional method of quiet contacts could in fact yield results for the Landbouwschap. Then the organisation would lose more in terms of its own freedom of action, by binding itself to loudly stated and inflexible positions, than it would gain in terms of committing the government if it employed open letters with strong demands. In response, the Landbouwschap began to display understanding for the government's fear of political isolation in the negotiations between the Six.

On 8 November 1956 the Central Organ sent a letter to the chairman of the SER's European Integration Commission, G.M. Verrijn Stuart (on the SER's commission, see further below). The Central Organ complained that the treaty negotiations took place at a speed which did not give Dutch industry, agriculture and trade the necessary time to gather information and exert influence. Dutch agriculture feared that the exports to non-member countries would be burdened by a higher tariff on raw materials without compensation through the creation of a real common market.<sup>495</sup> On 21 November 1956 the Ministry of Foreign Affairs sent a letter to the Landbouwschap in reply to the letter from 26 October. The ministry simply referred to the SER's

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<sup>494</sup> LTO, *Archief Landbouwschap. Microfiches Dos. no. 62, 09017/L.1/19*, "Conclusies van de vergadering van een delegatie van het Landbouwschap met de Minister van Landbouw, Visserij en Voedselvoorziening, gehouden op woensdag, 7 november 1956, aanvang te 9.30 uur ten departemente".

<sup>495</sup> NA, *SER 431*, Centraal Orgaan voor de Economische Betrekkingen met het Buitenland (signed H. Albarda) aan G.M. Verrijn, Voorzitter van de Commissie Europese Economische Integratie van de Sociaal Economische Raad, 8-11-1956.

European Integration Commission as the forum for consultation between the government and Dutch agriculture, industries and trade.<sup>496</sup>

On the same day, 21 November 1956, the Landbouwschap's leaders decided that three issues were particularly important. The issues were: 1) how strong authority the European Commission should possess; 2) the French demand for a European preference in the form of longterm contracts; and 3) the common tariff. The Landbouwschap feared that the costs resulting from longterm contracts and a high common tariff would not be compensated by increased exports to the other member states, because the agricultural common market might never be implemented.<sup>497</sup>

In July 1956 the SER established a 'European Integration Commission', *Commissie Europese Economische Integratie*, to deal with the negotiations between the Six on the common market and Euratom. The commission served as a forum for consultations between the government and the Dutch industry, agriculture, private trade and trade unions. The commission's reports to the Dutch government were not published.<sup>498</sup> The commission abstained from making statements on whether the Dutch government should accept the EEC Treaty in its entirety, arguing that the responsibility for signing the treaty lay with the government.<sup>499</sup>

G.M. Verrijn Stuart chaired the commission. The agricultural representatives were Kriellaars (KNBTB) and B.W. Biesheuvel (CBTB). M. Ruppert came from the Calvinist farm labourers' unions (NCLB), and he also represented the Calvinist Trade Unions. The commission had 27 members and the Ministry of Agriculture unsuccessfully tried to obtain a stronger agricultural representation. The commission established subcommittees to deal with the common external tariff, agriculture, transport, etc. In the Agricultural Subcommittee, established in October 1956, five of the thirteen members represented Dutch agriculture. Four members of the commission went regularly to Brussels to follow the negotiations between the Six, and along with the chairman they were members of all subcommittees. The four members were equally distributed between the employers and the employees with each one representative and one substitute. The employers' delegate was a representative from industry with B.W. Biesheuvel as the substitute.<sup>500</sup>

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<sup>496</sup> NA, *SER 431*, Ministerie van Buitenlandse Zaken (signed E.H. van der Beugel) aan het Landbouwschap, 21-11-1956.

<sup>497</sup> LTO, *Archief Landbouwschap Verslagen Bestuur*, vergadering Landbouwschap Bestuur 21-11-1956.

<sup>498</sup> NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Europese Economische Integratie 1956-1957, inv. no. 428, Notulen 1956-1957 ("SER 428")*, vergadering 2-11-1956; vergadering 16-11-1956.

<sup>499</sup> NA, *SER 428*, vergadering 30-1-1957; vergadering 6-2-1957.

<sup>500</sup> NA, *LNV-DIO 123*, 30e multilaterale beleidsvergadering 4-7-1956;

How should the deliberations in the SER be considered in relation to the Dutch government's position? The government consulted the agricultural organisations through at least three parallel channels: 1) through the SER, 2) through the Central Organ, and 3) directly. In the direct contacts with the government the agricultural organisations could act entirely on their own behalf, but their ability to put pressure on the government was correspondingly limited. In the Central Organ the agricultural organisations could join forces with the employers in industry and trade, but this required coordination and reciprocal concessions. In the SER the agricultural organisations were a small minority, but the number of potential allies was larger, because the trade unions were represented.

For the agricultural organisations, the deliberations in the SER could serve to create agreements with the employers' organisations, respectively, with the trade unions. Such agreements would be part of the political background for the deliberations in the Central Organ, as well as for the direct contacts with the government. Arguably, in the government's seemingly reserved reply letter to the Landbouwschap on 21 November 1957 there was an unspoken recognition of potential influence from the deliberations in the SER on the intensified direct contacts between the government and the Landbouwschap.

On 30 October 1956 the Agricultural Subcommittee submitted a draft report on agriculture in the common market, and in late January 1957 the subcommittee delivered an additional report on the subject. From November 1956 onwards the common external tariff and its implications for agriculture were the subject of long discussions in the commission. In late January 1957 the Subcommittee on the Common External Tariff delivered an additional report which included a chapter on the trade in agricultural products.

The Agricultural Subcommittee's draft report from 30 October 1956 rejected any idea of excluding agriculture from the common market. The common tariff should be set at a low level. There should be an equal degree of automatism in the creation of a common trade policy and in the elimination

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NA, *SER 431*, J.J. van der Lee to G.M. Verrijn Stuart, 7-7-1956; *ibid.*, G.M. Verrijn Stuart to H.L. Jansen, 10-7-1956;

NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Europese Economische Integratie 1956-1957, inv. no. 437, Werkgroep Landbouw 1956-1957 ("SER 437")*, secretary G.J. Balkenstein to committee members, 2-10-1956;

NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Europese Economische Integratie 1956-1957, inv. no. 432, Adviezen 1956-1957 ("SER 432")*, "Verslag van de werkzaamheden van de Commissie Europese Economische Integratie", 24-4-1957; *ibid.*, "Overzicht van de samenstelling van de werkgroepen van de Commissie Europese Economische Integratie", 1-5-1957;

NA, *SER 428*, vergadering 24-7-1956.

of trade barriers between the member states. National minimum import prices could be accepted only as a transitional measure. The member states should only be allowed to establish minimum prices for products which hitherto were submitted to import quotas. A European preference in the form of longterm contracts was rejected. Agricultural integration should include the whole sector, and market stabilisation should not be an independent objective in the CAP. The Spaak Report and later proposals had laid too great emphasis on price stabilisation by means of import regulation, and imports should not be monopolised through a European agency. Preferably, restitutions and subsidies to exports should be financed in common.<sup>501</sup>

In November 1956 the draft report was discussed in the plenary commission. The bread producers argued that the tariffs on cereals should be seen from the longterm perspective of a common price policy. This would inevitably mean a higher cereals price in the Netherlands, regardless of whether the price was stabilised by means of tariffs or other forms of trade regulation. The bread producers expected that not only the primary animal products but also the higher value-added agro-industrial products would experience a strong rise in the cost price under the common tariff. The bread producers expected that the cost of living would rise considerably.

Kriellaars did not believe that the elimination of tariffs on manufactured products in the trade between the member states would be an adequate compensation for the higher price of agricultural raw materials. When or if tariffs and quotas disappeared in the trade between the member states, they could be replaced with import levies based on the national minimum prices, with an identical effect. Kriellaars feared that Dutch agricultural products could lose competitive power in markets in non-member countries as a result of higher prices of raw materials. With a transitional period of ten years or more the economic perspectives of the final stage became less important.

The trade unions believed that the elimination of tariffs in the trade between the Six would benefit the Dutch exports of agro-industrial products. This was because tariffs on finished products were higher than tariffs on raw materials. In the exports to markets in non-member countries the customs duties would be restituted, and the Dutch competitive power would remain intact. It would be technically possible to calculate the element of raw materials to be restituted in finished products with a complex composition. The only result of a high common tariff would be a higher price level in the Dutch home market, and the trade unions expected that the cost of living in the Netherlands would only rise by one or two per cent.

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<sup>501</sup> NA, SER 437, E.I./24, *Ontwerp Advies inzake de bepalingen voor de landbouw in het verdrag tot instelling van een gemeenschappelijke markt*, 30-10-1956.

Kriellaars was sceptical toward these assumptions. The existing proposals for a common market treaty gave the member states ample opportunities to escape from the obligation to open their national markets. In theory, the restitutions to the exports to non-member countries should prevent a loss of competitive power, but the exports would be burdened by the rise in the domestic wage level. It was not clear whether the restitutions and subsidies to Dutch exports to non-member countries should be financed by the Six in common or by the Netherlands. Besides, the restitutions could bring the Netherlands into conflict with existing agreements in the OEEC.

In its final version, approved by the plenary commission on 23 November 1956, the report specified that it should be possible to suspend or retribute all types of customs duties and import levies on raw materials. This also applied to raw materials that were purchased within the Community, regardless of whether or not the purchase of these raw materials had been diverted from non-member countries to the Community.<sup>502</sup>

In a letter to Verrijn Stuart on 22 November 1956 the Central Organ deplored a lack of consultation between the SER and Dutch industry, agriculture and trade. The Central Organ feared that the government would make unnecessary concessions.<sup>503</sup>

The Central Organ's session on 29 November 1956 was attended by minister of Economic Affairs J. Zijlstra. The vulnerability of Dutch agriculture to the cost-raising factors in the customs union was stressed by H.D. Louwes. The Central Organ's president Albarda regarded the preservation of a low level of prices and wages as vital for Dutch exports. J.S. Biesheuvel asked whether the French demand for a social harmonisation and the creation of a common tariff would lead to a significant rise in the general Dutch cost level; and whether an artificial preference as desired by France would violate the liberalisation of trade in the OEEC. The Ministry of Economic Affairs replied that it accepted social harmonisation within the limits set by

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<sup>502</sup> NA, *SER 428*, vergadering 9-11-1956; vergadering 16-11-1956; vergadering 23-11-1956;

NA, *SER 429*, E.I./36, *Wijzigingen in het ontwerp-advies inzake de bepalingen voor de landbouw in het verdrag tot instelling van een gemeenschappelijke markt*, 15-11-1956; *ibid.*, E.I./40, *Aanvullingen op het ontwerp-advies inzake de bepalingen voor de landbouw in het verdrag tot instelling van een gemeenschappelijke markt*, 21-11-1956;

NA, *SER 432*, *Advies inzake de bepalingen voor de landbouw in het verdrag tot instelling van een gemeenschappelijke markt*, 30-11-1956.

<sup>503</sup> NA, *SER 431*, Centraal Orgaan voor de Economische Betrekkingen met het Buitenland (signed H. Albarda) aan G.M. Verrijn, Voorzitter van de Commissie Europese Economische Integratie van de Sociaal Economische Raad, 22-11-1956.

improved productivity. The ministry evaded the question of a preference for French agricultural products.<sup>504</sup>

On 13 December 1956 the Central Organ again discussed the common market question. The 1<sup>st</sup> vice-president P. Okkinga found that the objections from Dutch agriculture did not so much concern the common tariff as the proposal of longterm contracts. According to Okkinga, in agricultural circles it was hoped that the Netherlands would not sign the treaty. J.S. Biesheuvel did not believe that the rise in the Dutch cost level would only be 2%.<sup>505</sup> On 19 December 1956 the Landbouwschap's leaders evaluated the draft treaty on the common market. B.W. Biesheuvel found it very objectionable that the draft treaty entitled the member states to determine minimum prices and import restrictions autonomously.<sup>506</sup>

In a letter to Mansholt on 3 January 1957 the Landbouwschap argued that the Netherlands should make several minimum demands for participation in the European Economic Community. The European Commission should possess strong authority. The minimum price system should only apply to certain products (i.e., products hitherto regulated by import quotas), and there should be a predetermined schedule for the elimination of national minimum import prices. An artificial European preference (i.e., longterm contracts) was rejected. The common external tariff should be as low as possible. There should be common and uniform rules on restitutions to exports, and the restitutions should be financed by the Six in common.<sup>507</sup>

Dutch industry, agriculture and the trade unions were discontent with the course of the negotiations, especially with regard to the common tariff. B.W. Biesheuvel complained that the Dutch government was making concessions concerning the length of the transitional period, prices, reciprocity, and possibility of restitution, which neglected the SER's recommendations. Dutch industry, agriculture and the trade unions warned that they might take position against a Dutch participation in the common market.<sup>508</sup>

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<sup>504</sup> NA, *Centraal Orgaan 5*, buitengewoon vergadering 29-11-1956.

<sup>505</sup> NA, *Centraal Orgaan 5*, bestuursvergadering 13-12-1956.

<sup>506</sup> LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 19-12-1956.

<sup>507</sup> NA, *SER 429*, E.I. 76, Landbouwschap aan de Minister van Landbouw, Visserij en Voedselvoorziening (signed H.D. Louwes, G.P.F. Royackers), 3-1-1957.

<sup>508</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Reacties van verschillende landen op een gemeenschappelijke Europese markt 1956-1959, inv. no. 742, Nederland – bedrijfsleven 1956-1958 ("LNV-DIO 742")*, "Nota voor de heer Minister", 10-1-1957; NA, *SER 428*, vergadering 7-1-1957.

In a letter to minister Zijlstra on 12 January 1957 the Central Organ complained that Dutch industry, agriculture and trade had not been given sufficient opportunity to evaluate whether essential economic interests were respected in the draft treaty on the common market. As far as agriculture was concerned, the Central Organ made an absolute demand that the treaty itself – this was underlined – should include a procedure against a perpetuation of the minimum price system. The Central Organ rejected the French proposal of preferential longterm contracts, even if the Netherlands in return could obtain longterm contracts for manufactured agricultural products.<sup>509</sup>

On 16 January 1957 the Landbouwschap's leaders evaluated the situation. Knottnerus found that the Ministry of Agriculture had gradually come to a better understanding of the views of the Landbouwschap, and these views had been adopted by the Dutch delegation in Brussels. The Central Organ had clearly supported the views of the Landbouwschap. In the question of longterm contracts the Landbouwschap decided to reject an obligatory buying preference as well as an obligatory selling preference.<sup>510</sup>

On 30 January 1957 the SER' European Integration Commission discussed the common external tariff. The Subcommittee on the Common External Tariff proposed that if the Six could not agree on the level of the agricultural common tariff, an alternative solution would be to maintain status quo and postpone the creation of the agricultural common tariff until the CAP had been established. The Ministry of Agriculture and Dutch industry were negative toward the status quo solution, but a majority in the SER supported it. The trade unions argued that it was the continued existence of national market organisations and not the postponement of the common tariff which prevented the creation of a common market in agricultural products. In the end, the SER supported the status quo solution, but admitted that ultimately it might only postpone inevitable concessions.<sup>511</sup>

On 31 January 1957 the SER commission adopted an additional report on agriculture in the common market. Longterm contracts were accepted as a necessary evil. In those cases where Dutch products were not well suited for

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<sup>509</sup> NA, *SER 429*, Centraal Orgaan voor de Economische Betrekkingen met het Buitenland aan de Minister van Economische Zaken J. Zijlstra, 12-1-1957.

<sup>510</sup> LTO, *Archief Landbouwschap, Agenda's Bestuur*, agenda vergadering Landbouwschap Bestuur 16-1-1957; LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 16-1-1957.

<sup>511</sup> NA, *Sociaal-Economische Raad, Commissie Europese Economische Integratie 1956-1957, inv. no. 433, Werkgroep Buitentarief 1956-1957, Vervolg, Nader advies inzake het buitentarief (3e versie)*, 25-1-1957; NA, *SER 428*, vergadering, 30-1-1957; NA, *SER 432, Nader advies inzake het buitentarief*, 31-1-1957.

longterm contracts, the principle of reciprocity should imply a preferential application of national minimum import prices. The latter should only apply to products that had been regulated by import quotas.<sup>512</sup>

The meetings in the SER commission on 30 and 31 January 1957 and the additional report on agriculture in the common market together constitute a turning point in the formulation of Dutch agriculture's position toward the CAP. Firstly, this was more or less the conclusion of the deliberations in the SER on agriculture in the EEC Treaty. Secondly, it was the first time Dutch agricultural organisations began to form political alliances with the trade unions in the related questions of the content of the CAP and agriculture's position in the common market. Until then the agricultural organisations had only relied on their contacts with the industrial employers, private trade and the Ministry of Agriculture. The perspective in the new situation was that the agricultural organisations might settle the questions of price policy in direct negotiations with the trade unions, bypassing the industrial employers.

Thirdly, and in connection with this new political perspective, there was an incipient emphasis on a preferential common price policy. The tariff issue was subordinated to the price level issue, and a preferential application of national minimum prices was accepted in principle as an element in a compromise between the Six. There only remained one step between this solution and the introduction of a single minimum import price for all EEC member states, targeted against exporters in non-member countries.

In the SER there was general agreement on the desirability of strong European institutions and a short transitional period for agriculture in the common market. The price policy aspect of the CAP related to a hypothetical situation, and it was only part of the treaty negotiations in the indirect sense that the treaty would set the framework for future decisions.

Even though the SER did not take a position in favour or against signing the EEC Treaty, and despite the numerous hints from agriculture and industry that they might reject the treaty, the records from the SER commission testify to a consensual political culture where it was a normative requirement to work for constructive solutions.

Between January and March 1957 the agricultural organisations were still trying to influence the Dutch government's position in those questions which the organisations considered vital. One of the questions was the applicability

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<sup>512</sup> NA, SER 437, E.I. (Werkgroep La) 11, *Eerste ontwerp, Aanvullend advies inzake de bepalingen voor de landbouw in het verdrag tot instelling van een gemeenschappelijke markt*, 24-1-1957; NA, SER 428, vergadering 31-1-1957; NA, SER 432, *Aanvullend advies inzake de bepalingen voor de landbouw in het verdrag tot instelling van een gemeenschappelijke markt*, 31-1-1957.

or non-applicability of national minimum prices to agricultural products which had previously been freed from import quotas under the OEEC liberalisation programme. At the same time the agricultural organisations began to discuss the tactical political elements of the ratification process. Through the entire period from January to December 1957 there is a continuity in themes between the Landbouwschap's internal discussions and external actions and the issues treated in the parliamentary debates.

On 30 January 1957 the Landbouwschap's leaders discussed the situation. H.D. Louwes did not consider the treaty attractive for Dutch agriculture. It was certain that Dutch agriculture would have greater costs than before and Louwes could not see any economic benefits for Dutch agriculture.

According to Kriellaars, it was uncertain whether minimum prices could only be introduced for non-liberalised products under the treaty. For a number of products the method of minimum prices could be more restrictive than tariffs. If the possibility of suspending imports under minimum prices also applied to liberalised products, and if the Germans decided to use the opportunity to expand their own egg production, then the consequences could be fatal for Dutch exports of eggs.

Another critical question was the imports of agricultural raw materials under the common tariff and/or the CAP's price policy. Kriellaars conceded that restitutions and even subsidies could be paid to exports of agricultural products to non-member countries. What this would mean in practice depended on the financial basis. It could be necessary to operate with a common fund for restitutions and subsidies, but Dutch agriculture should be prudent in order not to provoke opposition against the expenditures.

Some of the Landbouwschap's leaders, among them Rip, believed that the potential economic advantages in the common market were so great, and the potential political dynamics in the European Economic Community so strong, that the Netherlands should take the risks involved in participation.

There was general agreement that the responsibility for signing or rejecting the treaty should lie with the Dutch government. Louwes declared that as a member of the Eerste Kamer he would eventually vote for the treaty. He considered the treaty from an agricultural point of view when it was discussed in the Landbouwschap, but in the Dutch parliament he would consider the treaty from the viewpoint of the general interest. Rip also expected that as a parliamentarian he would support the Dutch government when the treaty was submitted for approval.<sup>513</sup>

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<sup>513</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 40*, vergadering Landbouwschap Commissie Buitenland 30-1-1957.

In a letter to the government on 14 February 1957 the Landbouwschap warned that the introduction of autonomously determined national minimum prices could weaken the Dutch position in the bilateral negotiations with Germany on the trade in fruits and vegetables. The Landbouwschap would not accept the maintenance of autonomously determined minimum prices in the second stage of the transitional period in exchange for a low common tariff in agricultural raw materials. The Netherlands should only participate in the EEC if two conditions were met. These conditions were a strict limitation in time of the autonomous determination of national minimum prices, and a low common tariff. The Landbouwschap rejected a European preference in the form of purchase and sales contracts.<sup>514</sup>

On 20 February 1957 the Landbouwschap's leaders evaluated the situation. Knottnerus did not expect that the Netherlands could obtain any more concessions. In the draft treaty there would be a period of eight years where the minimum prices could not be brought under control. A procedure had been created in which the member states could temporarily apply a lower external tariff than the common tariff. But apparently France had tied the maintenance of a lower external tariff to the maintenance of national minimum prices. The treaty would soon be ready for ratification, and the Ministry of Agriculture would ask the Landbouwschap whether it could accept the treaty as a whole. Louwes underlined that the Landbouwschap had made clear its opinions. From then on, the decision would lie with the Dutch government, and the treaty would be ratified in the parliament.<sup>515</sup>

On 20 March 1957 the Landbouwschap's leaders discussed the ratification of the treaty. President Louwes thought it might be too late for Dutch agriculture to formulate a position before the treaty was signed. In that case the government could take the responsibility for signing the treaty, while the Landbouwschap could prepare for the ratification in the parliament.<sup>516</sup>

On 21 March 1957 the Central Organ evaluated the treaty. Dutch agriculture feared that national minimum prices would become permanent, and that they would be introduced in liberalised as well as non-liberalised products. The conclusion of longterm contracts would have a cost-raising effect, and the practical value of the reciprocity clause was uncertain. Inside the common market the Netherlands would lose her competitive advantage, and the rules would probably require a strong degree of state control.

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<sup>514</sup> NA, *SER 431*, Landbouwschap aan de Minister van Buitenlandse Zaken, 14-2-1957.

<sup>515</sup> LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 20-2-1957.

<sup>516</sup> LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 20-3-1957.

Dutch agriculture concluded that if a truly free market was established in agricultural products, the Netherlands would obtain considerable longterm advantages. But this could take 10-15 years, and much would depend on how the treaty was interpreted. For the transitional period the guarantees for Dutch agricultural exports were minimal. At least in the short term, it seemed, Dutch agriculture would not obtain compensation in the common market for the harmful effects which the inevitable rise in the cost level would have on agricultural exports to non-member countries. With regard to the common tariff, all sectors in Dutch economic life agreed that a large part of the tariffs in the treaty constituted a deterioration for the Netherlands.

The question remained whether the treaty should be signed or not. Dutch industry found that with the exception of the metal industry, the treaty could not be described as unacceptable. Dutch private trade regarded the treaty as acceptable. The Dutch transport sector and the fishermen found that the treaty was not unacceptable. Dutch agriculture found that in spite of essential objections against the treaty, there were so strong longterm perspectives in the creation of a stable European market that this was a reason not to describe the treaty as unacceptable.

The Central Organ concluded that it was impossible to formulate a well-founded criticism against the treaty before the meeting between the six countries on 22 March 1957. The Central Organ would immediately send a letter to the government with the following content. First, the Central Organ still had important objections to the treaty, which would be specified at a later time. Second, the Central Organ urged the government not to sign the treaty if one or several of the other countries attached reservations to their signature. Possibly the Dutch should make their own reservations.<sup>517</sup> In the Central Organ's letter to prime minister Drees on 21 March 1957 the wording was that if one or several of the other five countries attached reservations to their signature, the Netherlands should do the same.<sup>518</sup>

In an internal note from 5 April 1957 the Landbouwschap evaluated the EEC Treaty. Social harmonisation would not create great problems for Dutch agriculture. The main issues were minimum prices, longterm contracts, and the EEC's common tariff. For horticultural products the treaty contained no provisions on the elimination of seasonal bans on imports. It was not certain that the treaty only permitted the introduction of minimum prices in non-liberalised products. The basis in the treaty was the OEEC's target of a liberalisation of 75% of agricultural imports. If minimum prices could only

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<sup>517</sup> NA, *Centraal Orgaan 5*, bestuursvergadering 21-3-1957.

<sup>518</sup> NA, *LNV-DIO 742*, Central Organ to W. Drees, 21-3-1957.

be introduced in non-liberalised products, then only 25% of Dutch agricultural exports could be submitted to minimum prices.

The conclusion of longterm contracts would make it impossible to avoid a certain degree of state trade. The price of raw materials would rise, and the competitive ability of Dutch agricultural exports to non-member countries would be harmed. There was no guarantee that this would be compensated by greater agricultural exports to the Six. The common tariff in cereals was set at a high level, but during the transitional period it would be possible to suspend the tariff. Under a common market organisation the tariff would probably not be applied in practice, and instead there would be introduced a system of variable levies at the external frontier.

The Benelux tariff for oil cakes was zero, and the EEC's tariff for oil cakes would also be zero. The Benelux tariff in cereals was zero, while the EEC's tariff in cereals would range from 10% (maize) to 20% (wheat). In animal products the Benelux tariff was circa 12-15%, while the EEC's tariff was circa 20-26%. Dutch agriculture needed a certain ratio between the tariff or import levy in a raw material and the corresponding tariff or import levy in a derived product. In the long run the common tariff in eggs would perhaps not provide a sufficient protection of Dutch poultry production.<sup>519</sup>

The EEC Treaty was evaluated in a note from Kriellaars to the KNBTB on 26 April 1957. According to Kriellaars, Dutch agriculture could not decide whether the treaty as a whole should be approved or rejected. If the treaty was rejected in the Netherlands and approved in the other five countries, then Dutch agriculture would not be better off. Dutch agriculture should make a critical evaluation of the treaty only to the extent that it affected the situation of the farmers. Kriellaars found that the real issue in the ratification was the tactical position of agriculture toward government and parliament in the years to come. A critical evaluation of the treaty by Dutch agriculture would also serve as information to the government and the parliament on the questions in which the Netherlands should be particularly active during the implementation of the common market.

Kriellaars found that if the trade in agricultural products within the EEC was completely freed from restrictions, the greater part of Dutch agricultural exports would find a much more stable basis. However, the Dutch cost price would rise as a result of the customs union and the social harmonisation. The transitional period could be expected to last longer than foreseen in the treaty. The conditions for the use of minimum prices were unclear. Longterm

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<sup>519</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 40*, "Het verdrag inzake de Europese Economische Gemeenschap", signed Driesprong, 5-4-1957; *ibid.*, vergadering Landbouwschap Commissie Buitenland 15-4-1957.

contracts for the purchase of cereals could affect Dutch agricultural exports to non-member countries.

A common cereals price would probably build on the French and German principle that crops production should create an economic value of its own. The cereals price would probably be defended through import monopolies or variable import levies. The import levies toward non-member countries would be higher than the import levies between the member states, and this would give the Netherlands a preferential position in the EEC's market.<sup>520</sup>

On 3 May 1957 the Central Organ discussed the question of ratification. Dutch agriculture would not take a position in favour or against the treaty in its entirety, but would only consider the treaty to the extent it related to the sector. The Dutch parliamentarians should be aware of the concrete effects which the treaty would have for the different economic sectors. From a tactical point of view it made sense not to formulate the criticism in wordings which made it easy for the Dutch parliament to ratify the treaty. This would also send a useful signal to the Dutch negotiators in Brussels.<sup>521</sup>

On 20 June 1957 the Landbouwschap sent a letter to the Dutch parliament regarding the EEC Treaty. The Landbouwschap would not make recommendations as to whether the treaty should be rejected or approved, but pointed to a number of issues that were important to Dutch agriculture.

According to the Landbouwschap, the treaty did not guarantee that minimum prices would only apply to products hitherto regulated by import quotas. Possibly, the rise in the price of raw materials would overshadow the growth in exports to the Six. The principle of reciprocity in longterm contracts was difficult to employ in practice. The status quo in tariffs was not a safe solution, because retaliation from the importing EEC partners could force the Netherlands to raise the tariff for raw materials. Another problem was the relation between the EEC's respective tariff levels in cereals and derived products. A high EEC tariff in cereals could create a competitive advantage inside the EEC market for non-EEC exporters of derived products.<sup>522</sup>

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<sup>520</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Euromarkt en de Nederlandse land- en tuinbouw", signed F.W.J. Kriellaars, 26-4-1957.

<sup>521</sup> NA, *Centraal Orgaan 5*, bestuursvergadering 3-5-1957.

<sup>522</sup> LTO, *Archief Landbouwschap, Agenda's Bestuur*, agenda vergadering Landbouwschap Bestuur 24-4-1957; *ibid.*, agenda vergadering Landbouwschap Bestuur 12-6-1957;

LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 24-4-1957; vergadering Landbouwschap Bestuur 12-6-1957;

NA, *SER 431*, Landbouwschap aan de leden van de Tweede Kamer der Staten-Generaal, signed H.D. Louwes, G.P. Royackers, 20-6-1957.

Prior to ratification the treaty was debated on various occasions in the Dutch parliament during 1957. According to Mansholt, national minimum prices should only be introduced for products in which there existed import quotas, and should replace the quotas. Minimum prices should meet certain criteria, and should be fixed by common decision, not unilaterally. The Netherlands had accepted the demand from France that minimum prices could only be fixed by qualified majority after the second stage of the transitional period. In return the Netherlands had obtained that the common tariff for oil-containing raw materials would be zero. Each member state could keep its own tariff until the CAP entered into force for the product in question.<sup>523</sup>

The treaty was ratified by the Tweede Kamer on 4 October 1957 and by the Eerste Kamer on 4 December 1957. The treaty was treated in parliamentary committees, and in the concluding note from the government to the parliament on 16 September 1957 the premises of the ratification were laid out. As far as agriculture was concerned, the government believed that the treaty created strong European organs which would be able to stimulate and supervise the creation of the CAP. These organs would provide a guarantee against a perpetuation of the transitional period. As for longterm contracts, reciprocity could be obtained by contracts on Dutch exports of seed potatoes, butter, milk powder, etc. A preferential price for Dutch exports in such contracts could be obtained through an exemption of certain quantities from import levies or other restrictions. Dutch imports of fodder grains which were exported to non-member countries in manufactured form would not be included in longterm contracts.<sup>524</sup>

When the Tweede Kamer began the ratification of the treaty on 1 October 1957, P.A. Blaisse (KVP) submitted an amendment to the ratification law. The amendment added a new article which concerned situations where the implementation of the treaty would require the conclusion of further agreements between the EEC member states, so-called 'implementation agreements'. The new article stated that to the extent the implementation of the treaty required the conclusion of further agreements, then such agreements would require ratification by the Dutch parliament.

Blaisse argued that the amendment would not delay the ratification of implementation agreements. Firstly, in practice the amendment would only

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<sup>523</sup> KB, *HTK 1956-1957, 4500 Rijksbegroting 1957 Hoofdstuk XI no. 9, Voorlopig Verslag*, p. 7;

KB, *HTK 1956-1957, 4500 Rijksbegroting 1957 Hoofdstuk XI no. 15, Memorie van Antwoord*, pp. 23f;

KB, *HTK 1956-1957*, pp. 3527-3665; KB, *HEK 1956-1957*, pp. 3423-3464.

<sup>524</sup> KB, *HTK 1956-1957, 4725 Goedkeuring van het Verdrag tot oprichting van de Europese Economische Gemeenschap, met Bijlagen Protocolen en Overeenkomsten no. 14, Memorie van Antwoord, 16-9-1957*, pp. 16-21.

concern a small number of cases. Secondly, the standard procedure in the ratification of trade agreements was tacit approval. Only important agreements would be submitted for ratification in parliament. Without this article the ratification law would give the Dutch government a completely free hand to conclude binding agreements with the other member states throughout the transitional period, which would perhaps be 15 years.<sup>525</sup>

B.W. Biesheuvel (ARP) declared that the danger from national protectionism against Dutch agriculture would be greater without the treaty than with it. Much would depend on how the treaty was implemented. Biesheuvel hoped that the CAP would be similar to Dutch agricultural policy, in the sense that excessive state control was avoided.<sup>526</sup>

Mansholt explained the government's position. Mansholt hoped and expected that the European Commission would have strong influence in the creation of the CAP. The European Parliament would provide a forum for the involvement of larger groups in the formulation of agricultural policy. The CAP should guide the producers in their adaptation to economic conditions, but if the EEC did not promote an active structural policy, a conflict would arise between the different objectives in article 39. As the surplus problems in French agriculture could not be solved by means of minimum prices, Mansholt did not expect that minimum prices would prevent the creation of a common market organisation. Longterm contracts would not impede Dutch agricultural exports to non-member countries, and they would not lead to the introduction of state trade in the Netherlands.<sup>527</sup>

Mansholt and prime minister Drees warned against the amendment proposal from Blaisse. They feared that it would lead to similar reservations and increased demands from the other member states in the negotiations on implementation agreements. Mansholt urged Blaisse to change the proposal in such a way that longterm contracts were not covered by it. Blaisse refused to change the proposal, arguing that if the principle of reciprocity was respected, the longterm contracts would probably be ratified through the procedure of tacit approval. The amendment proposal was adopted by 82 votes against 45. The PvdA voted against it, while all other political parties voted in favour. The ratification bill was approved large majorities in both chambers. All agricultural representatives voted in favour of ratification.<sup>528</sup>

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<sup>525</sup> KB, *HTK 1956-1957*, Blaisse (KVP), 1-10-1957, p. 30.

<sup>526</sup> KB, *HTK 1956-1957*, Biesheuvel (ARP), 2-10-1957, pp. 86f.

<sup>527</sup> KB, *HTK 1956-1957*, Mansholt 4-10-1957, pp. 123-129.

<sup>528</sup> KB, *HTK 1956-1957*, pp. 165ff; KB, *HEK 1956-1957*, pp. 66ff.

#### *4.4.2. Dutch agriculture and the EEC Treaty: Main lines*

The most central Dutch actors in the negotiation on the EEC Treaty were the ministries of Foreign Affairs, Economic Affairs and Agriculture, and the interest groups of industry, trade, agriculture, and trade unions.

There were certain differences between the respective positions of Dutch agriculture and industry, but the general impression is that the two sectors stuck together during the negotiation and ratification of the treaty. The two sectors had many common interests. Firstly, both sectors felt that the government did not consult them sufficiently during the negotiation, and the best means to gain more influence on the government was to support each other's demands. Secondly, the two sectors on the whole had similar export orientations, with the Six as the first priority. The currency earnings from agricultural exports were important for Dutch industrial development, and agriculture had accepted industrial development as a necessary means to reduce the population pressure in the farm structure.

Thirdly, the two sectors shared a general interest in a low agricultural cost level. The solidarity was strengthened by the Dutch policy of low prices, wage restraint, and the inclusion of wage costs in the guaranteed agricultural prices. The two sectors supported a relatively liberal model for the CAP. They accepted the elements of agricultural welfare and price stability in the CAP's objectives, but they did not want a protectionist CAP. Preferably, the CAP should be based on low to moderate common tariff and a so-called 'natural' preference for member-state agriculture in the common market.

The differences of interest between Dutch agriculture and industry arose in a situation where a moderate price policy could not be maintained due to protectionist political pressure in the other member states. Fourthly, the two sectors were equally strongly against state interference in production and trade. As long as this precondition was met, the two sectors would support the creation of strong supranational institutions like the European Commission, qualified majority-voting in the Council of Ministers, etc. The two sectors rejected the creation of a fragmented and uncoordinated CAP.

To judge from the sources used here, Dutch industry did not contemplate to sacrifice the inclusion of agriculture in European integration in order to facilitate the implementation of the industrial common market. In the first instance, this would have made it much more difficult to get the treaty accepted by the Dutch government and parliament. But Dutch industry also needed the currency earnings from expanded agricultural exports in order to be able to compete against industry in the other member states. At any rate, there seems to have been agreement between Dutch industry and agriculture that the common market in both sectors preferably should be implemented through pre-determined deadlines and automatic procedures.

However, Dutch agriculture had two special problems in relation to the transitional period. Firstly, agriculture had no guarantee that measures taken to minimise the economic damage created by imbalance between expenses and gains in the transitional arrangements would be approved by GATT and/or by the other EEC member states. Secondly, damage minimisation during the transitional period did not prevent an effective separation or exclusion of agriculture from the general economic integration.

The two sectors did not have a symmetrical interest in a low cost level. A high agricultural tariff would only indirectly increase the industrial cost level, while it would directly increase the agricultural cost level. If the tariff in agricultural raw materials was high in comparison with the tariff in agricultural end-products, then this would affect the income structure and competitive ability of Dutch agriculture. For Dutch industry this was a much less immediate problem. One may perhaps say that the expected rise in the cost level of 2%, as calculated by the Ministry of Economic Affairs, for Dutch industry represented the maximum, and for Dutch agriculture the minimum. Unlike agriculture, industry was relatively certain to obtain more than adequate compensation through the common tariff in finished products and through the gains from intra-industrial integration and specialisation.

The interest of Dutch agriculture in a non-protectionist CAP mainly related to the exports to non-EEC countries and to the internal 'natural' preference in the EEC market. If these problems could be solved by supplementary policies, then the interest of Dutch agriculture in a non-protectionist CAP would be weaker. But such supplementary policies in the CAP could perhaps create problems for Dutch industrial exports to non-EEC countries.

The difference of interest between agriculture and industry was revealed during the discussions of the status quo solution in tariffs. Industry did not like the status quo solution while agriculture recommended it. Industry feared that in the absence of a commitment of the European Economic Community to a coherent system of pre-determined tariffs, the national minimum import prices would be replaced with a common minimum price defended by variable import levies. Dutch industry did not at any time give recognition to the principle of compensatory protection to animal production in the framework of a system of common variable import levies. Dutch agriculture took the first steps to prepare for the possibility of raising a political demand for such compensatory protection to animal production.

The source material used here is far from complete. It has not been possible to find records from the apparently frequent meetings between the respective inner circles in the Ministry of Agriculture and the Landbouwschap. The sources used here contain records from various government levels: cabinet meetings, internal meetings in the Ministry of Agriculture, and weekly accounts from the delegation in Brussels. Most of the communication

between these different levels, which must have taken place incessantly between November 1956 and March 1957, was not taken down on record.

Other settings from which no records have been found are the meetings in the Central Organ's presidency and the meetings in the subcommittees for tariffs and agriculture under SER. Are the sources representative in their totality, in the sense that the holes are roughly evenly distributed across actor relations and issues? This does not seem to be entirely the case. The need for industry and agriculture to display outward unity in order to gain maximum influence on the Dutch government probably created a biased emphasis in the sources on those issues where the two sectors were in agreement. For the same reason, the sources are probably biased against internal disagreement within the sectors, especially if the disagreement was not so much between the highest leaders, but rather between the leaders and lower-rank members of the respective interest organisations.

In comparison with the Green Pool negotiations in 1950-1953, Dutch agriculture under the EEC Treaty negotiation in 1956-1957 was less willing to accept an absence of political or institutional guarantees for increased agricultural exports during the transitional period. The creation of a supranational authority was regarded as the sole institutional factor providing guarantee to such exports. At the same time, the willingness of Dutch agriculture to bring economic sacrifices during the transitional period in order to achieve the ultimate aim of a unified European market seems to have been smaller than it was during the Green Pool negotiations.

It is not unthinkable that the sources used here tend to provide a distorted picture of prevalent feelings in Dutch agricultural organisations, in that they downplay a possible scepticism among lower-rank members against the creation of a supranational authority as such. However, if such scepticism existed, it remained passive, allowing the agricultural leaders to go ahead with the European project. It was not politically opportune to raise the question of top-bottom contact during the treaty negotiation. An alternative interpretation is that the agricultural leaders genuinely believed this to be a minor problem. Firstly, the internal food prices were declining, and Dutch agriculture was becoming dependent on public support. In comparison with the situation in 1950-1953 there was less room for economic self-determination, and there was also less room for commercial concessions to the EEC partners. Secondly, the farmers' organisations had consolidated their position in agricultural politics. Their leaders had reason to believe that the problem of top-bottom contact could be solved, partially at least, through improved contacts to local unions and connected sector associations within the respective frameworks of the KNBTB, KNLC and CBTB.

#### 4.4.3. Dutch agriculture and the Free Trade Area, 1956-1959

The Dutch government's position in the negotiations on a European Free Trade Area in 1956-1959 was to a great extent defined by the Ministry of Agriculture. Serious divergences between this ministry and the ministries of Economic Affairs and Foreign Affairs only occurred in late 1958 when the FTA negotiations broke down. The Ministry of Agriculture supported France and took a hard attitude toward Britain while the ministries of Economic Affairs and Foreign Affairs took a soft attitude toward Britain, as they feared that Western Europe could be split into two mutually hostile trade-blocks.

In the Danish question there were also differences between the policies of the respective Dutch ministries, but they were in agreement about the need to avoid loud debates over the question. While the ministries of Economic Affairs and Foreign Affairs took a genuinely supportive attitude toward attempts from the Danish government to achieve an understanding between Britain and the Six, the Ministry of Agriculture sought to avoid a direct confrontation with Denmark.

For the Dutch Ministry of Agriculture it was important to avoid a bilateral Danish-British agreement. This, it was feared, could be the result if Denmark was isolated in the FTA negotiations. Besides, the Netherlands and Denmark had a common interest in putting Britain under pressure in the negotiations. If Britain could be compelled to reduce her agricultural protection, then the Netherlands would become less dependent on the markets of the Six for agricultural exports. In 1957 the Ministry of Agriculture developed a model where the EEC could maintain a certain tariff preference in agricultural products within the FTA while Britain could maintain a Commonwealth preference of the same magnitude, around 10-20%.

In 1958 Germany proposed the creation of a system of bilateral agreements stabilising the existing trade quantities – the so-called 'freezing' proposal. The Dutch Ministry of Agriculture concentrated its attention on preventing an introduction of bilateral tariff quotas in the FTA. Since the 'freezing' proposal and the Danish-German longterm trade agreement from December 1958 respected the EEC's tariff preference, the ministry was successful.

The tariff issue must be seen in the light of the EEC's internal status quo solution. The core issues were the domestic agricultural price level, the price relation between agricultural raw materials and derived products, and the creation of a so-called 'natural' preference for domestic producers in the EEC: understood as the EEC's *effective* tariff preference when the status quo situation had ended and the common tariff in agricultural raw materials had been deducted. In the FTA negotiations, these issues could only be treated indirectly through the subject of tariffs. If the principle of non-discrimination was applied unconditionally to agricultural trade in the FTA, as Denmark demanded, then it would be difficult for the EEC at a later time to introduce

variable import levies toward the non-EEC countries in the FTA. In general, a Danish application for membership of the European Economic Community would be supported by the Netherlands, but in that connection the Dutch Ministry of Agriculture would demand that Denmark and Britain agreed to an increase in Dutch agricultural exports to Britain.<sup>529</sup>

Between January and April 1957 the Landbouwschap defined its position toward the FTA. The Landbouwschap hoped that the inclusion of agriculture in the FTA could this bring an increase in the agricultural exports to Britain. More generally, the FTA could reduce potential trade conflicts between the EEC and non-EEC countries, and Dutch agricultural exports to non-EEC countries would be placed in a precarious position under such trade conflicts.

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<sup>529</sup> NA, *MR*, vergadering 11-2-1957; vergadering 25-2-1957; vergadering 15-4-1957; vergadering 29-4-1957; vergadering 1-7-1957; 11-10-1957; vergadering 11-4-1958; vergadering 12-9-1958; vergadering 31-10-1958; vergadering 21-11-1958; vergadering 28-11-1958; vergadering 5-12-1958; NA, *REA*, vergadering 25-6-1958; NA, *LNV-DIO 124*, J.A.P. Franke to Mansholt, "Betreft: Problemen rond de Vrijhandelszône en de landbouw", 16-4-1957; *ibid.*, 37e multilaterale beleidsvergadering 18-4-1957; 38e multilaterale beleidsvergadering 14-5-1957; 39e multilaterale beleidsvergadering 10-7-1957; 40e multilaterale beleidsvergadering 23-7-1957; 41e multilaterale beleidsvergadering 24-9-1957; NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 393, Stukken betreffende de opname van landbouw in de vrijhandelszone 1957-1958 ("LNV-DIO 393")*, "Voor de heer Minister: Betreft: Vrijhandelszône en landbouw", signed J.A.P. Franke, 21-1-1958; NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Multilaterale beleidsvergaderingen 1953-1960, inv. no. 125, Beleidsvergadering 43-54*, 45e multilaterale beleidsvergadering 12-2-1958; 50e multilaterale beleidsvergadering 29-4-1958; 51e multilaterale beleidsvergadering 14-5-1958; 53e multilaterale beleidsvergadering 10-6-1958; 54e multilaterale beleidsvergadering 26-6-1958; NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, Multilaterale beleidsvergaderingen 1953-1960, inv. no. 126, Vergadering 55-64 ("LNV-DIO 126")*, 55e multilaterale beleidsvergadering 9-9-1958; 62e multilaterale beleidsvergadering 8-1-1959; NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 770, Stukken betreffende bijeenkomsten van de EEG-ministers van landbouw 1958-1959*, "Europese Economische Gemeenschap. Commissie. Beknopt verslag van de vergadering der ministers van Landbouw van de Lid-staten der E.E.G. te Brussel op 17 November 1958", 11-12-1958; *ibid.*, "Kort verslag van de bijeenkomst der zes ministers van landbouw onder leiding van de Europese Commissie op 9-1-'59", signed W. Le Mair, 10-1-1959; *ibid.*, "Verslag bijeenkomst Europese Commissie met EEG – ministers van landbouw te Brussel op 9 januari 1959", signed van Oosten, 14-1-1959.

However, for Dutch agriculture Germany was a more important market than Britain, and the Netherlands should demand a preferential position in the German market, in order to counterbalance the competitive advantage which Denmark obtained by staying outside the EEC. Compensatory measures should therefore be introduced in the relations between the EEC and the non-EEC countries in the FTA. Some sectors in Dutch agriculture had a positive interest in the FTA, but the rise in the cost price level in the EEC would distort the terms of competition in the FTA. This would in particular affect the sectors of dairy products and meat. On this point the Landbouwschap took a certain reservation toward the FTA.<sup>530</sup>

On 2 October 1957 the Landbouwschap decided that the organisation should maintain its position, and this decision was subsequently communicated in a letter to the Dutch government. The Landbouwschap's leaders hoped that Britain would make concessions in certain agricultural products where the Commonwealth preference did not prevent this. Likewise, they hoped that Dutch agriculture could obtain certain guarantees in the common market and that on this condition agriculture could be included in the FTA.<sup>531</sup>

In June 1957 the SER's European Integration Commission was changed into the 'FTA Commission' (*Commissie Vrijhandelsgebied*). The Agricultural Subcommittee made two reports on agriculture in the FTA. The first report was delivered on 22 November 1957. The second report from April 1958 commented upon the British proposal from January 1958 on agricultural cooperation in the FTA. In the FTA commission Dutch industry took a reserved position toward the FTA while Dutch agriculture was silent on the

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<sup>530</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 40*, "Gemeenschappelijke markt en vrijhandelszone", signed Driesprong 12-1-1957; *ibid.*, "Landbouw en vrijhandelszone", signed Driesprong 6-4-1957; *ibid.*, vergadering Landbouwschap Commissie Buitenland 15-4-1957;

LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 20-2-1957; vergadering Landbouwschap Bestuur 24-4-1957;

LTO, *Archief Landbouwschap, Agenda's Bestuur*, agenda vergadering Landbouwschap Bestuur 24-4-1957, annex: Landbouwschap to Mansholt 24-4-1957;

KDC, *Archief KNBTB 33-61 Bestuur*, "Euromarkt en de Nederlandse land- en tuinbouw", signed F.W.J. Kriellaars, 26-4-1957; *ibid.*, vergadering KNBTB Bestuur 2-5-1957.

<sup>531</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 40*, vergadering Landbouwschap Commissie Buitenland 2-10-1957;

LTO, *Archief Landbouwschap, Agenda's Dagelijks Bestuur*, Agenda vergadering Landbouwschap Dagelijks Bestuur 8-10-1957;

LTO, *Archief Landbouwschap, Besluitenlijst Dagelijks Bestuur*, vergadering Landbouwschap Dagelijks Bestuur 8-10-1957.

issue.<sup>532</sup> In the first report from 22 November 1957 the Agricultural Subcommittee demanded the inclusion of agriculture in the FTA. In the short term there should be for instance a lowering of tariffs, and in the long term there should be a compulsory coordination of the national policies.<sup>533</sup>

On 30 December 1957 Mansholt consulted Dutch industry, agriculture and trade on the FTA negotiations. According to Mansholt, Britain was about to abandon her resistance against the inclusion of agriculture in the FTA, but Britain would still not accept an automatic elimination of trade barriers in agriculture. In the Netherlands the general opinion was that the subsidies to British agriculture had greater influence than tariffs and import quotas on the conditions for trade. British agricultural policy should be submitted to international control, but the rules in the FTA would also apply to the trade in agricultural products within the EEC.

The replies from Dutch industry, agriculture and trade brought Mansholt to the conclusion that they would remain reserved toward the FTA until the situation had become more clear. There were two general options. One was to have a detailed treaty and a unanimity rule in the FTA. The other option was to have global rules which would be worked out in detail at a later stage. Rather than a detailed treaty, Mansholt would prefer an agreement based on global rules which would be worked out in detail by strong common organs. But he did not expect that Britain would participate in a cooperation of this type. If the demand for influence on British agricultural policy was met, the non-EEC countries would in return obtain influence on the CAP.

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<sup>532</sup> NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Internationale Sociaal-Economische Aangelegenheden [voor 1959 Commissie Vrijhandelsgebied]*, inv. no. 440, *Notulen 1957-1979 ("SER 440")*, vergadering 20-7-1957; vergadering 2-10-1957; vergadering 9-4-1958; vergadering 20-5-1959.

<sup>533</sup> NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Internationale Sociaal-Economische Aangelegenheden [voor 1959 Commissie Vrijhandelsgebied]*, inv. no. 453, *Werkgroep Landbouw, Vergaderstukken 1957-1979 ("SER 453")*, L/8, *Ontwerp Advies over de landbouw in het verband van de plannen voor een vrijhandelsgebied*; *ibid.*, L/9, *Herziene lezing van de blz. 11 (onderaan) tot en met 14 van het stuk L/8*, 7-11-1957;

NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Internationale Sociaal-Economische Aangelegenheden [voor 1959 Commissie Vrijhandelsgebied]*, inv. no. 441, *Vergaderstukken 1957-1979 ("SER 441")*, V.G./15, *Ontwerp Advies over de landbouw in het verband van de plannen voor een vrijhandelsgebied*, 13-11-1957;

NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Internationale Sociaal-Economische Aangelegenheden [voor 1959 Commissie Vrijhandelsgebied]*, inv. no. 445, *Correspondentie 1957-1979 ("SER 445")*, V.G. 17, *Eerste Advies over de landbouw in het verband van de plannen voor een vrijhandelsgebied*, 22-11-1957.

Most of the Landbouwschap's leaders agreed with Mansholt that the Netherlands should work for decisions by majority in the FTA. According to Mansholt, Britain was considering the introduction of a system of national minimum import prices in the FTA, as in the EEC Treaty. The Netherlands had declared that if minimum prices were introduced in the FTA, then the FTA should under all circumstances have the same institutional structure as the EEC, because otherwise it would be impossible to phase out minimum prices. Dutch industry, agriculture and trade subscribed to this position.<sup>534</sup>

At this point the agricultural organisations were still taking a passive attitude to the FTA negotiations. They probably felt that their views were adequately represented by Mansholt. However, on 1 January 1958 Mansholt became the EEC's Commissioner for Agriculture. The understanding reached during the meeting on 30 December 1957 did not necessarily constitute a political commitment for Mansholt's successor as minister of Agriculture, Vondeling, and even less so for the government as a whole. In March and April 1958 the agricultural organisations took political action to prevent an extension of the rules on minimum prices in the EEC Treaty to the FTA.

During a meeting in IFAP's European Committee in Paris on 24-25 March 1958 the Dutch representatives argued a minimum price system would inflict great disadvantages upon the exporting countries, especially if the system became permanent. IFAP agreed on a text which stated that in some cases and under certain conditions minimum prices could be an acceptable solution. On 23 April 1958 the KNBTB's president Mertens (KVP) declared in the Dutch parliament that he rejected the idea of an agricultural trade system based on minimum prices in the FTA.<sup>535</sup> During a meeting between the Ministry of Agriculture and Dutch industry, agriculture and trade on 11 June 1958, Knottnerus (KNLC) warned against the introduction of a minimum price system in the FTA, because the FTA's institutions would be too weak.<sup>536</sup> Dutch agriculture suspected that Dutch government in fact had accepted that minimum prices could replace tariffs in the FTA, but at any rate the Dutch government decided to reject minimum prices in the FTA.

Dutch agriculture obtained that the SER rejected a solution where the FTA member countries were obliged to eliminate tariffs with the possibility of

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<sup>534</sup> LTO, *Archief Landbouwschap, Microfiches Dos. no. 40*, "Verslag van de op 30 december 1957 ten departemente gehouden bespreking tussen het Ministerie van Landbouw en het Landbouwschap, de Landbouw-industrie en de Landbouw-handel, inzake de Vrijhandelszône", 4-1-1958.

<sup>535</sup> KB, *HEK 1956-1957*, Mertens (KVP), 23-4-1957, p. 3245.

<sup>536</sup> LTO, *Archief Landbouwschap, Dos. no. 40*, "Verslag van de vergadering betreffende Gemeenschappelijke Markt en Vrijhandelszône van het Ministerie van Landbouw en het Landbouwschap, de Landbouwhandel en de Landbouwindustrie, gehouden ten departemente op 11 juni 1958".

replacing the tariffs with minimum prices.<sup>537</sup> The second report on agriculture in the FTA from the SER's FTA Commission stated that a direct attack on tariffs and import quotas could lead to the creation of a minimum price system, and this was undesirable as long as there did not exist strong institutions in the FTA. The Netherlands should maintain her preferential position in the EEC market, while the Commonwealth preference did not constitute a valid argument against a lowering of the high British tariffs on fruits and vegetables. The FTA should not have separate institutions for agricultural cooperation.<sup>538</sup>

From its consultations with the commodity boards (*produktschappen*) the Ministry of Agriculture concluded that most of them were evasive in the question of whether agriculture should be included in the FTA. The Dairy Commodity Board clearly stated that it considered an FTA including agriculture to be disadvantageous for the Dutch dairy sector. The meat producers and the cereals traders expressed similar reservations toward an inclusion of agriculture in the FTA, although in less explicit terms.<sup>539</sup>

On 16 July 1958 the Landbouwschap sent a letter on the FTA to the Dutch government. The Landbouwschap rejected the idea of a so-called 'freezing' of the existing trade volume in agricultural products in the FTA. An obligation to maintain the existing agricultural imports would weaken the preferential Dutch position in the EEC market. It would impede the freeing of internal trade within the EEC and would work against specialisation.<sup>540</sup> In this the Landbouwschap was supported by the Ministry of Agriculture.<sup>541</sup> On 6 August 1958 the Landbouwschap's leaders evaluated the EEC's proposal

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<sup>537</sup> KDC, *Archief KNBTB 33-61 Bestuur*, vergadering KNBTB Bestuur 21-4-1958.

<sup>538</sup> NA, *SER 453*, L/11, *Ontwerp Tweede Advies over de landbouw in het verband van de plannen voor een vrijhandelsgebied*, 25-3-1958;  
NA, *SER 445*, *Tweede Advies over de landbouw in het verband van de plannen voor een vrijhandelsgebied*, 9-4-1958.

<sup>539</sup> NA, *LNV-DIO 124*, "Vrijhandelsgebied", 12-4-1957.

<sup>540</sup> LTO, *Archief Landbouwschap, Agenda's Dagelijks Bestuur*, agenda vergadering Landbouwschap Dagelijks Bestuur 8-7-1958;

LTO, *Archief Landbouwschap, Besluitenlijst Dagelijks Bestuur*, vergadering Landbouwschap Dagelijks Bestuur 8-7-1958;

LTO, *Archief Landbouwschap, Agenda's Bestuur*, agenda vergadering Landbouwschap Bestuur 16-7-1958:

LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 16-7-1958;

LTO, *Archief Landbouwschap, Microfiches Dos. no. 40*, Landbouwschap to Vondeling, "Vrijhandelszone", 17-7-1958.

<sup>541</sup> NA, toegangsnr. 2.06.064, *Sociaal-Economische Raad, Commissie Internationale Sociaal-Economische Aangelegenheden [voor 1959 Commissie Vrijhandelsgebied]*, inv. no. 451, *Werkgroep Landbouw, Notulen 1957-1979 ("SER 451")*, vergadering 31-7-1958; vergadering 31-7-1958 herzien.

for agricultural cooperation in the FTA. The Landbouwschap concluded that the demands in the letter from 16 July 1958 had been met.<sup>542</sup>

During a meeting in CEA's leadership on 25 August 1958 the situation in the FTA negotiations was discussed. Switzerland, Austria and Spain feared that there would be discrimination against agricultural exports to the EEC. The agricultural organisations in the Six insisted on the implementation of the EEC Treaty, and they rejected a Swiss proposal to suspend the rules in the treaty on tariffs and import quotas.<sup>543</sup>

In a note to COPA in September 1958 Dutch agriculture declared that the first priority should be given to the implementation of the EEC Treaty and to the maintenance of the Dutch preferential position in the EEC market. For this reason, Dutch agriculture rejected an agreement based on a freezing of the trade volume in agricultural products in the FTA.<sup>544</sup>

In a letter to the Dutch government on 10 September 1958 the Landbouwschap confirmed its position, that agriculture should be included in the FTA with a reservation for the preferential Dutch position in the EEC market. The Landbouwschap hoped that the Netherlands would make the step from one stage to the next in the industrial FTA conditional on progress in agricultural cooperation.<sup>545</sup>

On 11 November 1958 the Ministry of Agriculture and the Landbouwschap discussed the situation in the FTA negotiations. The ministry and the Landbouwschap feared that the interests of Dutch agriculture might be sacrificed in an ultimate attempt to save the FTA. The ministry warned that the Netherlands could lose her advantages in the EEC market in case of an ill-timed creation of an FTA. The ministry asked the Landbouwschap to stay in contact and to give the alarm if necessary.<sup>546</sup> On 26 November 1958 the

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<sup>542</sup> LTO, *Archief Landbouwschap, Agenda's Dagelijks Bestuur*, agenda vergadering Landbouwschap Dagelijks Bestuur 6-8-1958;

LTO, *Archief Landbouwschap, Besluitenlijst Dagelijks Bestuur*, vergadering Landbouwschap Dagelijks Bestuur 6-8-1958.

<sup>543</sup> KDC, *Archief Katholieke Nederlandse Boeren- en Tuindersbond, inv. no. 4948: CEA: Notulen van de Commissie Europese Economische Vraagstukken 1958-1964 ("Archief KNBTB 4948")*, "Kort verslag van de eerste vergadering van de "Ausschusz für wirtschaftliche probleme" van de C.E.A., gehouden op 25 augustus 1958 te Brugg (Zw.)", signed C.P. Driesprong, 27-8-1958.

<sup>544</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Notities m.b.t. 6 E.E.G.-onderwerpen", 18-9-1958.

<sup>545</sup> NA, *LNV-DIO 393*, Landbouwschap to Vondeling, "Vrijhandelszône", 10-9-1958.

<sup>546</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Kort verslag van de bespreking van het Landbouwschap met de Minister van Landbouw, Visserij en Voedselvoorziening, gehouden op 11 november 1958".

Landbouwschap confirmed its position a letter to the Dutch government. Agriculture should be included in the FTA, in name and in practice, but the terms of competition should not be distorted.<sup>547</sup>

The conclusion of a longterm trade agreement between Denmark and Germany in December 1958 provoked a reaction from Dutch agriculture. In the Dutch parliament the KNBTB's president Mertens (KVP) on 27 January 1959 warned that Danish-German agreement could create a precedent for other bilateral agreements between EC member states and non-EEC countries. Mertens would not accept that the Dutch preferential position in the EEC market was undermined in this way.

Interim minister of Agriculture C. Staf declared that the Dutch government had no objections against the content of the Danish-German agreement. Even though Germany ought to have consulted the other EEC member states prior to the signature, in view of the long duration of the agreement, the Netherlands would not make a formal protest against the agreement. The Netherlands had obtained enlarged import quotas and a lowering of the tariffs in Germany under the implementation of the EEC Treaty, and Staf underlined that the Netherlands should not raise demands which made the Dutch stand out as protectionist.<sup>548</sup>

#### 4.4.4. Dutch agriculture and the Free Trade Area: Main lines

The source material for Dutch agricultural organisations in relation to the FTA is relatively small. The only instance where the organisations took an active engagement in the FTA negotiations was in the first six months of 1958, and it was only with a negative purpose, namely, to prevent the introduction of national minimum import prices in the FTA. The Landbouwschap took a reservation for the EEC's tariff preference – understood as a *manufacturing* tariff preference – and in return the Landbouwschap accepted the maintenance of a British tariff preference for the Commonwealth countries of an approximately equal magnitude. As to

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<sup>547</sup> LTO, *Archief Landbouwschap, Agenda's Dagelijks Bestuur*, agenda vergadering Landbouwschap Dagelijks Bestuur 26-11-1958;  
LTO, *Archief Landbouwschap, Besluitenlijst Dagelijks Bestuur*, vergadering Landbouwschap Dagelijks Bestuur 26-11-1958;  
NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 757, Stukken betreffende overleg met het bedrijfsleven over de agrarische aspecten van de gemeenschappelijke markt 1957-1959*, Landbouwschap to Vondeling, "Europese Economische Associatie", 26-11-1958.

<sup>548</sup> KB, *HEK 1958-1959*, pp. 3072, 3077f.

how this principle should be applied in practice, the Landbouwschap left it to the Ministry of Agriculture and the commodity boards to deal with details.

The Landbouwschap supported the Ministry of Agriculture's position, that the Netherlands should possess the right of veto when the FTA member states decided to step from the first to the second stage of the FTA. The intention was not only to use the right of veto as a means to demand that the FTA should include for instance a lowering of the British tariffs in horticultural products. It may have been a more important motive that Dutch agriculture feared the creation of an agreement between Germany, Britain and Denmark on a system of mutual concessions which could effectively prevent the implementation of the CAP. The Landbouwschap suspected that the ministries of Foreign Affairs and Economic Affairs would only make half-hearted efforts to prevent the creation of such an agreement.

With this reservation the Landbouwschap did take a positive attitude toward the FTA. The Landbouwschap in principle supported the creation of strong political organs in the FTA. If such organs were established, and if they did not infringe upon the fundamental integrity of the EEC's institutions, the Landbouwschap would accept that the non-EEC countries in the FTA had some influence on the CAP in exchange for Dutch influence on British and Danish agricultural policies.

The Landbouwschap would prefer that the CAP was created in a friendly political environment in Western Europe. The Landbouwschap was also dissatisfied with what the organisation regarded as insufficient guarantees in the EEC Treaty for the implementation of the CAP. It was not evident that the EEC's transitional arrangements on balance would be economically beneficial for Dutch agriculture, and in 1958 it was not at all certain whether a protectionist CAP would respect the interest of Dutch animal production. For Dutch agriculture it was a basic principle that the sector should be part of general integration, and it would be more difficult to defend this principle in the EEC if the Netherlands accepted that it was violated in the FTA.

#### *4.4.5. Dutch agriculture and the CAP proposal: The Stresa conference*

The formulation of Dutch agriculture's position toward the European Commission's draft proposal for the CAP in the period from January 1958 to April 1960 can be divided into three sub-periods. The first sub-period lasted until the end of 1958. Its main subject was the agricultural conference of the Six in Stresa on 3-11 July 1958: the preparations for the conference, the course of the conference, and the subsequent evaluation of its results. The dominant question became the economic relation between cereals and animal production. The second sub-period lasted from January 1959 to November 1959. The agricultural organisations in the EEC developed their cooperation

in COPA around contact meetings with the European Commission, and they formulated positions toward various product policies. The third sub-period lasted from December 1959 to April 1960. The European Commission submitted its draft CAP proposal, and the agricultural organisations took position toward the proposal and toward an inclusion of agricultural products in the projected acceleration in the EEC's general common market.

There was general agreement in the Netherlands that the Stresa conference on 3-11 July 1958 should not define the CAP. There should be no permanent agricultural conference, agriculture should not be separated from the general cooperation in the EEC, and the conference should not restrict the European Commission's freedom in working out proposals for the CAP.<sup>549</sup>

In other respects the cooperation between the Landbouwschap and minister of Agriculture Vondeling was not good. Firstly, it was difficult for them to agree on the composition of the Dutch delegation to the conference. In the beginning Vondeling would only give the Landbouwschap one seat in the delegation. The Landbouwschap demanded two seats and threatened to stay away from the conference if the demand was not met. However, the Landbouwschap only wanted to be present as an observer, because as full members of the delegation the Landbouwschap's representatives would be bound by instructions from the Dutch government. It was agreed that the Landbouwschap should be represented by two observers in the delegation.<sup>550</sup>

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<sup>549</sup> NA, *LNV-DIO 125*, 52e multilaterale beleidsvergadering 3-6-1958; NA, *REA*, vergadering 25-6-1958; KB, *HEK 1957-1958*, pp. 3245, 3264ff; KB, *HTK 1958-1959*, 5300 *Rijksbegroting 1959 Hoofdstuk XI no. 12*, *Memorie van Toelichting*, p. 14f;

KB, *HTK 1958-1959*, 5300 *Rijksbegroting 1959 Hoofdstuk XI no. 15*, *Memorie van Antwoord*, p. 14.

<sup>550</sup> NA, *LNV-DIO 125*, 51e multilaterale beleidsvergadering 14-5-1958; 53e multilaterale beleidsvergadering 10-6-1958;

KDC, *Archief KNBTB 33-61 Bestuur*, "Conclusies van de vergadering van vertegenwoordigers van de Drie Centrale Landbouworganisaties, gehouden op 3 juni 1958 te 's-Gravenhage"; *ibid.*, vergadering KNBTB Bestuur 16-6-1958;

LTO, *Archief Landbouwschap, Dos. no. 40*, "Verslag van de vergadering betreffende Gemeenschappelijke Markt en Vrijhandelszone van het Ministerie van Landbouw en het Landbouwschap, de Landbouwhandel en de Landbouwindustrie, gehouden ten departemente op 11 juni 1958";

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 772, Stukken betreffende de landbouwconferentie van de lidstaten gehouden van 3 tot 12 juli 1958 te Stresa 1958-1959 ("LNV-DIO 772")*, Landbouwschap to Vondeling, 18-6-1958;

LTO, *Archief Koninklijk Nederlands Landbouw-Comité, Notulen Hoofdbestuur ("Archief KNLC Hoofdbestuur")*, "Kort verslag van de bespreking van een delegatie

Secondly, when the European Commissioner for Agriculture Mansholt and the member-state ministers of Agriculture made speeches to the conference, Vondeling chose a wording which was not well received in agricultural circles. Vondeling declared that agricultural policy should be oriented toward consumption, and that the CAP should not aim at self-sufficiency in foodstuffs. Dutch agricultural organisations argued that by presenting so strongly consumer-oriented views, Vondeling made it easier for agrarian protectionists in the other five member states to isolate the Netherlands and reduce the Dutch influence. The KNBTB found that the Stresa Resolution failed to make an explicit linkage between the establishment of a common cereals price and the freeing of trade in agricultural manufacture between the EEC member states. The Ministry of Agriculture fell back on the defensive argument that the Stresa resolution did not indicate the actual level of the common cereals price.<sup>551</sup>

One may wonder if Dutch agricultural leaders were only motivated by the concerns that the sources indicate. It could be that they were not in agreement with the premise in Vondeling's speech, that agricultural policy should be oriented toward consumption, and since it was not politically opportune for them to criticise the minister on this basis, they instead argued that Vondeling had employed an overly confrontational political method.

The two interpretations are not mutually exclusive. The general impression from all Green Pool and CAP negotiations is that Dutch agricultural leaders feared a continued existence of trade barriers within the EEC as well as a creation of a CAP that protected cereals production at the expense of animal production. Their fear that Vondeling's conduct could be counter-productive was probably sincere. However, if they could not prevent the creation of a CAP that gave strong protection to cereals protection, their next move could

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van het Landbouwschap met de Minister van Landbouw, Visserij en Voedselvoorziening, gehouden op 25 juni 1958”;

LTO, *Archief Landbouwschap, Agenda's Dagelijks Bestuur*, bijlage agenda vergadering Landbouwschap Dagelijks Bestuur 2-7-1958: “Aan de Voorzitter en de leden van het Dagelijks Bestuur”, signed G.P.F. Royackers, 26-6-1958;

NA, *LNV-DIO 772*, Landbouwschap to Vondeling, 26-6-1958.

<sup>551</sup> LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 16-7-1958;

KDC, *Archief KNBTB 33-61 Bestuur*, “Verslag van de vergadering van de Veehouderij-Commissie, gehouden op donderdag 17 juli 1958 in Café-Restaurant “Cambridge” te Utrecht”; *ibid.*, vergadering KNBTB Bestuur 21-7-1958;

LTO, *Archief Landbouwschap, Verslagen Bestuur*, Vergadering Landbouwschap Bestuur 27-8-1958;

LTO, *Archief KNLC Hoofdbestuur*, “Kort verslag van de bespreking van het Landbouwschap met de Minister van Landbouw, Visserij en Voedselvoorziening, gehouden op 23 juli 1958, ten departemente, 1e v.d. Boschstraat 4, Den Haag”.

be to demand compensatory protection to animal production. In that situation their minister's emphasis on consumer interest could backfire on them in both the domestic and the international political context.

During discussions in CEA's leadership Dutch agriculture underlined the linkage between the price levels in fodder grains and animal production. By simply recommending an approximation of the national prices in fodder grains, the Stresa resolution did not pay enough attention to the position of animal production. Dutch agriculture feared that the emphasis on structural improvement in the Stresa resolution could divert attention away from the creation of a common agricultural market and a common price policy.<sup>552</sup>

During CEA's general assembly in Vienna on 15-20 September 1958 the German minister of Agriculture Lübke held a speech in which he stressed the importance of the cereals price. By contrast, Mertens, who succeeded Knottnerus as the leading Dutch representative in CEA, underlined the importance of animal production.<sup>553</sup> In comparison with the draft version, the final wording of the resolution from CEA's general assembly went some way to reduce Dutch anxieties. Some points in the draft version emphasised the need for market protection by public authorities, and pointed in the direction of self-sufficiency. These points were deleted and a statement on fair demands from consumers was inserted in the final resolution.<sup>554</sup>

In November 1958 CEA's leadership discussed a statement on the Stresa Resolution. Upon Dutch request some changes were made to the statement. Firstly, a passage was deleted which had proposed to convene a new agricultural conference. Instead a passage was inserted which proposed direct and permanent consultations between the EEC and the agricultural organisations. Secondly, it was stressed that while the agricultural structure

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<sup>552</sup> KDC, *Archief KNBTB 4948*, "Kort verslag van de eerste vergadering van de "Ausschusz für wirtschaftliche Probleme" van de C.E.A., gehouden op 25 augustus 1958 te Brugg (Zw.), signed C.P. Driesprong, 27-8-1958;

KDC, *Archief Katholieke Nederlandse Boeren- en Tuindersbond, inv. no. 4079, 3CLO's, Internationaal Secretariaat en Commissie Buitenland 1955, 1957-1959* ("Archief KNBTB 4079"), "Standpunt der niederländischen landwirtschaftlichen organisationen zur Resolution von Stresa", 9-1958.

<sup>553</sup> KDC, *Archief Katholieke Nederlandse Boeren- en Tuindersbond, inv. no. 3870: CEA: Congres te Wenen 1958* ("Archief KNBTB 3870"), "Betreft: 10e Algemene Vergadering van de CEA te Wenen van 15-20 september 1958", signed J.S. Biesheuvel, 25-9-1958.

<sup>554</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 754, Stukken betreffende de behandeling van verschillende aangelegenheden met betrekking tot de Europese Economische Gemeenschap (EEG) 1957-1959*, W.G.F. van Oosten to Vondeling, "Slotresolutie CEA-congres, Wenen 1958 en rede Minister Lübke", 30-9-1958 (with annexes).

was important, this did not change the fact that a market and price policy was necessary. Thirdly, to the passage on the approximation of national fodder grains prices was added a remark that the cereals price and the position of animal production should receive full attention.<sup>555</sup>

In notes to COPA in September 1958 the 3CLO defined their position toward three issues: structural policy; specialisation and division of labour between farms; and the relative economic decline of agriculture. In their note on structural policy the 3CLO put forward four arguments. Firstly, changes in agricultural structure should take place on the basis of voluntary decisions by the farmers. Structural policy should consist of measures which gave the farmers both the incentive and the means to carry out the necessary changes. Secondly, economic growth in non-agricultural sectors was a precondition for the migration of labour away from agriculture. Thirdly, the size measured in hectares was only one, although important, factor in the economic basis of farms. Fourthly, structural policy could not itself create market equilibrium, and structural improvement could lead to increased production. A note from the 3CLO to CEA on structural policy in April 1959 had the same content.

In their note on specialisation the 3CLO argued that when the common market was established, there would be a division of labour based on natural differences in climate, soil fertility, etc. This, the 3CLO believed, would not lead to a specialisation in one-sided productions. The basis of European agriculture was, and should remain, the family farm with mixed production. Factors like the need for crops shifting, economic vulnerability of one-sided production, distance to consumption centres, and the need to keep the family labour occupied throughout the year, all imposed limits on specialisation.

In their note on the relative economic decline of agriculture, the 3CLO firstly pointed to the international trend toward surplus production of food. Because of low price and income elasticities, the result was a downward pressure on the price level. A second factor was stiffening and often growing costs of manufacture and distribution between producer and consumer. This tended to reduce consumption and destabilise prices, and tended to reduce the price received by producers. A third factor was the growing costs of production.<sup>556</sup>

During the KNLC's general assembly on 26 November 1958 there was a discussion as to whether economic support to agriculture in the EEC should

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<sup>555</sup> KDC, *Archief KNBTB 4079*, "Kort verslag van de tweede vergadering van de C.E.A.-Commissie voor Europese Economische Vraagstukken, gehouden te Brugg op 27 november 1958", signed Driesprong, 1-12-1958.

<sup>556</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Notities m.b.t. 6 E.E.G.-onderwerpen", 18-9-1958;

KDC, *Archief KNBTB 4948*, "Verbetering van de agrarische structuur: Standpunt van de Nederlandse delegatie", 2-4-1959.

be given in the form of protected prices or direct payments with no relation to production. Many KNLC members believed that the world market was a surplus market where the market prices were falling below the average cost price. They also believed that European farmers competed against countries where wages were much lower; European wage policy was generally based on the wage and productivity level in capital-intensive industrial sectors, and this strengthened the competitiveness of Asian fat for margarine against labour-intensive European butter.

Against this argument, economic experts stressed that in underdeveloped countries low wage levels did not create a low cost price, because productivity was equally low. However, many KNLC members felt that even if a deregulation of the milk price could make butter more competitive against margarine, direct payments with no relation to production would not be a reliable source of income.<sup>557</sup>

In sum, in evaluating the results of the Stresa conference during the autumn of 1958, the 3CLO defined their position toward general issues in the CAP: the economic relation between crops production and animal production, and the relation between price and market policy and structural policy. The 3CLO gradually realised that the EEC's common cereals price would be set at a relatively high level and that Dutch agriculture would have to fight a defensive political battle for the economic interest of animal production.

In relation to the Free Trade Area Dutch agriculture raised the demand for a so-called 'effective' trade preference in the EEC market after a correction for the higher production costs in the CAP – in other words, compensatory protection to manufacturing production. This demand was a forerunner to the concept of compensatory protection to animal production which Dutch agriculture was going to present in 1959. It also became clear that Dutch agriculture would work for a preference for butter against margarine in the CAP, but not by means of import quotas in vegetable fat. Dutch agriculture accepted an active structural policy, national and/or European, provided that it was based on the principle of voluntariness, and provided that structural adjustment did not become a precondition for the creation of a common market in agricultural products.

The composition of the Dutch delegation to the Stresa conference showed that Dutch agricultural organisations wanted to maintain an independent

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<sup>557</sup> LTO, *Archief KNLC Hoofdbestuur*, "Verslag van de inleiding door Prof. Dr. J. Tinbergen gehouden tijdens de Algemene Vergadering van het Koninklijk Nederlands Landbouw-Comité op 26 november 1958 te Utrecht, De positie van de Europese landbouw in de wereldeconomie"; *ibid*, "Discussie naar aanleiding van de inleiding van Prof Tinbergen tijdens de Algemene Vergadering van het K.N.L.C. op 26 november 1958".

position in relation to the Dutch government in CAP matters. Yet, they wanted to be consulted before every major decision, and they wanted full information about governmental negotiations. Furthermore, they wanted to be visibly present in European meetings with symbolical regime-founding significance like the Stresa conference.

#### *4.4.6. Dutch agriculture and the CAP proposal: January-November 1959*

The sub-period from January to November 1959 can be further subdivided into two phases. Internal discussions in Dutch agriculture and discussions in COPA dominated the first phase, which lasted until July 1959. The second phase was dominated by negotiations between Dutch agriculture, industry, trade and trade unions in the framework of the SER. In both phases the predominant question was the level of the EEC's common cereals price.

In March 1959 the Landbouwschap treated the cereals price in an internal note. The note argued that the cereals price should not be set at the high German level. Furthermore, a so-called 'extra value' should be given to wheat in comparison with fodder grains. The EEC should seek to direct wheat production into bread production to the greatest possible extent. While the general wheat price should be relatively high, the price of low-quality wheat should be set at a low level, probably on the basis of the fodder value.

The EEC's fodder grains policy could take one of two forms. Either the world market price in fodder grains could determine the domestic price while subsidies secured a guaranteed price to producers. Or the price level in the domestic market could be regulated. The Landbouwschap would prefer market price regulation, but everything depended on whether the other EEC member states respected the interests of Dutch manufactured production. The Netherlands wanted to increase exports in manufactured products in the EEC, and wanted to continue existing exports to non-EEC countries. If these conditions were not met, the Landbouwschap would instead opt for deregulated market prices and subsidies.

The introduction of a common cereals price and the elimination of restitutions to exports within the EEC presupposed a parallel elimination of national protection of manufactured products. Animal production in the EEC should have a preferential position in the EEC market against exporters in non-member countries. The Landbouwschap suggested that the EEC could apply compensatory import levies in manufactured products in order to neutralise the effects of a high fodder grains price in the EEC.<sup>558</sup>

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<sup>558</sup> LTO, *Archief Landbouwschap, 048.9, Correspondentie Hoofdafdeling Veehouderij 1945 t/m 1965*, D.B. no. 1361, Bijlage agenda vergadering D.B. op 10

On 25 March 1959 the Landbouwschap and the Ministry of Agriculture discussed the question of an extra value to wheat. Interim minister of Agriculture C. Staf thought the wheat price should be higher than the fodder grains price, but the difference should not be large. Apart from this, Staf generally agreed with the Landbouwschap on cereals policy.<sup>559</sup>

In January 1959 it became clear that the European Commission would take the fodder value as basis for the common price in fodder grains.<sup>560</sup> During a meeting in COPA in Keulen on 20 February 1959 the cereals price was discussed. Rehwinkel (Germany) insisted on a high cereals price. Rehwinkel proposed that for imports of fodder grains the Netherlands could receive a tariff quota corresponding to the volume of Dutch exports of manufactured products to non-EEC countries.

Rehwinkel feared that the EEC might develop an overproduction in animal products if the cereals price was not set at a high level. According to Kriellaars, greater demand in meat could be achieved by a lower price, while an increase in production depended on the so-called 'margin of manufacture'. The relation between the cereals price in the EEC and on the cereals price in the world market decided the terms of competition in manufactured products between EEC member states and non-EEC countries. This also applied to the position of Danish products in the EEC market. Kriellaars argued that wheat for bread production, and especially hard wheat, should receive a higher price than fodder grains.

Deleau (France) acknowledged that Dutch agriculture had a need for imports of cheap fodder grains from non-EEC countries, but the solution had to be found which was best to EEC as a whole. Boon (Belgium) argued that if the common cereals price was set at the average level, the income of the farmers of the EEC as a whole would not be changed. The German delegates did not agree. COPA set up a working group to discuss the cereals issue.<sup>561</sup>

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maart 1959, "Uitgangspunten van de Werkgroep Integratie inzake het prijsbeleid voor granen en veredelingsproducten in de E.E.G.", 5-3-1959; LTO, *Archief Landbouwschap, Verslagen Bestuur*, vergadering Landbouwschap Bestuur 18-3-1959.

<sup>559</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Kort verslag van de bespreking van een delegatie van het Landbouwschap met de Minister van Landbouw, Visserij en Voedselvoorziening a.i. op woensdag 25 maart 1959, aanvang 14.30 uur ten departemente, 1e van der Boschstraat 4, 's-Gravenhage".

<sup>560</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Kort verslag van de vergadering van het C.A.S. gehouden op 15 en 16 januari 1959 te Brussel".

<sup>561</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Kort verslag van de vergadering van het C.A.S., gehouden 20 februari 1959, te Keulen".

The European Commission delivered a note on market trends in cereals. The note was examined by COPA's working group, and during a meeting in COPA in Brussels on 16 March 1959 Deleau presented the working group's conclusions. All COPA members agreed that farm profitability should be taken into account in cereals policy. Kriellaars stressed the links between the cereals price and the farm-gate price of other products.

According to Deleau, the working group had concluded that higher prices did not necessarily lead to increased production. Contrary to this, Boon declared that the working group had concluded that it would not be entirely correct to assume that a low cereals price would not lead to a lower cereals production either. The Dutch delegates argued that a high cereals price would stimulate to greater cereals production. A prudent price policy was required, because the EEC as a whole should maintain an import surplus in fodder grains, in exchange for exports of manufactured products to non-member countries.

According to Deleau, the working group had concluded that overproduction of manufactured products was more dangerous than overproduction of cereals. The Dutch delegates criticised this conclusion, but it was defended by the German delegates. The latter argued that a lower price would only lead to a redistribution of income to the detriment of farmers. Only by means of higher prices could agriculture receive a fair share of the growing welfare in the EEC, and the agricultural organisations should not argue in favour of lower prices. In a similar vein, Hallé (France) argued that in the first instance it was most important to defend the interests of the cereals producers. If COPA did not defend a profitable price level, a domino effect would set in; it would begin in cereals and continue into dairy products, meat, etc.

The Dutch delegates tied the creation of a common cereals price to the freeing of trade in manufactured products between the EEC member states. Rehwinkel maintained that if farmers in the EEC should produce under equal conditions, Dutch farmers could not avoid paying a higher price for fodder grains. Knottnerus argued that the basis should be the average of the national price levels in the EEC member states, and Knottnerus acknowledged that the Dutch price had to be raised. But the Dutch manufacturing sector was largely based on cereals purchased in the world market. A raised price of fodder grains would directly affect the sector's profitability. Dutch manufactured production largely exceeded domestic demand and Knottnerus asked whether the other EEC member states were willing to buy greater volumes at higher prices from the Netherlands. On this decisive point no conclusion was reached.<sup>562</sup>

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<sup>562</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Verslag van de vergadering van het C.A.S., gehouden te Brussel op 16 maart, 1959".

During a contact meeting between Mansholt and COPA on 17 March 1959, Mansholt rejected the idea of an extra value to wheat. The COPA members repeated the views they had expressed during their meeting the previous day. Kriellaars argued that the EEC should continue to export manufactured products to non-EEC countries. If the payment of restitutions to exports of manufactured products to non-EEC countries was stopped, the result would be greater instability in the EEC market. Kriellaars further argued that if the cereals price was set at a high level, then manufactured products in the EEC should receive compensatory protection by means of levies on imports from non-EEC countries. The creation of a common market in cereals should run parallel to a growth in the trade in manufactured products.<sup>563</sup>

In April 1959 the KNBTB issued a report on the common cereals policy in the EEC. In the autumn of 1958 the KNBTB had set up a cereals study group with Mertens as the chairman and Kriellaars as the secretary. The report contained the same viewpoints as those which Kriellaars had expressed in COPA. The report suggested the possibility of supplementary payments to farmers in those EEC member states where the cereals price was lowered as part of the price harmonisation. The KNBTB stressed that cereals production should remain profitable. Otherwise the larger cereals-based farms might turn to animal production and squeeze the small farms out of that market.

The profitability of manufactured production was decided by the so-called manufacturing margin. The EEC's common tariff would not create sufficient protection to the EEC's manufactured production if the fodder grains price in the EEC was considerably higher than the price in the world market. The protection of the EEC's manufactured production should consist of the EEC's tariff plus compensatory import levies. The KNBTB assumed that compensatory protection to animal products in the EEC would mainly be given through restrictions on imports from non-EEC countries – and only to a lesser extent through subsidies to exports to non-EEC countries.

The KNBTB was in favour of an extra value to wheat. The price policy in wheat should stimulate the cultivation of hard wheat and quality wheat instead of soft wheat. For fodder grains the KNBTB favoured the use of variable import levies. There should be an incentive to make the most rational choice between the individual species of fodder grains. As far as possible the price relations between the species of fodder grains in the world market should be reflected in the price relations within the EEC.

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<sup>563</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Verslag van de bespreking tussen Dr. Mansholt en het C.A.S. gehouden op dinsdag 17 maart in Brussel".

According to the KNBTB, direct payments could not be the primary means in cereals policy. The state budget would be burdened; it would be difficult to find a fair distribution of the expenses between the EEC member states; payments from the state budget were always an uncertain financial source; there would be practical problems; etc. Simultaneously with the introduction of a common cereals policy the trade barriers between the EEC member states in manufactured products should be eliminated. In addition to the EEC's tariff there should be compensatory import levies in animal products toward non-EEC countries. If these conditions were not met, the KNBTB would prefer a cereals policy which was mainly based on subsidies.<sup>564</sup>

In March 1959 the KNLC and the CBTB took positions toward restitutions and the cereals price which were largely similar to the KNBTB's position.<sup>565</sup> With regard to restitutions, the cereals price and compensatory protection to manufactured products, the KNBTB's position was compatible with the Landbouwschap's conclusions. In early May 1959 the 3CLO delivered a note on cereals policy to COPA. The 3CLO came to similar conclusions as the KNBTB and the Landbouwschap, but the 3CLO did not mention the possibility of a subsidies-based cereals policy.<sup>566</sup>

COPA's secretariat composed a draft notes on cereals on the basis of the national notes, and during a meeting in COPA in Brussels on 12-13 May 1959 the content of the draft notes was discussed. The draft note on cereals would establish self-sufficiency as an independent objective in the mutual preference in the CAP. The Dutch delegates protested against this and they obtained that self-sufficiency in cereals was not defined as an independent objective, but only as a possibility. The Italian delegates wanted a specification of the measures to be taken against imports from non-EEC countries and they proposed that the note should mention the possibility of import quotas. The Dutch delegates declared that this would be completely

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<sup>564</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Het vraagstuk van de voergranen in E.E.G.-verband", 25-9-1958; *ibid.*, "Verslag van de vergadering van de Veehouderij-Commissie, gehouden op maandag 1 december 1958 in Hotel Smits te Utrecht"; *ibid.*, "Voergraanbeleid in E.E.G.-verband", 15-4-1959; *ibid.*, vergadering KNBTB Bestuur 20-4-1957.

<sup>565</sup> LTO, *Archief KNLC Hoofdbestuur*, vergadering KNLC Hoofdbestuur 17-3-1959; HDC, *Archief CBTB Notulen Bestuur*, "Verslag van de vergadering van de Veehouderij Commissie van de Nederlandse C.B.T.B., welke gehouden is op 24 maart 1959 in Hotel Monopole te Amersfoort".

<sup>566</sup> KDC, *Archief KNBTB 4079*, "Standpunt van de Nederlandse Centrale Landbouw Organisaties met betrekking tot het in E.E.G.-verband te voeren graanbeleid", 1-5-1959.

unacceptable. It was decided only to speak of an ‘effective and disciplined control’ of the imports from non-EEC countries, without further details.<sup>567</sup>

Next to cereals, COPA also had discussions on animal products. During a meeting in COPA in Brussels on 6 April 1959 the market situations in meat and dairy products were discussed. There was agreement that the CAP should seek to maintain a balance between supply and demand in meat. The Dutch delegates argued that a low fodder grain price was important for exports of pork and poultry meat to non-EEC countries. Regarding the consumption of dairy products, the French delegates pointed to the price competition with margarine. The Dutch delegates argued that a lowering of the price could lead to significantly greater consumption, but the German delegates denied this. National policies distinguished between industrial milk and consumption milk, and it was agreed that the CAP should maintain this distinction. The market in consumption milk should be stable.<sup>568</sup>

In early May 1959 the 3CLO delivered notes to COPA on dairy products and cattle and meat. As for dairy products, the 3CLO argued that the EEC should have a coordinated import policy toward non-member countries, both with regard to dairy products and fat for margarine. The creation of a common market in dairy products should take place through an elimination of the trade restrictions between the EEC member states and a harmonisation of national policies. In the common market there should be a preference for dairy products from within the EEC. The CAP should seek to secure a stable and reasonable income without strong state control of the use of raw milk.<sup>569</sup>

The note from the 3CLO on cattle and meat treated livestock for slaughter, beef and veal, and mutton. The 3CLO found that in these products it was not possible to conduct a policy which guaranteed profitable prices. The common policy could only aim at a certain stabilisation of production, prices and market. The EEC should as far as possible only employ indirect and global measures. In particular there should be a coordination of imports and exports in relation to non-EEC countries. The payment of restitutions to manufactured exports to non-EEC countries could be necessary. According to the 3CLO, it was possible and desirable to accelerate the creation of a

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<sup>567</sup> KDC, *Archief KNBTB 33-61 Bestuur*, ”Verslag van de vergadering van het C.O.P.A., gehouden op 12 en 13 mei 1959 te Brussel”, signed Jorna, 29-5-1959.

<sup>568</sup> KDC, *Archief KNBTB 33-61 Bestuur*, “Kort verslag van de vergadering van het “Comité des Organisations Professionnelles Agricoles de la Communauté Économique Européenne”, gehouden op 6 april 1959, te Brussel in hotel “Cosmopolite”.

<sup>569</sup> KDC, *Archief KNBTB 33-61 Bestuur*, “Besluitenlijst van de vergadering van vertegenwoordigers der 3 Centrale Landbouw Organisaties, gehouden op 6 mei 1959 op het secretariaat van de K.N.B.T.B. te ’s-Gravenhage”; KDC, *Archief KNBTB 4079*, “Melk en Zuivelbeleid in E.E.G.”, 6-5-1959.

common market in livestock for slaughter, beef and veal, and mutton. In these products the EEC still had an import surplus; consumption was growing; a rapid expansion of production was difficult; the differences in national price levels were not great; the world market in beef was stable; and the cereals policy was not important for these products.<sup>570</sup>

COPA's secretariat composed draft notes on animal products on the basis of national notes. COPA's draft note on dairy products expressed a fear that the EEC in case of overproduction of milk might seek the solution in a lowering of the butter price. The EEC's producers should receive profitable prices. The CAP should aim at price stability and should protect the EEC's market. Coordination should be established between prices in dairy products and imports of vegetable oils and fats, especially in order to create a less uncompetitive position for butter toward margarine. The Italian and German delegates suggested that the EEC should impose limitations on the sales of margarine, but the Dutch delegates would not go so far.<sup>571</sup>

During a meeting in COPA in Rome on 15-17 June 1959 the EEC's policy in meat and cattle was discussed. COPA's draft note underlined the importance of meat production for the small and middle-sized family farms. The EEC market in meat should be protected. In order to maintain competitive ability, meat exports to non-EEC countries should receive compensation for the higher production costs in the EEC. Yet, a large manufacturing margin could lead to overproduction of meat. COPA's draft note defined overproduction as a situation where meat production could only remain profitable as long as the fodder grain price remained below a profitable level.

In the existing national policies there was a certain intervention in the meat market by the state or other organs. The EEC should coordinate such interventions. Price stabilisation through stockpiling should be attempted by the private sector in the first instance, and if this was not effective, the public organs would have to intervene. The German delegates proposed that the meat market should be stabilised by means of an active price and import policy in fodder grains. The Dutch delegates rejected this, because it would damage the position of the Dutch manufacturing industry.

The Dutch delegates argued that only well-managed farms, and not the average farm, should constitute the basis of the common policy. They found it difficult to develop a precise definition of overproduction in animal products and criticised the draft note at this point. The Dutch delegates did

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<sup>570</sup> KDC, *Archief KNBTB 4079*, "Standpunt van de Nederlandse Centrale Landbouworganisaties inzake het vee- en vleesbeleid", 6-5-1959.

<sup>571</sup> KDC, *Archief KNBTB 33-61 Bestuur*, "Verslag van de vergadering van het C.O.P.A., gehouden op 12 en 13 mei 1959 te Brussel", signed Jorna, 29-5-1959.

not accept a wording in the draft note that the trade between the EEC member states could be regulated by means of national minimum prices as long as the conditions of production had not been harmonised. Nor would the Dutch delegates subscribe to a recommendation of longterm contracts.<sup>572</sup>

During a meeting in COPA in Brussels on 1-2 July 1959 the final version of the note on meat and cattle was worked out. The Dutch delegates obtained the deletion of a passage which had stated that the majority of mixed farms fed their fodder grains into their own animals. The Dutch delegates also obtained a change in the text so that the use of national minimum prices no longer was described as a 'legitimate defence' measure. In its final version the note stated that the price relation between cereals and animal products should remain in a balance which secured the profitability of both sectors. The passage on stockpiling was reformulated in so broad terms that it could include the Dutch commodity boards.<sup>573</sup>

The discussions in COPA revealed certain tendencies. On the one hand, in the cereals question Dutch agriculture was faced with an alliance between German and French producers who desired a relatively high price level. On the other hand, if Dutch farmers resigned themselves to a high cereals price, then farmers in the other EEC member states would take a favourable attitude toward Dutch demands concerning the CAP in animal products. Whether Dutch farmers demanded compensatory protection against non-EEC competitors, or whether they demanded a free internal market, they would meet at least a certain degree of understanding from COPA.

The discussions in the Netherlands in the next phase (September – November 1959) should be seen in this light. The discussions in COPA opened the perspective of compensatory protection and closed all alternative avenues. Without support from domestic decision-makers, Dutch agriculture would probably not obtain compensatory protection in the CAP.

A great part of the Dutch discussions on the CAP in 1959 took place in the SER's FTA Commission, which in September that year changed its name into the 'International Social and Economic Affairs Commission'. In November 1959 the Agricultural Subcommittee delivered a report on the EEC's cereals policy to the plenary commission. Among the issues were the general objectives, the relation between fodder grains and manufactured animal products, and the relation between wheat and fodder grains.

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<sup>572</sup> KDC, *Archief KNBTB Bestuur 33-61*, "Verslag van het Comité des Organisations Professionnelles Agricoles de la Communauté Economique Européenne", gehouden te Rome op 15, 16 en 17 juni 1959, signed Jorna, 23-6-1959.

<sup>573</sup> KDC, *Archief KNBTB Bestuur 33-61*, "Verslag van de vergadering van het C.O.P.A., gehouden op 1 en 2 juli 1959 te Brussel", signed Jorna, 6-7-1959.

The representatives from the trade unions, the PvdA and the National Cooperative Council pointed to the differences between the agricultural policy objectives in the EEC Treaty and the objectives in Dutch agricultural policy. They argued that the latter, not the former, should constitute the initial basis for the Dutch position toward the CAP. They felt that the objectives in the EEC Treaty put too much emphasis on price stabilisation and economic security at the expense of economic efficiency.

Kriellaars proposed that the protection of manufactured agricultural production in the EEC should extend beyond the tariff preference. If the EEC's tariff in manufactured products was equal to the EEC's tariff in raw materials, then this in itself would create no protection of manufactured products. According to Kriellaars, all sectors in the EEC received protection, and to give manufactured products a certain degree of protection would not only be necessary but also fair. Production in the EEC should have a certain priority over products from Denmark. In practice the common cereals price would be set at a level somewhere between the French and the German price, and to Dutch manufacturing production this would create a difficult situation. If Dutch producers did not enjoy a certain preference, it could be advantageous for Denmark to stay outside the EEC.

The representatives from the trade unions, the PvdA and the National Cooperative Council rejected Kriellaars' proposal. They found that the proposal introduced a new element of protection, and they expected that it would lead to an unacceptable situation where agriculture in the EEC received more protection than industry. They would only accept minor supplementary measures like an anti-dumping policy in the EEC.

Kriellaars argued that an anti-dumping policy would not suffice, because an aggressive cereals export policy on part of the United States would compel other exporting countries to lower their export prices as well. Kriellaars believed that if agricultural protection in the EEC only relied on the tariff preference and minor supplementary measures like an anti-dumping policy, then the result would be that Denmark possessed a preferential position in the British market without suffering any disadvantage in the German market.

Kriellaars concluded that manufactured products should receive protection not only through tariffs, but also through compensatory levies. Otherwise the European preference in manufactured products would become uncertain, unless the EEC decided to fix a maximum price difference in cereals between the world market and the EEC market. In the latter case the EEC would have no active price policy in cereals. Even if the common cereals price was set at the French level – neglecting the higher German level – the difference in comparison with the world market price might still be larger than 20%, which Kriellaars regarded as the critical point.

The representatives from the trade unions and the PvdA believed that Denmark had the structural advantage of possessing a large domestic low-cost production of fodder grains, and they found that the system of double protection proposed by Kriellaars intended to eliminate this structural advantage. They believed that in pursuing this aim instead of vetoing a high cereals price, the Netherlands would in fact accept the predominance of protectionist forces in the CAP.

Kriellaars proposed that the EEC's price policy should give an extra value to wheat in comparison with fodder grains. The other members of the Agricultural Subcommittee agreed to this. The representatives of the cereals-manufacturing industry suggested that the production of soft wheat should be reduced, not by raising the price level of fodder grains, but by limiting the extra value for wheat somewhat. Kriellaars agreed. As to whether there should be fixed or variable import levies on fodder grains, there was agreement that the import levies should be variable but with a large room for price fluctuations. Kriellaars proposed that the cereals price should be calculated on the basis of profitable farms. Additional subsidies could be paid to submarginal farms in the form of aid to structural development.

In the version which was submitted to the plenary SER commission in November 1959 the report proposed that the EEC's price of wheat and fodder grains should be oriented toward the relatively low French price. There should be a limited extra value to wheat. As an alternative to a high cereals price the report proposed the payment of subsidies to submarginal farms. The subsidies should not be attached to production, but to structural improvement. Such subsidies could possibly be financed by the EEC member states in common. There should be a large room for fluctuations in prices before the import levies in fodder grains were applied, and the levies should only be applied seldom.

With regard to the protection of manufactured products, there were two different points of view. According to the first viewpoint, there should be a variable import levy in manufactured products, which should serve as compensatory protection, i.e., as compensation for the import levies in fodder grains. At the same time there should be a common external tariff at a fixed level for manufactured products, and this tariff would create a European preference for the manufacturing industry in the EEC. According to the second viewpoint, the existing common external tariff in pigs and eggs would be sufficient to create a European preference, as long as the common external tariff in cereals did not exceed 25% ad valorem. The report approved the second viewpoint and rejected the first.

The report underlined that the creation of a common cereals price should be run parallel to an elimination of trade barriers in the EEC in manufactured products.<sup>574</sup> When the plenary commission discussed the report on cereals, the trade unions again argued against the use of variable import levies in manufactured products. The plenary commission decided not to take a vote for and against the method. Both viewpoints were included in the report.<sup>575</sup>

In conclusion, the discussions in COPA during 1959 confirmed the general impression from the Stresa conference and CEA's general assembly in 1958. When it had become known that the EEC's price policy in fodder grain would be based on the fodder value, Dutch agriculture began to operate with the concept of an extra value to wheat (in comparison with the fodder value). In this way cereals production could remain profitable while the EEC's price in fodder grain could be set at a relatively low level.

The concept was probably intended as a means to gain the support of specialised French wheat growers and of Italian farmers. This would mean that German farmers could be isolated in their demand for a high fodder grains price. The concept did not work, however. In the first instance, the European Commission did not support it. Secondly, Dutch agricultural organisations sought to maintain domestic agreement with the agricultural industry and with the trade unions as far as possible. Probably because of political pressure from Dutch agricultural industry, and because bread price policy was linked to the general coordination of prices and wages in the Netherlands, the concept turned in the direction of a giving significant extra value to hard wheat only. As a result, cooperation with French farmers in the question was impeded.

When neither techniques nor politics offered any solution to the cereals price problem, Dutch agriculture turned to the method of compensatory protection for manufactured production. The central concern was the same as always, namely, to maintain a substantial preference in the EEC market against Danish exporters, while at the same time maintaining competitive ability for Dutch exports of manufactured products to non-EEC markets.

The strong attention given to cereals can create a distorted impression of Dutch agriculture's policy toward the CAP. In animal productions which were less directly related to fodder grains it was easier to reach agreement between farmers in the EEC. In particular there was agreement on protecting

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<sup>574</sup> NA, SER 451, vergadering 6-10-1959; vergadering 8-10-1959; vergadering 24-10-1959; vergadering 4-11-1959;

NA, SER 453, L.48, *Ontwerp-advies inzake het graanbeleid in de E.E.G.*, 19-10-1959.

<sup>575</sup> NA, SER 440, vergadering 18-11-1959;

NA, SER 445, V.G. 53, *Advies inzake het graanbeleid in de E.E.G.*, 18-11-1959.

butter against margarine. However, in comparison with agriculture in the other five EEC member states, Dutch agriculture on the whole took a more competition-oriented approach, rejected the use of common import quotas and insisted on the creation of a common market.

#### *4.4.7. Dutch agriculture and the CAP proposal: EEC acceleration*

On 7 December 1959 the European Commission submitted its proposal for the CAP to the Council of Ministers. Since early 1959 the Six contemplated an acceleration of the common market. The Commission assumed that agriculture would be included in the acceleration. Of the transitional period there still remained 10 or even 13 years. The Commission proposed that the remaining period as a general rule should be limited to 6 years, counting from 1 January 1960. During the transitional period the national price levels should be harmonised, and the national trade policies should be coordinated. The trade barriers between the member states should be eliminated, together with unfair and distorting practices. The use of minimum prices, longterm contracts and levies should be decided by the basic principles in the EEC's market and price policy.

The member states should intensify their structural policies; they would retain the primary responsibility in structural policy, but the EEC would coordinate their policies. The EEC should establish a Structural Fund whose financial basis would partly consist in a separate item in the EEC's budget, partly in a contribution from the Orientation and Guarantees Fund. The Commission would administer the Structural Fund.

The EEC should establish an Orientation and Guarantees Fund, to be administered by the Commission. For products or groups of products the EEC would establish funds, and these funds would together constitute the Orientation and Guarantees Fund. The financial basis of the fund would consist of the revenue from import levies toward non-EEC countries, together with contributions from the member states and from the producers.

Financial means to the payment of restitutions to exports of manufactured products to non-EEC countries and to a stabilisation of the pork market would be taken from the fodder grains fund. Other financial transfers between the product funds could be decided by the Council of Ministers by qualified majority upon a proposal from the Commission. By the same procedure the Council of Ministers could decide that product funds should make financial contributions to the Structural Fund. However, contributions from the producers to the product funds could not be transferred from the product funds to the Structural Fund.

The central price in the CAP would be the *direction price*, also called the ‘target price’. It served as the guiding price for everyone involved, including producers, trade and manufacturing industry. The *basis price* was the price which the public authorities should pay when they intervened and took certain quantities out of the market. The *minimum intervention price* was the lower limit below which the market price would not be allowed to fall. At this price the public authorities were obliged to intervene. This they could do either by stopping imports from non-EEC countries or by taking certain quantities out of the market. The *maximum intervention price* was the upper limit above which the market price would not be allowed to rise. The *sluice-gate price* – also called the ‘threshold price’ – was the price beneath which products would not be allowed to enter the EEC’s market without restrictions. It was calculated from the direction price.

As a rule the Commission would propose the direction price, and the price would step into force unless the Council of Ministers decided to change it. In general, the price should be set for the consumption centres, i.e., the deficit regions – and not for the production regions. In most agricultural products the EEC would operate with variable import levies or equalisation levies in order to compensate for the difference between the EEC’s domestic price and the world market price.

In fodder grains and dairy products the EEC’s common external tariff would be suspended. In almost all products the EEC would issue import licences. Each year the Commission would work out a programme of supply, and in case of excessive supply the issue of import licences could be stopped. Restitutions to exports of pigs, eggs and poultry to non-EEC countries would be financed partly by the revenue from the import levies in fodder grains, partly by the revenue from the import levies in pigs, eggs and poultry. The equalisation levy on imports of pigs, eggs and poultry served to compensate for the higher price of fodder grains in the EEC.

The CAP proposal operated with a co-called ‘standstill’. The member states should not conclude bilateral agreements with non-member countries for the time after the end of the transitional period. Nor should they enlarge their imports from non-member countries beyond the level of 1957/58-1959/60 (wheat) or the level of 1 January 1960 (most other products).<sup>576</sup>

The Landbouwschap organised a meeting between Mansholt and Dutch agriculture in The Hague on 15 January 1960. Mansholt declared that the

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<sup>576</sup> LTO, *Archief Landbouwschap, Agenda’s Bestuur*, vergadering Landbouwschap Bestuur 13-4-1960, annex: Ministerie van Landbouw en Visserij: “Samenvatting van de Ontwerp-Voorstellen inzake de totstandbrenging en uitvoering van het gemeenschappelijk landbouwbeleid overeenkomstig artikel 43 van het Verdrag tot oprichting van de Europese Economische Gemeenschap”, 11-1959.

CAP should be based on a modernised and economically sound family farm. The farmer should be financially self-responsible. The CAP should be based on three principles. First, surpluses should be avoided. There should continue to be agricultural imports and exports in relation to non-EEC countries. Second, direct intervention in production should be avoided as much as possible, because the price was the best regulator. Third, the trade restrictions between the EEC member states should be eliminated. The common market would be accelerated in industrial products, and it should also be accelerated in agricultural products.

The proposals for individual products could be divided into three categories. For wheat, fodder grains, sugar and dairy products there would be a strong degree of price regulation and intervention. For beef, pork, eggs and poultry there would only be occasional intervention. For fruits and vegetables and wine there would be a common quality control and a common classification of qualities. Concerning the use of annual supply programmes and the issue of import licences, Mansholt declared that the issue of import licences would only be stopped if the EEC during a long period of time constantly had been compelled to take quantities out of the market, or if this situation could be expected. Import licences would not be used as a weapon in trade policy.

Mansholt underlined that the EEC should conduct a prudent price policy in cereals. If the EEC developed a surplus, then the farmers should either pay a production levy to the EEC to finance the disposal of the surplus, or the common price should be lowered directly. Mansholt stressed that during the period of six years a true common market in agricultural products should be created. Minimum prices and longterm contracts should be phased out. National subsidies should be harmonised or eliminated, and there should be equal terms of competition.

B.W. Biesheuvel found that the proposal on cereals contained too much regulation, and he was particularly critical toward the possibility of import quotas in fodder grains. Biesheuvel wanted guarantees that the EEC member states could not continue to apply minimum prices. The EEC Treaty had foreseen a transitional period of twelve years and the rules on minimum prices had been formulated in accordance with this expectation. When the remaining transitional period was shortened to six years, a clear procedure for the liquidation of minimum prices ought to be established.

Other leaders in Dutch agriculture requested clear criteria for the allocation of import licences between producers in the member states. They also found that the CAP proposal was too unspecific on the elimination of subsidies and other discriminative measures during the transitional period. Dutch agricultural industry was critical toward the CAP proposal. The division of the EEC into price zones, where the prices would be set in the deficit

regions, would put Dutch manufacturing industry at a disadvantage, because it would find itself located in the most expensive price zone.<sup>577</sup>

On 16 January 1960 Dutch agriculture had a contact meeting with Mansholt in The Hague. Mansholt argued that the best method for eliminating national minimum prices was to work the CAP out in such a way that they became impossible. If the revenue from import levies in fodder grains was not large enough to finance the expenses to restitutions to manufactured exports to non-EEC countries, then the EEC's cereals production would be charged with a levy to cover the difference.<sup>578</sup>

On 19 January 1960 the KNLC's leaders evaluated the results of the meetings with Mansholt. President Knottnerus supported the shortening of the transitional period. Certain forces in the Netherlands worked for an exception of agriculture from the acceleration of the common market, but the trade unions supported the inclusion of agriculture in the acceleration. Some of the KNLC's leaders wondered whether the Netherlands should leave the CAP, but Knottnerus rejected that possibility. Nevertheless, Knottnerus expected that the acceleration would lead to an irresponsibly high level of the common cereals price. Knottnerus also feared that the common prices in the dairy sector would be set at an overly high level. For the Dutch exports of dairy products to non-EEC countries this could become a problem. Knottnerus believed that Mansholt was overestimating the value of structural policy. No matter how successful the structural policy became, Dutch agriculture would remain unable to produce at the world market price.<sup>579</sup>

The Dutch Ministry of Agriculture noted the reactions of the commodity boards to the CAP proposal. In general, the commodity boards rejected the use of price zones where the cereals price was set in the deficit regions. The Poultry and Eggs Commodity Board believed that the sluice-gate price in poultry and eggs would become a sort of guaranteed price and would stimulate to overproduction. It would suffice to have the EEC's common external tariff together with compensatory import levies in order to neutralise the effect of the EEC's higher cereals price. The Meat Commodity Board found that there was no coherent import policy in beef and livestock

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<sup>577</sup> LTO, *Archief KNLC Hoofdbestuur*, "Toelichting op de landbouwvoorstellen der Europese Commissie, uitgesproken door Dr. S.L. Mansholt op een door het Landbouwschap georganiseerde bijeenkomst in Hotel "De Wittebrug" te 's-Gravenhage op 15 januari 1960, des namiddags 2 uur".

<sup>578</sup> LTO, *Archief KNLC Hoofdbestuur*, "Verslag van de contactbijeenkomst met de heren Dr S.L. Mansholt en B. Heringa van de Europese Commissie, gehouden op zaterdagmorgen, 16 januari, in Hotel "Witteburg" te 's-Gravenhage".

<sup>579</sup> LTO, *Archief KNLC Hoofdbestuur*, vergadering KNLC Hoofdbestuur 19-1-1960.

for slaughter. For its own part, the Ministry of Agriculture found that the proposals for individual products tended toward protectionism.<sup>580</sup>

In late January 1960 the Landbouwschap's leaders evaluated the CAP proposal. They felt that the CAP proposal was too strongly oriented toward balance between supply and demand in cereals, and that it too explicitly stated that arable production needed more protection than animal production. In practice it would be difficult to implement a system were the restitutions to manufactured exports to non-EEC countries were financed by means of a levy on the cereals production. The Landbouwschap's leaders were also critical toward the proposal's wording concerning the transitional period. They feared that the enlargement of the trade between the EEC member states would be made conditional on a successful price harmonisation, while the enlargement of the trade ought to follow from the general rules in the EEC Treaty. The Landbouwschap's leaders decided that the organisation should publish a report on the CAP proposal in the spring of 1960.<sup>581</sup>

Between December 1959 and March 1960 the Agricultural Subcommittee under the SER's International Affairs Commission evaluated the CAP proposal. The representatives from the agricultural industry rejected a shortening of the transitional period to six years, because it would probably lead to higher prices. But they were isolated, because the prevailing opinion in the Agricultural Subcommittee was that the transitional period should have the same length in agriculture and industry.

The representatives from the Landbouwschap supported an active structural policy, but they warned that if the common market in agriculture should await structural adjustment, its implementation might take 30 years. They argued that for tactical reasons the Netherlands should embrace the idea of shortening the transitional period. However, they feared that the shortening of the transitional period could lead to a permanent use of national minimum

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<sup>580</sup> NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening archief van de Directie Internationale Organisaties 1950-1959, Multilaterale beleidsvergaderingen 1953-1960, inv. no. 128, Vergadering 73-85, 1959-1960*, "Reacties in Nederland op de concept-landbouwvoorstellen van de Europese Commissie (overzicht per 21 januari 1960)", 21-1-1960; *ibid.*, "Betreft: de voorstellen van de Europese Commissie voor de gemeenschappelijke landbouwpolitiek", signed W. Le Mair, 23-1-1960; *ibid.*, 77e multilaterale beleidsvergadering 26-1-1960.

<sup>581</sup> LTO, *Archief Landbouwschap, Microfiches, Dos. no. 40*, vergadering Landbouwschap Commissie Buitenland 27-1-1960; LTO, *Archief Landbouwschap, Agenda's Dagelijks Bestuur*, agenda vergadering Landbouwschap Dagelijks Bestuur 3-2-1960; LTO, *Archief Landbouwschap, Besluitenlijst Dagelijks Bestuur*, vergadering Landbouwschap Dagelijks Bestuur 3-2-1960.

import prices, as it had happened in Benelux. They therefore suggested that the Netherlands should make the shortening of the remaining transitional period to six years conditional on an elimination of national minimum prices. This became Agricultural Subcommittee's position.

The Agricultural Subcommittee rejected the use of import quotas in the CAP except in case of emergency. There was a general feeling that import quotas would eventually be introduced, at least temporarily. The Agricultural Subcommittee did not like the idea of price zones, and instead suggested that there should be a single direction price and a single intervention price in the EEC. The direction price should be determined by the production costs in the most important regions of production, and not by the world market price.

In the CAP proposal the protection of the EEC market was created by the cumulative effect of tariffs, variable import levies and the sluice-gate price. The latter, which the trade unions regarded as a European minimum price, was derived from the direction price. The trade unions criticised the model, while Kriellaars defended it. The question was how strong a protection should be given to the so-called 'manufacturing function'.

The conditions of poultry and pigs production in the EEC were by and large equal to those in non-member countries. Between 66% and 75% of the cost price in manufactured products consisted of cereals, and a charge of 10% on the manufacturing function would thus be equal to 30% protection. If the charge was 5%, and if the manufacturing function took 25% of the total price, then the degree of protection would be 20%. The trade unions proposed to give a preference of 10% to the manufacturing function. The difference in cereals price would be compensated through a charge, and for the remaining manufacturing function there would be a preference of 10%. Kriellaars supported the idea. He believed that the compensation for the cereals price should only amount to what was needed at an efficient manufacturing farm. According to Kriellaars, a charge of 5% on the net value of the manufacturing function would be sufficient.

The Agricultural Subcommittee decided, firstly, that a high cereals price should be compensated through an import levy on manufactured products. Secondly, manufactured products should only have a low level of protection. Thirdly, the sluice-gate price should be an alternative to the compensating levies and the tariffs on manufactured products when these measures did not prevent dumping. The sluice-gate price should be slightly lower than the total effect of compensating levies and tariffs on manufactured products.

In February 1960 the Agricultural Subcommittee consulted the director of the Crops Commodity Board, Brandsma. As an alternative to restitutions, Kriellaars pointed to the option of duty-free imports of fodder grains destined for re-exportation in manufactured form. Brandsma rejected this

idea, because the Netherlands in principle should reject any use of import licences, and because such a system could only work under fixed tariffs. Like Kriellaars, Brandsma found that there should be a single intervention price in the EEC, and that the direction price should be calculated on the basis of representative regions of production with rationally managed farms.

In March 1960 the Agricultural Subcommittee consulted the Dairy Commodity Board and the Commodity Board for Margarine, Fats and Oils (*Produktschap voor Margarine, Vetten en Oliën*, abbreviated: MVO). The European Commission intended to alleviate the burden of surplus production in the dairy sector by imposing a levy on the margarine. MVO found that the European Commission too readily accepted an increase in milk production, and that a levy on the raw materials for margarine was an unfair solution.

Kriellaars stressed that in the Netherlands the milk producers received the guaranteed milk price through subsidies paid in arrears, and in this system the agricultural income was less affected by the price of margarine, but the CAP would use market price regulation. Thus the CAP sharpened the conflict between butter and margarine. The CBTB's president R. Zijlstra acknowledged that in pursuing an aggressive policy against margarine the Dutch milk producers would not be acting wisely.

According to the CAP proposal, there should be an EEC price level for milk from which the prices for butter and cheese would be derived. When the butter price fell to a level 15% below the price derived from the milk price, the EEC would intervene. The Dairy Commodity Board would prefer a commercially oriented intervention price in butter without a fixed relation with the direction price in milk. Contrary to this, Kriellaars found that the difference between the direction price in milk and the intervention price in butter should not exceed 5%. The Dairy Commodity Board wanted a stable price level for consumption milk, but this should not be achieved through the creation of separated, closed markets. Kriellaars agreed.<sup>582</sup>

In a letter to the SER commission dated 23 March 1960 Kriellaars argued that the Netherlands should tie the shortening of the transitional period in agriculture to the general acceleration of the common market. At the same time, the Netherlands should make the decision dependent on an agreement guaranteeing that the national minimum prices were not perpetuated.

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<sup>582</sup> NA, *SER 451*, vergadering 23-12-1959; vergadering 5-1-1960; vergadering 15-1-1960; vergadering 27-1-1960; vergadering 4-2-1960; vergadering 18-2-1960; vergadering 17-3-1960;  
NA, *SER 453*, *Concept-Advies inzake de voorstellen van de Europese Commissie betreffende een gemeenschappelijk landbouwbeleid in de E.E.G.*, 1-4-1960.

According to Kriellaars, it was probably the last chance to achieve a truly free trade in agricultural products within the EEC.<sup>583</sup>

Also on 23 March 1960 the plenary SER commission discussed the draft report from the special working group. The agricultural industry rejected the CAP proposal. The trade unions argued that the Netherlands had always regarded the EEC as a single whole, in which certain sectors should not be exempted. The trade unions supported this principle, and they considered the acceleration of the common market to be in fundamental accordance with the Dutch economy. The Netherlands should not unconditionally accept every kind of CAP, but the trade unions would not put forward arguments against the inclusion of agriculture in the acceleration of the common market.<sup>584</sup>

On 24 March 1960 a meeting was held between minister of Agriculture Marijnen, the Landbouwschap, the agricultural industry and the private traders. The Landbouwschap found that the European Commission had not given enough consideration to the problems in the transitional period. With regard to the CAP, the Landbouwschap was opposed to an artificial creation of price zones. The Landbouwschap also found it difficult to accept that the EEC's import policy should be determined on the basis of annual supply prognoses. According to Marijnen, the proposals from the European Commission would mean that the elimination of import quotas in agriculture during the acceleration was separated from the elimination of import quotas in industry. For the Netherlands this was difficult to accept.

The agricultural industry desired an association between the EEC and EFTA more than an acceleration of the EEC. The CAP proposal neglected the interests of the agricultural industry, for instance in the question of price zones. The agricultural industry argued that the CAP should be as liberal as possible, while high-cost regions could receive a subsidy per hectare.

The private traders had the same opinion as the agricultural industry. The cooperative traders rejected the use of import quotas in fodder grains, but supported the acceleration of the common market in agriculture. The milling industry feared that acceleration would drive the common price upwards. The cereals traders rejected the idea of price zones, but did not take a clear position toward acceleration. The mixed-fodder industry did not take a position for or against acceleration. The cereals-manufacturing industry was not in favour of acceleration, as it would make exports to non-EEC countries more difficult, while competition within the EEC would not be sharpened. The meat-manufacturing industry supported the CAP proposal, but

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<sup>583</sup> NA, *SER 441*, "Voorstellen tot wijziging van S.W. 63, I.S.E.A. 60, ingediend door de heer F.W.J. Kriellaars", 23-3-1960.

<sup>584</sup> NA, *SER 440*, vergadering 23-3-1960.

demanded complete restitution to exports of manufactured meat to non-EEC countries. Marijnen concluded that Dutch industry, agriculture and trade shared a strong reservation toward many aspects of the CAP proposal.<sup>585</sup>

On 13 April 1960 the Landbouwschap's leaders approved the draft of the organisation's report on the CAP proposal. According to Knottnerus, the European Commission had failed to present a solution to the problem of minimum prices. Knottnerus insisted that agriculture should be included in the acceleration of the common market, and that a common trade policy toward non-member countries should be developed as soon as possible. Knottnerus rejected the use of price zones and import quotas.<sup>586</sup>

The Landbouwschap's report on the CAP proposal was published in April 1960. The Landbouwschap supported the general objectives and principles in the CAP proposal, but had many critical remarks. The CAP proposal would make the reduction of trade barriers between the member states dependent on the establishment of a common cereals price in the EEC. The Landbouwschap rejected this and pointed to the general rules in the EEC Treaty. Agriculture should be included in the acceleration of the common market, and the common trade policy should be accelerated. There should be stronger guarantees for the elimination of minimum prices.

With regard to the content of the CAP, the proposals pointed too strongly in the direction of import quotas and price zones. Besides, the proposals could lead to the creation of local monopolies in consumption milk, which was undesirable. The proposals ought to have included a common export policy in animal products. The common classification in horticultural products should only exclude low-level, not middle-level products, from the common rules of competition. The Landbouwschap supported an active structural policy, but the common market should be the motor in the adaptation of agricultural structure, and not the other way around.<sup>587</sup>

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<sup>585</sup> LTO, *Archief Landbouwschap, Microfiches, Dos. no. 40*, "Verslag van de contactbijeenkoms tuss en de Minister van Landbouw en Visserij, Minister Marijnen, en vertegenwoordigers van Landbouw-handel, industrie en het Landbouwschap, gehouden op donderdag 24 maart 1960", signed P.J., 25-3-1960.

<sup>586</sup> LTO, *Archief Landbouwschap, Verslagen Bestuur, vergadering Landbouwschap Bestuur 13-4-1960*.

<sup>587</sup> Landbouwschap (1960): *Het gemeenschappelijk landbouwbeleid in de E.E.G. – Advies van het Landbouwschap met betrekking tot de ontwerp-voorstellen der Europese Commissie inzake de totstandbrenging en uitvoering van het gemeenschappelijk landbouwbeleid overeenkomstig art. 43 van het Verdrag tot oprichting van de Europese Economische Gemeenschap*, April 1960.

#### *4.4.8. Dutch agriculture and the CAP proposal: Main lines*

In the position of Dutch agriculture toward the draft CAP proposal there were four main issues: the objectives and instruments of the common price policy; the inclusion of agriculture in the acceleration of the common market; the extension of the CAP to include structural policy; and the organisational evolution around the 3CLO, COPA and EEC in 1958-1960.

The source material that is used here for these issues is relatively limited. The files from the Dutch government, the Central Organ, and the debates in parliament do not have very much to say about the draft CAP proposal. The political contacts between agriculture and industry in relation to the CAP proposal must have been more frequent than the sources would indicate. Is the source material used here biased toward internal relations within the agricultural sector, or does it reflect a process where a closed agro-political 'circuit' in the EEC began to take form? The silence in sources from outside the supposed 'circuit' would suggest that there was functional specialisation as the CAP was worked out in detail.

As for the different aspects of agricultural policy, Dutch agriculture had no objections against the executive and legislative EEC organs which would be created according to the draft CAP proposal. Dutch agriculture generally supported the economic and social objectives in the draft CAP proposal, but underlined that CAP-specific objectives should not replace the overall objectives in the EEC Treaty. In the first instance this question related to the replacement of national regulations with a common market organisation, but it also had perspectives which reached beyond the transitional period.

To the satisfaction of Dutch agriculture, the draft CAP proposal foresaw the creation of compensatory protection for animal production in the EEC. But Dutch agriculture did not like the proposed creation of price zones based on the cereals price in deficit regions, and Dutch agriculture found that the draft CAP proposal tended to make everything conditional on the creation of a common cereals price. The proposal contained many measures for market regulation, and Dutch agriculture found that they were part of a broader picture that pointed in a protectionist direction. Among the three Dutch farmers' organisations the KNLC was the one in which the specialised cereals producers were most represented, and even the KNLC felt that the EEC was moving in a direction where it became possible for German agriculture to dictate an irresponsibly high cereals price.

Dutch agriculture tried to obtain acceptance from trade unions, industry and political parties of the principle of compensatory protection for animal production in the EEC. As part of a compromise on this principle Dutch agriculture would accept a moderate degree of relative protection in the so-called 'manufacturing margin'. The purpose was to maintain an effective

trade preference for Dutch animal production in the EEC against Danish and other non-EEC exporters.

Thus, Dutch agriculture asked industry, the trade unions and the government to support a demand that not only should agriculture be included in the acceleration of the common market, but there should also be compensatory protection for Dutch animal production in the CAP. By asking so many things at the same time, Dutch agricultural organisations went to the limits of their political strength. This made it necessary to set an order of priorities, and for Dutch agriculture the most important questions were the EEC's market and price policy and to the inclusion of agriculture in the acceleration of the common market. In order not to make it more difficult to achieve their aims in these issues, Dutch agricultural leaders took a soft position with regard to structural policy in the draft CAP proposal.

Dutch agriculture accepted that the CAP should include an active structural policy on part of the EEC, on two conditions. First, the introduction of a common price and market policy should not be dependent on structural improvement. Second, the EEC's structural policy should respect certain basic principles which Dutch agriculture had formulated in relation to structural policy in the Netherlands: voluntary decisions on part of individual farmers, no public interference into farm management; etc. The draft CAP proposal respected these principles.

The migration out of agriculture was in itself a contentious issue in the other member states, and the financing of the EEC's structural policy was a potential source of conflict between the member states. In the Netherlands the scope and financing of Dutch structural policy were points in dispute between the ministries of Agriculture, Finance, and Economic Affairs. By flatly accepting a common structural policy as outlined in the draft CAP proposal, Dutch agriculture avoided becoming entangled in domestic and inter-state debates on financing at a time when the structural issue was considered secondary to the creation of a common market and price policy.

#### **4.5. Dutch agriculture and European integration, 1955-1960: Summary**

Dutch agriculture consistently supported the creation of strong supranational organs. The CAP should preferably be based on a relatively liberal model, but if the CAP moved to protectionist regulation, Dutch agriculture demanded compensatory protection for animal production. Concern for agricultural self-management was secondary to the desire for keeping production costs as low as possible.

There were some changes of accent in Dutch agriculture's position after 1955. Dutch agriculture became more willing to accept a protectionist CAP

on the condition that animal production continued to enjoy an effective European preference. On the other hand, Dutch agriculture became more intolerant toward national protectionism during the transitional period.

An EEC-wide arrangement along the lines of the Benelux Agricultural Protocol was completely rejected. Dutch agriculture made no attempt to preserve the Benelux trade preference during the EEC's transitional period, out of fear that such a policy would endanger the much larger potential gains in the EEC market. This, however, did not prevent Dutch agriculture from cooperating with Belgian agriculture in setting up COPA in such ways as to maintain general policy coordination and at the same time reduce German and French influence as much as possible.

One interpretation could be that the position of Dutch agriculture did not change, but only became more explicit when the negotiations after 1955 crystallised into concrete proposals. Also before 1955 the tendency had been that the more concrete the Green Pool negotiations became, the more often was the option of export restitutions mentioned. Another interpretation could be that Dutch agriculture's position did change in substance under the influence of domestic and international evolutions. When the degree of agricultural protection in the Netherlands increased, the degree of protection which Dutch agriculture could accept in the CAP also increased.

Against this it can be argued that Dutch agriculture only regarded protection as an evil that became necessary as a result of lacking international cooperation, and the CAP was seen as a means to achieve such cooperation. If the FTA included supranational organs, it was seen in the same way. Perhaps the first interpretation is correct for some agricultural leaders while the second interpretation is correct for other leaders. If such two groups existed, then they were constantly driven together into common decisions.

In the Dutch sources from 1958 onward the narrowing of the source material goes along with an increase in technical detail. This indicates that functional specialisation was taking place. Political, economic and technical considerations were mixed, but one may note three things. Firstly, the industrial trade unions were more constantly present in the source material than the industrial employers, so that the narrowing of the material was not complete. Secondly, the industrial trade unions always displayed a high level of knowledge of technical and economic details of agricultural policy. Thirdly, the industrial trade unions were more tolerant toward European agricultural protection than the industrial employers. This pattern in the Netherlands was similar to the relations between COPA and trade unions in the EEC as described by Lindberg (1963).

#### **4.6. Danish agriculture and the CAP, 1956-1959**

The period 1956-1959 is here divided into two sub-periods. The first sub-period lasted from November 1956 to March 1958 and was marked by a political offensive from the Landbrugsraad in favour of Danish membership of the European Economic Community.

The offensive took place in two phases. In the first phase which lasted until October 1957 the Landbrugsraad was putting constant pressure on the Danish government to take the first steps to investigate the conditions for EEC membership by sending high-ranking ministers to Brussels to consult the Six on the question. The Landbrugsraad and the Danish government knew that once the government had taken such initial steps, it would become more difficult for it to back down from negotiations on accession. Therefore the government declined. At the same time the Landbrugsraad was trying to associate the Danish Smallholders' Unions to its EEC-oriented European policy. In order to attract the smallholders, and also in order to prevent confrontation between its own member organisations, the Landbrugsraad did not support EEC membership by means of sharp declarations or demands.

In the meantime the Landbrugsraad awaited the results of those consultations which did take place between Denmark and the Six, the FTA negotiations, and the ratification of the EEC Treaty in the Six. In September 1957 there was no longer any doubt that Danish participation in the CAP without complete EEC membership was impossible. The Danish government did not intend to seek full EEC membership, and the Danish smallholders would not join the Landbrugsraad in putting maximum pressure on the government to do that. The Six insisted on the integrity of the CAP and on the maintenance of the EEC's tariff preference in the FTA, and the national parliaments in the Six did not attach reservations to the ratification of the EEC Treaty.

The second phase of the Landbrugsraad's offensive for EEC membership began in October 1957 and lasted until February 1958. In this phase the Landbrugsraad put hard and overt pressure on the government for a positive decision to join the EEC. The smallholders, the government, the parliament, industry, private trade, the trade unions and the Landbrugsraad's own member organisations were all provoked or compelled to take clear positions for or against an immediate application for EEC membership. In addition, the Landbrugsraad had to clarify the premises of EEC membership.

Such as the situation was in September 1957, it may have been natural for the Landbrugsraad's leaders to conclude that there were no longer any alternative to a direct confrontation with the government on the issue of EEC membership. They may also have hoped that political support from the Liberal party to EEC membership in combination with a Liberal-Conservative alliance could lead Danish industry and private trade to support EEC membership. If the Landbrugsraad's leaders expected this, they

miscalculated the situation. After all, Danish industry was so strongly interested in the Nordic market and so fearful of a customs union with Germany that the sector did not want to make a definitive choice in favour of EEC membership. The Conservative Party distanced itself from the Liberal Party's European policy, and among certain prominent Liberal Party members and sympathisers there was opposition against EEC membership.

However, in the negative sense of preventing decisions the Landbrugsraad's offensive was successful. In the autumn of 1957 the Nordic governments possessed a clear schedule for the creation of a customs union covering 80% of the trade between the countries, and agriculture was one of the sectors that were not included. The Nordic governments could take a definitive decision to establish an industrial customs union with a well-defined schedule, while they could postpone sectors like agriculture to later negotiations. Since the Nordic customs union did not imply the surrender of national sovereignty, it could be decided by a simple majority in the Danish parliament, and the Social Democratic led coalition government had such a majority. Instead the government made the Nordic customs union dependent on a satisfactory solution for Danish agriculture. The issue was referred to a general solution for agriculture in the FTA, and in the end it all came to nothing.

Because the government was under so strong pressure in the EEC issue, its reactions hardened. The government's arguments against EEC membership became more polemical. It was suggested that the Landbrugsraad's leaders were seeking sector-specific gains at the expense of the general interest, and allusions were made to opposition from the Bacon Factories Federation against the Landbrugsraad's EEC-oriented policy. The Landbrugsraad and the Liberal Party emphasised that their support to EEC membership was building on the assumption that an industrial FTA would be created. They admitted that without the FTA the geopolitical and trade-political problems in a Danish accession to the EEC membership would be much larger. This made it more difficult for them to argue in favour of EEC membership when the FTA negotiations broke down in late 1958.

The second sub-period lasted from March 1958 to February 1959. It began with attempts to create a so-called 'concerted agricultural policy' in the FTA and ended with the general breakdown in the FTA negotiations. The debate in the Danish parliament in February 1959 made clear that the government would not react to the breakdown in the FTA negotiations by applying for partial or complete EEC membership. While it took some further months of wavering and bargaining before Denmark decided to join the European Free Trade Association (EFTA), the rejection of EEC membership meant that there were not really any other options available.

#### 4.6.1. *The Landbrugsraad and EEC membership, 1956-1958*

The period from November 1956 to February 1957 constitutes a turning point in the Danish sources to European integration. Before November 1956 there was relatively little treatment of the question in those records from agricultural organisations, government and parliament which have been used in this study. In November and December 1956 the Landbrugsraad's leaders defined the central elements in their position toward European integration. By mid-February 1957 the government, the Landbrugsraad and the Danish Smallholders' Unions had all defined their positions in the question, and a broad majority in the Danish parliament had agreed on the all-inclusive and noncommittal concept of the 'open doors policy'. In April 1957 the Danish Bacon Factories Federation began to oppose the Landbrugsraad's position toward EEC accession, but otherwise the respective positions remained as they were in February 1957.

During a meeting between the Landbrugsraad's leaders on 15 November 1956, secretary Niels Kjærgaard gave an account of the negotiations between the Six on the establishment of a European Economic Community, the discussions in the OEEC on the creation of a free trade area (FTA), and the negotiations between the Nordic countries on the creation of a customs union. According to Kjærgaard, Denmark could perhaps obtain preferences in the Swedish market, and this might bring substantial economic benefits to Danish agriculture, but it was far more important that the Nordic customs union should not prevent Denmark from joining a European Economic Community. The Landbrugsraad's president Hans Pinstrup and Jørgen Gram from the Danish Farmers' Unions strongly supported this argument.<sup>588</sup> During the half-yearly plenary meeting in the Landbrugsraad on 12 December 1956 Gram and Pinstrup made similar statements.<sup>589</sup>

On 17 January 1957 a meeting was held between the Landbrugsraad and the Social Democratic government on the European market plans. There was agreement that Denmark should demand the inclusion of agricultural products in the FTA on the basis of the principle of non-discrimination. The purpose was to prevent a preferential Dutch position in the market of the Six.<sup>590</sup> During a meeting between the government and the agricultural organisations on 5 February 1957 the question of EEC accession was raised. Like the government, the Danish Smallholders' Unions found that the higher

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<sup>588</sup> *LR, PM* 14/1956, Præsidiemøde 15-11-1956.

<sup>589</sup> *LR, Rådsmødereferater*, Rådsmøde 12-12-1956.

<sup>590</sup> *LR, PM* 2/1957, "Kortfattet referat af en fortrolig samtale mellem arbejds- og økonomiminister J.O. Krag og medlemmer af Landbrugsraadets Præsidium torsdag den 17. januar 1957";

*RA, Udenrigsministeriet (UM) 1946-1972, Gruppeordnede Sager, jr. nr. 73B66f, Forhandlingerne om frihandelsområdet 1956-61 ("GS 73B66f"), "Til Minister Krag. Mødet i landbrugsrådet den 17. januar 1957".*

EEC tariff on raw materials was an argument against EEC membership. Contrary to this, Pinstrup argued that Britain's protectionist agricultural policy was driving Denmark toward the Six. The Dairy Board's president Søren Overgaard doubted whether Danish agriculture could afford to stay outside the EEC. The government and the agricultural organisations agreed that Denmark should demand the inclusion of agriculture in the FTA.<sup>591</sup>

During a debate in the parliament on 6 February 1957 the government found unanimous support for its demand for the inclusion of agriculture in the FTA. However, the government was against Danish accession to the EEC. The government and the Conservative-Liberal opposition agreed that for the time being, 'all doors should be kept open', i.e., both the Nordic customs union and Danish accession to the EEC should remain possible.<sup>592</sup>

During a meeting between the Danish Farmers' Unions' leaders on 7 February 1957 Hans Pinstrup found broad support for his demand for Danish participation in the economic cooperation of the Six. The Danish Farmers' Unions believed that while the common external tariff in the EEC would bring costs to Danish agriculture, this would be compensated by the greater supply of industrial products within the common market.<sup>593</sup>

On 15 February 1957 the government and the agricultural organisations discussed the situation. The government tried to prevent a European decision in principle on the establishment of an FTA excluding agricultural products. Denmark worked for a decision in principle that there should be greater trade in agricultural products, and that there should be a guarantee for non-discrimination in the FTA. In the first issue, that the FTA should include an arrangement for agricultural products, Denmark was supported by the Six and several other OEEC countries. However, in the second issue, that there should be a guarantee for non-discrimination in the FTA, the Danish proposal was rejected by France and the Benelux countries.

Pinstrup, Overgaard and the Danish Farmers' Unions representatives found that it would be dangerous for Danish agriculture to stay outside the EEC. The resistance from the Benelux countries against Denmark's proposal of a guarantee for non-discrimination was seen as a sign that Dutch agriculture

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<sup>591</sup> LR, PM 2/1957, "Referat af et møde den 5. februar 1957 vedrørende det europæiske fællesmarked"; RA, UM, GS 73B66f, "Referat af et møde i udenrigsministeriet den 5. februar 1957 med landbrugets organisationer om de forestående drøftelser i OEEC's ministerråd om etablering af et frihandelsområde".

<sup>592</sup> *Folketingsstidende, Forhandlingerne i folketingsåret 1956-57 (108. årgang) II*, 6-2-1957, cols. 2383-2463.

<sup>593</sup> EA, *De Danske Landboforeningers Arkiv ("DL")*, *Landboforeningernes referater 1957*, Bestyrelsesmøde 7-2-1957.

aimed at a preferential position in the EEC's market. Overgaard argued that Denmark should make the inclusion of agriculture in a Nordic customs union a precondition for participation in the latter. If Denmark accepted a Nordic customs union that excluded agriculture, Overgaard argued, Denmark would find it difficult to demand the inclusion of agriculture in the FTA.<sup>594</sup>

Thus the central principle in the Landbrugsraad's position had been laid down. Unless the trade preference in the European Economic Community could be undermined by means of the Free Trade Area, Danish agriculture should take part in the CAP. If full EEC membership was a precondition for CAP participation, Denmark should apply for this. For their part, the Danish Smallholders' Unions feared the consequences of a high cereals tariff if Denmark joined the EEC. The government was inclined to reject EEC membership. The Landbrugsraad, the smallholders and the government were aware that the core issue was EEC membership and the difference of opinion between the government and the Landbrugsraad was equally clear.<sup>595</sup> Yet the government and the agricultural organisations had a common interest in not ruling out EEC membership in advance, since this could weaken Denmark's position toward Britain in the negotiations on agriculture in the FTA.<sup>596</sup>

On 27 February 1957 the government consulted Danish industry, agriculture and trade. Pinstrup, Overgaard and the president of the Zealand Farmers' Unions, Johannes Larsen argued that the government should take contact to the Six with a view to possible negotiations on Danish accession to the EEC. The private traders tentatively supported the Landbrugsraad, but the trade unions were against EEC accession, while Danish industry was undecided.<sup>597</sup>

On 13-14 March 1957 an informal Dutch-Danish contact meeting was held in Denmark. The Netherlands was represented by J.J. van der Lee from the Dutch Ministry of Agriculture, among others. Denmark was represented by the Ministry of Agriculture and the agricultural organisations. Van der Lee underlined that the inclusion of agriculture in the FTA did not change the fact that the Six constituted a single unit. In this respect the Benelux

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<sup>594</sup> *LR, PM 2/1957*, "Notat ang. Fællesmarkedsplanerne efter ministermødet i Paris 12.-14. februar 1957 (Minister Krag's redegørelse overfor landbruget den 15. februar)";

*RA, UM, GS 73B66f*, "Møde i udenrigsministeriet den 15. februar 1957 med landbrugets organisationer om de stedfundne ministerrådsdrøftelser i OEEC om etablering af et frihandelsområde".

<sup>595</sup> *LR, PM 2/1957*, Præsidiemøde 20-2-1957.

<sup>596</sup> *LR, PM 2/1957*, "Møde i Landbrugsraadet med De samvirkende danske Husmandsforeninger den 26. februar 1957 angaaende fællesmarkedsplanerne".

<sup>597</sup> *RA, UM, GS 73B66f*, "Referat af møde onsdag den 27. februar 1957 kl. 15.15 vedrørende forhandlingerne om dannelse af et frihandelsområde under OEEC og en toldunion mellem de seks Bruxelles-lande".

countries took a reservation concerning the wording ‘non-discriminatory’ in the OEEC’s resolution from February 1957.

When the discussion turned to the question of British agricultural protection, Kjærgaard pointed out that the British tariffs on agricultural products were not very high. Still, Kjærgaard found that the tariff preference accorded to Commonwealth countries did constitute a problem. There were not many British import quotas either. In these issues Kjærgaard believed that a compromise could be found, but this would not suffice, because the other FTA countries should have influence on the amount of subsidies paid to British agriculture. Van der Lee went further and suggested that Britain should be bound by rules on automatic progress in the elimination of subsidies.

Kjærgaard raised the question of national minimum prices in the FTA. Van der Lee stated that if it became necessary to introduce minimum prices in the FTA in order to obtain larger trade in agricultural products, the Netherlands might accept such a system. For the Netherlands a purely industrial Free Trade Area would not be acceptable. Van der Lee did not believe that Denmark could participate in the CAP without becoming a full member of the EEC, but an immediate Danish application for full EEC membership would upset the balance of interest between the Six in the EEC Treaty.

Kjærgaard asked what would happen to agricultural imports from non-EEC countries when on 1 January 1959 the first step was taken to eliminate all import quotas between the Six. Kjærgaard also asked whether there would be higher minimum prices for imports from non-EEC countries than for imports between the EEC member states; and whether the conclusion of longterm contracts in agricultural products would create a closed market in the EEC. To all this the Dutch representatives replied evasively.<sup>598</sup>

On 16-17 April 1957 a meeting was held in Brussels between the Six and Denmark. The Six supported the Danish demand for the inclusion of agriculture in the FTA, but the Six rejected all Danish proposals for a special arrangement on agriculture between Denmark and the EEC. Denmark presented a list of questions concerning the CAP. One of the questions was whether the CAP could oblige a member state to introduce market regulating organisations for products where exports were administered by private organisations. The Six replied that the Community would decide the character of the common market organisation.

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<sup>598</sup> RA, *UM, GS 73B66f*, ”Dansk/hollandsk orienteringsmøde den 13.-14. marts 1957 angående landbrugets stilling i forhold til de 6 lande og til et europæisk frihandelsområde”;  
LR, *PM 3/1957*, ”Fællesmarkedsplanerne (Sekretariatets notat)”, 20-3-1957.

Since the application of minimum prices was optional, the Six considered their determination by the Community to be a less profound intervention in national policy than the transition to a common market organisation. For this reason national minimum prices could be continued after the end of the transitional period, but only under strict supranational control. Other questions from Denmark related to longterm contracts and the elimination of import quotas. The Six replied that the member states would have a certain freedom in the negotiations on longterm contracts, but they could not refuse to conclude them. With regard to import quotas the EEC Treaty did not touch upon the existing rights and obligations of the individual member states in relation to non-member countries.<sup>599</sup>

The Dutch-Danish contact meeting in March 1957 and the contacts between Denmark and the Six in April 1957 served as occasions to raise the question of EEC membership in a totally noncommittal way. The question apparently arose by itself, so to speak, but the Danish civil servants and the agricultural organisations were asking questions of a certain kind, and in a certain order of sequence, which made the question impossible to avoid. The Danish representatives displayed an unmistakable concern for the consequences for domestic agricultural organisation if Denmark joined the EEC.

One may perhaps suspect that Kjærgaard's questions to van der Lee, through the latter's replies, were intended as a demonstration of the economic necessity of EEC membership. Conversely, one may perhaps suspect that the questions from the Danish government to the Six were intended to point attention to undesired results of EEC membership for internal agricultural organisation, so as to elicit internal opposition in the Landbrugsraad against EEC membership. All this is pure speculation, however.

When the Danish Smallholders' Unions held their yearly national assembly on 28-29 March 1957, Pinstrup and prime minister H.C. Hansen were among the guests. H.C. Hansen declared that he would not take a definitive position

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<sup>599</sup> LR, PM 3/1957, Præsidiemøde 27-3-1957;

LR, PM 4/1957, "Referat af et møde den 12. april 1957 kl. 10 mellem økonomi- og arbejdsminister Krag og formændene for hovederhvervsorganisationerne vedrørende forhandlingerne i Bryssel den 16. og 17. april med repræsentanter for de seks lande angaaende Danmarks placering i forholdet til fællesmarkedet"; *ibid.*, "Notat. Fredag den 26. april 1957 gav økonomi- og arbejdsminister Krag over for formændene for hovederhvervsorganisationerne m.fl. en redegørelse for forhandlingerne for de Seks lande i Bryssel den 16. og 17. april";

RA, UM, GS 73B66f, "Oversigt over de fra dansk side stillede spørgsmål til Interimskomiteén i Bryssel den 16. og 17. april 1957 vedrørende forståelsen af traktaten om oprettelse af det europæiske økonomiske fællesskab samt de af de seks givne svar på disse spørgsmål", 3-9-1957.

in favour or against Danish accession to the EEC until the FTA negotiations and Denmark's relations with the Six had become clearer. The resigning president of the Danish Smallholders' Unions, Lauritz Nielsen agreed with H.C. Hansen.

Pinstrup argued in favour of EEC accession. He pointed to the large market in EEC and the striving for strategic self-sufficiency in British agricultural policy. Pinstrup warned against the introduction of a minimum price system in the FTA. He believed that if Denmark stayed outside the EEC, Danish agricultural exports to the Six would be subject to both minimum prices and tariffs. One of the leaders of the Social Liberal Party, Jørgen Jørgensen, declared that Denmark could come in a situation where she would have to join the EEC. Jørgen Jørgensen feared that the high tariff in the EEC and the rise in costs and prices under the CAP could move Danish agriculture away from animal production and toward cereals production, thereby undermining the economic basis of the smaller farms.<sup>600</sup>

On 25 April 1957 the Landbrugsraad's leaders discussed the situation. The president of the Bacon Factories Federation, Kristian Røhr Lauritzen rejected EEC membership. He did not expect any economic benefits to result from it. The Danish Farmers' Unions representatives replied that Røhr Lauritzen was thinking too narrowly in terms of bacon exports.<sup>601</sup> During a meeting in the National Cooperative Council on 6 June 1957 Søren Overgaard declared himself in favour of EEC accession. He believed it would be ruinous to Danish agriculture only to have Britain as its market.<sup>602</sup>

On 14 June 1957 the FTA negotiations were discussed in a meeting between the government and Danish industry, agriculture and trade. Minister of Foreign Economic Affairs, Jens Otto Krag declared that he would prefer to keep the Danish consultations with the Six at the level of civil servants. He would not participate personally in the consultations. On the other hand, he considered to take contact with the German government, something which Danish agriculture in previous meetings had suggested that he should do.

Pinstrup declared that the Landbrugsraad was strongly interested in the cooperation between the Six. Since Britain still rejected the inclusion of agriculture in the FTA, the orientation toward the Six had not weakened. Danish industry found that the Nordic customs union negotiations should not determine the Denmark's position toward the European market plans. Furthermore, Danish industry suggested that Krag should participate in the

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<sup>600</sup> EA, *Husmandsforeningernes Arkiv, landsmødereferat* (undated); *Husmandshjemmet*, 4-4-1957.

<sup>601</sup> LR, PM 4/1957, Præsidiemøde 25-4-1957.

<sup>602</sup> EA, *Andelsudvalget 1.3*, møde 6-6-1957.

consultations with the Six, in order to display a strong Danish interest in the consultations, and in order to seek comprehensive answers from the Six to the Danish questions.

The Danish Smallholders' Unions believed that a compromise on the British Commonwealth preference in the FTA would be a less costly solution than a full Danish accession to the EEC. The smallholders found that Krag should not participate in the consultations with the Six, because the participation by a Danish minister would send a signal which the smallholders considered tactically unwise.<sup>603</sup>

When the Landbrugsraad held its half-yearly plenary meetings in the 1950s the addresses from president Pinstруп were subsequently published in the monthly bulletin of the organisation, *Landbrugsraadets Meddelelser*. The address from Pinstруп to the plenary Landbrugsraad on 26 June 1957 was published the next day.<sup>604</sup> Pinstруп missed an active and wholehearted effort from the government to obtain guarantees against discrimination in the EEC market. Pinstруп did not believe that consultations with the Six could open the door to Danish participation in the agricultural conference of the Six, so it was time for the Danish government to take political action.

Jørgen Gram criticised Pinstруп's address for lacking sharpness. If Denmark joined the EEC, then Danish agriculture could possibly obtain benefits from the Community preference. The wording of Pinstруп's address would make it too easy for the Danish government to argue that it had fought against discrimination without success. Gram supported the principle of politically determined prices in the CAP. Overgaard also felt the wording was putting too much emphasis on non-discrimination while it did not put enough stress on the economic necessity of Danish accession to the EEC. But Pinstруп's address was already in the process of being printed and Overgaard thought it would only make matters worse to discuss the wording in public.

Kjærgaard acknowledged that the Community preference could be beneficial to Danish agriculture in case of EEC membership, but the Landbrugsraad did not aim at such a preference. The Landbrugsraad was pointing to the fatal consequences of the Community preference for Danish agriculture if Denmark did not join the EEC. The FTA and a special arrangement between Denmark and the Six were untrustworthy strategies. Therefore the Landbrugsraad aimed at a Danish accession to the EEC. For an export-oriented sector it would be dangerous to argue in favour of discrimination.

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<sup>603</sup> RA, UM, GS 73B66f, "Referat af møde i udenrigsministeriet fredag den 14. juni 1957".

<sup>604</sup> "Landbrugsraadets halvårsmøde den 26. juni 1957", *Landbrugsraadets Meddelelser*, 1957, nr. 27 (27-6-1957), pp. 504-523, esp. pp. 518-520.

According to Kjærgaard, a rise in the cereals price to the German level would demand a tariff above 50%, whereas the EEC's tariff for cereals would only be 15-22%. Besides, Kjærgaard argued, Denmark was self-sufficient in cereals. Kjærgaard found that it could be important for Denmark to obtain, if not an explicit guarantee, then at least an understanding with Britain that Danish exports of butter and bacon would not be barred from the British market if Denmark joined the EEC. Otherwise the Six might fear that a Danish accession to the EEC could bring a complete redirection of Denmark's agricultural exports from the British market to the EEC's market.

Overgaard emphasised that in the future the market of the Six would become still more important while the importance of the British market would diminish. What could not be exported to the EEC would be sold to Britain and other markets, as in the existing situation, and as an EEC member Denmark would not be entirely dependent on the British market. Overgaard strongly recommended a Danish accession to the EEC.<sup>605</sup>

On 23 July 1957 Danish civil servants met with the Interim Committee of the Six in Brussels. The Six declared that they would welcome a full Danish accession to the EEC. However, if Denmark stayed outside the EEC, it would require agreement between all the six EEC member states before Denmark could be allowed to participate in their agricultural conference. Denmark presented a proposal for a compromise with Britain on agriculture in the FTA: The British Commonwealth preference in tariffs could be maintained, but the other FTA member states would receive tariff quotas corresponding to the volume of their existing agricultural exports to Britain.

The Six agreed with Denmark that all tariffs and import quotas in agricultural products should be eliminated in the FTA, with a possible exception for the British Commonwealth preference in tariffs. The Six insisted that British agriculture should not receive more protection than agriculture in the other OEEC countries. There should be an effective supervision of British agricultural policy, and the Six could not imagine any agricultural arrangement that did not include strong institutions in the FTA. The Six were uncertain toward the possible introduction of minimum prices or alternative systems with equivalent effect in the FTA.<sup>606</sup>

The Danish government hoped that Britain would give in to the pressure from the other OEEC countries and accept an agricultural arrangement in the

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<sup>605</sup> LR, *Rådsmødereferater*, Rådsmøde 26-6-1957.

<sup>606</sup> RA, *UM, GS 73B66f*, "Notat vedrørende hovedpunkterne i forhandlingerne med interimkomitéen i Bruxelles den 23. juli 1957"; *ibid.*, "Referat af forhandlingerne med interimkomitéen i Bruxelles den 23. juli 1957", 26-7-1957.

FTA. The government would therefore not seek a bilateral arrangement with the Six until the position of agriculture in the FTA had been clarified.<sup>607</sup>

On 2 August 1957 the agricultural organisations discussed the situation. Kjærgaard warned that even if agriculture was included in the FTA, there would still be discrimination against Danish agriculture in the EEC market, because the Netherlands would use her influence to obtain a preferential position. A compromise on agriculture in the FTA should at least include substantial concessions to Danish agricultural exports to Britain, such as longterm guarantees for Danish exports of butter and bacon. Kjærgaard concluded that Denmark could only participate in the agricultural conference of the Six if Denmark became a full member of the EEC.

The Landbrugsraad presented a draft proposal for a joint letter with the Danish Smallholders' Unions to the government. In the proposed letter the agricultural organisations would not raise a direct demand that Denmark should join the EEC. But the organisations would demand assurance that Danish agriculture was not put at a disadvantage in the EEC market, and this would necessitate a Danish participation in the agricultural conference of the Six. The Danish Smallholders' Unions reacted prudently to the proposed joint letter. One of the smallholders' leaders, Emanuel Vestbo, declared that German officials had said that Denmark could participate in the agricultural conference of the Six. The agricultural organisations would take a rather large responsibility upon themselves, Vestbo continued, if they raised demands that compelled the government to seek a full Danish membership of the EEC before it had become clear whether Britain would accept the inclusion of agriculture in the FTA.

Kjærgaard replied that the Netherlands would probably maintain a preferential position in the EEC market even if agriculture was included in the FTA. The German statements cited by Vestbo were only suggesting that Denmark could participate in the agricultural conference of the Six as an observer, not as an active partner. It would not be decisively important for Danish agriculture to participate in the conference, and participation would not completely solve the problem either, Kjærgaard continued, but the proposed letter to the government had been formulated in this way in order not to display the existence of disagreement within Danish agriculture.

Kaare Milthers from the Danish Smallholders' Unions proposed that the agricultural organisations should only demand a passive representation at the conference. To demand participation with the right of voting would be

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<sup>607</sup> RA, *UM, GS 73B66f*, "Referat af mødet i udvalget vedrørende Danmarks økonomiske samarbejde med andre lande m.v., fredag den 26. juli 1957, kl. 15,00", 1-8-1957.

pointless unless Denmark became an EEC member. The government would immediately ask whether the agricultural organisations demanded a full Danish accession to the EEC. Kjærgaard replied that this would be an unfair reaction from the government, since Krag continued to make optimistic statements concerning a special arrangement between Denmark and the EEC. The new president of the Danish Smallholders' Unions, Peter Jørgensen was uneasy about raising demands that would compel the government to seek full Danish membership of the EEC for the sake of agriculture, when this was contrary to other Danish interests. Like Vestbo, Peter Jørgensen felt that in so doing the agricultural organisations would take a large responsibility upon themselves.

Pinstrup indicated that the Landbrugsraad could not accept a weaker wording than the one proposed. Milthers proposed that the Danish Smallholders' Unions and the Landbrugsraad in mutual understanding should send separate letters to the government so that each organisation could choose its own wording.<sup>608</sup> No letters have been found in the archives, and when the Landbrugsraad's leaders discussed the situation at the end of August 1957, Pinstrup was still urging the agricultural organisations to compose an official statement as soon as possible.<sup>609</sup>

On 13 August 1957 Krag had meetings in Bonn with German ministers. Krag stated that Denmark would have to consider joining the EEC if the Danish economic problems could not be solved in the FTA. The German minister of Agriculture Lübke found that Britain would have to secure at least the maintenance of the existing Danish and Dutch shares of the British market in food products. This would require a reorientation of British agricultural policy away from strategic self-sufficiency. Lübke generally supported Denmark's proposal from July 1957 for a compromise on agriculture in the FTA. However, Lübke had reservations against a Danish participation in the agricultural conference of the Six.<sup>610</sup>

The Landbrugsraad's secretariat evaluated the situation and concluded that the British Commonwealth preference should only be maintained if Denmark obtained a guarantee for her exports of butter and bacon to Britain. The Landbrugsraad's secretariat feared that in the end the Danish government would not insist strongly on this demand, because the government would be satisfied with an inclusion of agriculture in the FTA. The government was hoping that in this way a discrimination against Danish agricultural exports to the EEC market could be avoided, but the

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<sup>608</sup> *LR, PM 6/1957*, "Kortfattet referat af møde i Landbrugets Produktions- og Afsætningsudvalg fredag den 2. august 1957 kl. 14,00", 8-8-1957.

<sup>609</sup> *LR, PM 6/1957*, Præsidiemøde 21-8-1957.

<sup>610</sup> *RA, UM, GS 73B66f*, "Notat om minister Krags samtaler den 13. august 1957 i Bonn", 17-8-1957.

Landbrugsraad's secretariat did not believe that the inclusion of agriculture in the FTA could really prevent discrimination in the EEC market.<sup>611</sup>

On 20-21 August 1957 contact meetings were held in Copenhagen between the British National Farmers' Union (NFU) and Danish agricultural organisations. According to the NFU's president James Turner, Britain continued to reject the inclusion of agriculture in the FTA. Kjærgaard argued that it was important for Danish agriculture to prevent the Netherlands from obtaining a preferential position in the EEC market. The Danish government tried to avoid a situation where Denmark would be compelled to join the EEC. Kjærgaard feared that a compromise could be reached where Britain maintained both the Commonwealth preference and the 'deficiency payments' system without being submitted to supranational supervision, while the Netherlands in practice obtained a preferential position in the EEC market. This was a possible outcome, because the Six were not primarily concerned with the British trade policy in butter and bacon.

Kjærgaard asked whether a Danish accession to the EEC would affect the trade relations with Britain. Turner replied that Denmark would have higher production costs in the EEC. Kjærgaard mentioned the possibility of maintaining a lower cereals price in the EEC for fodder grains destined for re-exportation in manufactured form. Turner then pointed to the hypothetical situation where Denmark joined the EEC while no FTA existed. In that case Britain's exports to Denmark would be subject to higher tariffs than before, and this would provoke a British reaction against Danish exports. Kjærgaard replied that he could not imagine a situation where the FTA did not exist.<sup>612</sup>

On 27 August 1957 a meeting was held between the Danish government and the agricultural organisations. According to Krag, the establishment of a purely industrial FTA would probably bring an end to the project for a Nordic customs union. Pinstrup wanted the government to take a decision and referred to the statement from the Six that Denmark could become a member of the EEC. According to Jørgen Gram, any compromise on agriculture in the FTA would weaken the Danish position in the question of British tariffs. Gram believed that as an EEC member Denmark would have stronger position toward Britain. Peter Jørgensen did not think the situation was clear enough to justify a Danish accession to the EEC.

Kjærgaard pointed to the British tariff in bacon as an issue where the Danish government should maintain the demand for free agricultural exports in the

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<sup>611</sup> *LR, PM 6/1957*, "Notat vedrørende fællesmarkedet og frihandelsområdet".

<sup>612</sup> *LR, PM 6/1957*, "Referat af møder den 20. og 21. august mellem repræsentanter for de britiske landbrugsorganisationer, NFU, og danske landbrugsorganisationer om forholdene på det britiske baconmarked samt om spørgsmål i forbindelse med planerne om et europæisk frihandelsområde".

FTA. However, Kjærgaard expected that even if the British bacon tariff was eliminated, Denmark could still not achieve the main objective in the FTA negotiations, namely, access to the EEC market on equal terms with the Netherlands. The agricultural conference of the Six would not be essential in this respect, because the important decisions would be taken, not by the conference, but in the subsequent work in EEC institutions. Yet, Kjærgaard expected that the Dutch would use their influence in the EEC to obtain a preferential position in the market of the Six. Overgaard formulated the same point in sharper expressions and concluded that it would be uneconomical for Denmark to stay outside the EEC.

Krag could understand the Landbrugsraad's fears concerning the situation for Danish agricultural exports to the Six, but Krag believed that the market issue should be seen in a wider context. If the FTA did not solve Denmark's problems, the government would consider a Danish accession to the EEC. But the outcome of the FTA negotiations would probably not become clear before 1958. There was not any time limit where Denmark could no longer join the EEC. Krag would prefer a continuation of the British 'deficiency payments' system to the introduction of minimum prices in Britain.

According to the Ministry of Foreign Affairs, the elimination of tariffs and import quotas in agricultural products in the FTA and their replacement with national minimum prices would remove the most important sources for discrimination against Danish agriculture in the EEC market. Minimum prices would not in themselves create discrimination between foreign exporters. The danger of discrimination would only exist if minimum prices were combined with tariffs. State trade was another possible source of discrimination in the EEC market, but the Ministry of Foreign Affairs did not believe that the projected longterm contracts between the EEC member states were part of any strategic import policy.<sup>613</sup>

During discussions in the Foreign Affairs Committee of the Danish parliament, the Liberal Party argued that Denmark should join the EEC in order to seek influence in those questions where the Six had postponed decisions. Krag underlined that Denmark had made the fate of the Nordic customs union dependent of the outcome of the FTA negotiations. Denmark maintained that the inclusion of agriculture in the FTA should mean that agriculture would also be included in the Nordic customs union. According to Krag, the Six did not want to negotiate on a bilateral association between Denmark and the EEC before the possibilities for a multilateral association

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<sup>613</sup> *LR, PM 6/1957*, "Referat af et møde i Udenrigsministeriet den 27. august 1957 vedrørende problemer i forbindelse med det europæiske fællesmarked og frihandelsområde";  
*RA, UM, GS 73B66f*, "Referat af møde i udenrigsministeriet tirsdag den 27. august 1957".

in the OEEC had been clarified. If the FTA came to include agricultural products, then – so Krag believed – Denmark would be in a stronger position to demand participation in the agricultural conference of the Six.<sup>614</sup>

During consultations between Britain and the Scandinavian countries, Denmark demanded equal conditions for exports in agricultural products in the whole FTA. This also applied to the relations between the EEC and the rest of the FTA. Otherwise Denmark could be compelled to leave the Nordic customs union and join the EEC. A general agreement should be concluded on agriculture in the FTA, and the basis should be the elimination of tariffs and import quotas. Denmark would accept that Britain maintained certain tariffs in agricultural products if the purpose was, not to protect British agriculture, but to preserve the Commonwealth preference. Denmark would also accept a continuation of the British ‘deficiency payments’ system as an alternative to the introduction of minimum prices in Britain.<sup>615</sup>

On 12-14 September 1957 a Dutch-Danish contact meeting was held in The Hague. Mansholt declared that the Netherlands would support a full Danish accession to the EEC. The Netherlands would not accept that a Danish membership of the EEC was limited to agriculture. Mansholt categorically rejected a Danish participation in the agricultural conference of the Six unless Denmark became a full member of the EEC. Mansholt declared that the FTA should include agriculture, but the rules on agriculture in the FTA should not be identical to the rules on agriculture in the EEC Treaty. There should be reasonable guarantees for an enlarged volume of trade in agricultural products. It should be possible to impose corrections on a member state’s policy if it became clear that it was harmful to the other member states. A compromise that did not bring a certain control on British agricultural policy would be difficult to accept for the Netherlands.

Kjærgaard asked whether the Netherlands would accept a compromise where Britain abandoned certain Commonwealth preferences but maintained the preferences in butter and bacon, and where Britain maintained her system of ‘deficiency payments’, on the condition that it could be measured in terms equivalent to agricultural protection in the Six. Mansholt replied that the Six could not accept a compromise on these terms. Nor could Denmark obtain the same position in the EEC market as the Netherlands, unless Denmark became member of the EEC.<sup>616</sup> The Landbrugsraad concluded that the

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<sup>614</sup> RA, *UM, GS 73B66f*, ”Referat af møde i det udenrigspolitiske Nævn, torsdag den 29. august 1957”.

<sup>615</sup> RA, *UM, GS 73B66f*, ”Notat til brug ved UNISCAN-mødet i Stockholm den 17. september 1957. Drøftelserne om de europæiske markedsordninger”.

<sup>616</sup> LR, *PM 7/1957*, ”Det dansk-hollandske kontaktmøde i Haag, 12.-14. september 1957. Sekretariatets notat”;

Netherlands would lay down a veto against Denmark's active participation in the agricultural conference of the Six.<sup>617</sup>

In sum, the situation had been clarified in several respects during August and September 1957. So far the disagreement on EEC membership between the Danish government, the Landbrugsraad and the Danish Smallholders' Unions had been downplayed by all three parties. Firstly, they shared a common interest in using the question of EEC membership as a means to put pressure on Britain in the FTA negotiations. Secondly, the Landbrugsraad, but perhaps also the smallholders and the government were fearful of potential internal tension in the question.

The Landbrugsraad tried to lure the government into a political trap by suggesting that it should send a high-ranking minister to Brussels to inquire about the conditions for EEC accession. When the government declined, the Landbrugsraad made a sustained attempt in August 1957 to obtain support from the smallholders to push the government in the desired direction. The smallholders wriggled out of it. On the other hand, if the Landbrugsraad had any hope that a Danish participation in the agricultural conference of the Six could be used to entice the government into negotiations on EEC accession, Mansholt's statements in September 1957 ruled out this possibility.

At this point the Danish Farmers' Unions entered the scene as the most fervent supporters of EEC membership and as one of the driving forces in the Landbrugsraad's policy in the question. As seen from the outside, this was a very visible change in Landbrugsraad's policy. At the risk of exposing internal disunity, the Landbrugsraad sought to demonstrate a wide political basis in Danish agriculture for the demand for EEC membership. However, as seen from the inside, in the records quoted here, the new style after September 1957 was only the culmination of an ongoing evolution. During the consultations between the Landbrugsraad, the smallholders and the government since January 1957, the Landbrugsraad had become more and

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LTO, *Archief Landbouwschap, Microfiches, dos. no. 40*, "Verslag van de Deens/Nederlandse contactbespreking, gehouden te 's-Gravenhage van 12 t/m 14 september 1957";

KDC, *Archief KNBTB 33-61 Bestuur*, vergadering KNBTB Bestuur 16-9-1957;

NA, toegangsnr. 2.11.57, *Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959, inv. no. 271, Jaarlijkse contractbesprekingen tussen Nederland en Denemarken met betrekking tot economisch-agrarische aangelegenheden, 1956-1958*, J.J. van der Lee to Mansholt 11-9-1957, "Betreft: Uw rede op donderdagmiddag 12 september voor de Deens-Nederlandse contactbespreking", annex: "Draft statement of minister Mansholt, Danish-Dutch contact meeting, September 12, 1957".

<sup>617</sup> LR, PM 7/1957, Præsidiemøde 19-9-1957.

more insistent and forceful, but at the same time also increasingly transparent about its own intentions and tactics.

In October 1957 the Danish Farmers' Unions published a 70-page pamphlet on Danish agriculture and the EEC: *Dansk Landbrug og de nye europæiske samarbejdsplaner*. In the pamphlet the Danish Farmers' Unions presented an analysis of trends in agricultural production and consumption in the Six and Britain. The Danish Farmers' Unions concluded that if Danish agricultural exports were exposed to the full range of discriminatory measures in the EEC, then Danish exports would almost certainly be reduced. By staying outside the EEC, Denmark would lose the potential increase in exports to the Six created by growing prosperity, the Community preference and the beneficial effects of economic rationalisation in a large market. In Britain the agricultural production was growing while consumption was stagnating. The exports of agricultural products to Britain could not justify a Danish decision to stay outside the EEC.

The longterm trend was that a decreasing share of total Danish agricultural exports went to Britain. The British-oriented share had been between 70% and 80% before 1939, it was 55% in 1953 and only 46% in 1956. Between 1953 and 1956 the EEC-oriented share had grown from 23% to 35%, and in 1957 the trend had continued. The volume of agricultural exports going to Britain was nearly the same in 1938 and 1956, while the volume of agricultural exports going to the Six had doubled between these two years. The Danish Farmers' Unions concluded that exports to Britain had no part in the growth of Danish agricultural production since the Second World War.

The British market was characterised by a strong increase in domestic production and a slow growth in demand. Britain already had a relatively high level of consumption in the more expensive categories of food products. For all products except milk the level of consumption had grown by a far higher rate in the Six than in Britain in comparison with the pre-1939 situation. Especially Germany and Italy had developed large imports of beef and veal, cheese and eggs since 1945, because domestic production could not keep step with the rise in demand. For the Six as a whole, the level of consumption per person in 1956 was lower than in Britain in all categories of food products. Moreover, the market of the Six was much larger than the British market in terms of the number of inhabitants.

The EEC Treaty foresaw an enlargement of agricultural trade during the transitional period. The Danish Farmers' Unions expected that this enlargement in the first instance mainly would be created at the expense of exports from non-EEC countries. If Denmark became member of the EEC, Danish agriculture could benefit from the Community preference. On the other hand, if Denmark stayed outside the EEC, France and the Netherlands

would probably use the Community preference to push Denmark out of the EEC market by increasing their own production correspondingly.

The Danish Farmers' Unions did not present exact calculations of the rise in Danish production costs that would occur if Denmark joined the EEC. From general observations the Danish Farmers' Unions concluded that the rise in costs would probably be moderate. There was firstly the possibility for tariff-free imports of fodder grains destined for re-exportation to non-EEC countries in manufactured form. Secondly, Denmark imported only 5% of her fodder grain consumption, while the figure was 25% for Germany and 60% for Benelux. This meant that as an EEC member state, Denmark would have a competitive advantage, because Danish production was not burdened by the common tariff in fodder grains. For the imports of oil cakes, which were far more important to Danish agricultural production than imports of fodder grains, the common tariff would be zero.

If the tariffs were eliminated between Denmark and the EEC, Danish farmers would probably receive the revenue from saved expenses to customs duties. This could lead to higher prices in Denmark, but the revenue would also improve the national currency balance. The results would be identical if an ideal FTA was established with free trade in agricultural products. The farm-gate level value of agricultural products only constituted 10% of the Danish price index. A 10% increase in the farm-gate price would only cause the general price index to rise by 1%.

Another question was the general tariff level. The EEC's tariff was considerably higher than the existing Danish tariff in many finished articles, but in many important raw materials the EEC's tariff was low or nil. The Danish Farmers' Unions assumed that an industrial FTA would be established, and that imports of industrial articles from the entire OEEC area would be free from tariffs. This would probably bring Danish tariffs below the existing level, when measured in terms of tariff revenue in % of total import value, regardless of EEC membership. The Danish wage level would probably not be different whether Denmark became member of both EEC and FTA or only of FTA. Provided an industrial FTA would be established, the Danish Farmers' Unions did not expect that Denmark's accession to the EEC would create problems in the trade relations with Britain.<sup>618</sup>

During the Jutland Farmers' Unions yearly assembly on 4-5 October 1957, the secretary in the Landbrugsraad, Niels Kjærgaard gave an address in which he defined the Landbrugsraad's position toward the European market plans. The Danish Farmers' Unions' economic analysis formed the basis for

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<sup>618</sup> De samvirkende danske Landboforeninger (1957): *Dansk landbrug og de nye europæiske samarbejdsplaner*, Copenhagen, October 1957.

Kjærgaard's conclusions. He acknowledged the dangers in autonomously determined national minimum prices, but he attributed great importance to the fact that the EEC Treaty aimed at the creation of a unified market with common regulation. The objectives were a coordinated regulation of trade conditions in the short term and a coordinated regulation of production conditions in the long term. At this point the treaty was not very specific, but Kjærgaard emphasised the forward-oriented, organic and political character of the EEC's institutions.

For the same reason, a compromise on agriculture in the FTA would not solve the fundamental problem. In the first instance, Kjærgaard doubted the will of the Six to put pressure on Britain in the issue. But more importantly, it was in the nature of the EEC to give a preference to the member states' farmers in every decision on market regulation. The dynamic nature of the EEC institutions could not be neutralised by static provisions in an FTA treaty. Even if a compromise on agriculture in the FTA looked satisfactory to Denmark on paper, its content would gradually be eroded. The Six would never accept that the FTA could overrule the EEC. As a non-EEC member, Denmark would have no influence on EEC decisions and would be unable to prevent discrimination against Danish exports in the EEC market. Staying outside the EEC, Denmark would also have less influence in the FTA.

Kjærgaard believed that Denmark should seek influence by joining the EEC. The Danish position in the EEC would be strengthened by the fact that it was in the EEC's interest to maintain stable trade relations between Denmark and non-EEC countries. A reduction of Danish exports of agricultural products to non-EEC countries would bring greater pressure on the markets of the EEC member states. On the other hand, if Denmark stayed outside the EEC, Kjærgaard argued, the Six would probably not permit Danish industry to obtain any competitive advantages from non-EEC membership.

Kjærgaard did not expect that the larger countries would dominate the EEC. Majority-voting would only be introduced in the EEC at a later stage when a certain degree of economic integration had taken place, so that the member states would have the necessary time to harmonise their policies on a voluntary basis. Besides, the experience in the OEEC showed that the formal rule of unanimity did not mean that the small countries had an unlimited right of veto. It would not be possible for Denmark to maintain the existing protection of the domestic market in industrial products when the FTA was established. Kjærgaard concluded that Denmark should leave the Nordic customs union project and join the EEC. Denmark's position toward the EEC would decide the economic basis of Danish agriculture.<sup>619</sup>

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<sup>619</sup> Kjærgaard, N. (1957): "Landbruget og de europæiske markedsplaner", in: Foreningen af jydsk Landboforeninger: *Beretning om Foreningen af jydsk*

On 11 October 1957 the Danish government consulted Danish industry, agriculture and trade on the FTA negotiations. Discussions with the British government had brought Krag to the conclusion that Britain would agree to negotiate on an arrangement on agriculture in the FTA, but no more than that. The position of the Six was unclear. Pinstrup did not expect that Denmark would be allowed to participate in the agricultural conference of the Six. He stressed the need for a clarification of Denmark's problems in relation to the Six. He was supported by one of the two national organisations of private traders. But other representatives of private finance, trade and shipping, together with the trade unions and Danish industry, demanded a clarification of the FTA negotiations before taking any decision on EEC accession.. As there existed no time limit for a Danish decision to join the EEC, Krag concluded that for the time being Denmark should await the outcome of the FTA negotiations.<sup>620</sup>

During the parliamentary debate on 16-17 October 1957 the leader of the Liberal Party, Erik Eriksen declared his rejection of an FTA or a Nordic customs union that excluded agriculture. However, Erik Eriksen expected that this would be the result of the FTA negotiations. On the other hand, Erik Eriksen emphasised the fact that the Six would not accept that Denmark participated only in the agricultural part of the EEC. The Liberal Party strongly asked the government not to miss the best opportunity for taking a decision on Denmark's position toward the EEC. The Conservative Party preferred to await the results of economic investigations. The government concluded that the Liberal Party was left alone with its demand for an immediate decision.<sup>621</sup> The question of EEC accession was discussed during a meeting in the Liberal Party on 30 October 1957. Erik Eriksen regarded the EEC as a crucial issue, but he stressed the fact that a decision to join the EEC would require a 5/6 majority in the Danish parliament.<sup>622</sup>

On 16 October 1957 Britain presented the OEEC Council with a series of proposals on agriculture in the FTA. Britain accepted that the FTA should

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*Landboforeningers 81. delegeretmøde i Aarhus den 4. og 5. Oktober 1957*, Århus, pp. 69-83.

<sup>620</sup> RA, *UM, GS 73B66f*, "Referat af mødet i udenrigsministeriet den 11. oktober 1957 kl. 11.00 mellem ministeren for udenrigsøkonomi, økonomiministeren og erhvervsformændene"; *ibid.*, "Udkast til bemærkninger om landbrugsspørgsmålene i minister Krags redegørelse i det udenrigspolitiske nævn og overfor hovederhvervsorganisationerne den 11. oktober 1957"; *ibid.*, "Notits om tilrettelæggelsen af arbejdet med etableringen af frihandelsområdet", 11-10-1957.

<sup>621</sup> *Folketingstidende, Forhandlingerne i folketingsåret 1957-1958 (109. årgang), I*, 16/17-10-1957, cols. 66-84.

<sup>622</sup> RA, *Partiet Venstres Arkiv, Protokol over Venstres partimøder 9/5, 1956 – 7/11, 1957*, Partimøde 30-10-1957.

work for freer and fairer agricultural trade under common rules. Britain recognised the commitment in GATT to eliminate import quotas and Britain was willing to fulfil this commitment within a European arrangement on agriculture. According to the British proposals, national agricultural policies should be examined on a regular basis by a special organ. Complaints could also be considered by this organ. Recommendations on national agricultural policy could be decided upon by a majority, but political decisions would require unanimous agreement. Cooperation should be established with the EEC in order to prevent discriminatory effects from the CAP.

In reaction to the British proposals, Krag declared that Denmark was seeking a solution on the basis of five principles. Firstly, there should be reciprocity, i.e., a fair balance in costs and benefits between the participating countries. Secondly, there should be equal terms of competition, which meant access to raw materials like coal and steel on equal terms, but not a complete harmonisation of economic conditions. Thirdly, the economic policies of the participating countries should be coordinated in order to prevent monetary instability. Fourthly, the FTA should include as many countries as possible. Fifthly, the institutions in the FTA should be strong enough to implement the policy agreed upon by the participating countries.

Krag proposed that the agricultural cooperation in the FTA should take place along the following lines. Firstly, there should be general agreement that the overall aim was to increase the trade in agricultural products on a non-discriminatory basis. Secondly, tariffs and import quotas in agriculture should be eliminated in the same way as in other sectors. Participating countries could be exempted from the obligation to break down tariffs if they could prove that they were able to contribute to the enlargement of trade in agricultural products on a non-discriminatory basis in other ways.

Thirdly, if participating countries introduced or maintained other protective measures than tariffs and import quotas, these measures should be controlled by an international organ. The purpose was to ensure the non-discriminatory and provisional character of such protective measures. Fourthly, the coordination of national agricultural policies should be implemented by an international organ. Fifthly, there should be a procedure for complaint and investigation.

During the OEEC Council meeting on 17 October 1957 a declaration was agreed upon. According to the declaration, there should be established a European Free Trade Area comprising all OEEC member states. In full respect of the objectives of the EEC, the FTA should be implemented in parallel to the EEC. The OEEC countries would seek agreement on methods for securing an enlarged trade in agricultural products.

Upon a Danish request it was agreed that the agricultural problem should be treated in the common organs which treated the FTA as such. Likewise, it was agreed that the special agreement on agriculture should enter into force simultaneously with the FTA. The OEEC decided to establish a ministerial committee to continue the negotiations. The British minister Maudling was appointed chairman of the committee. Subsequently a meeting was held between Krag and ministers from the Six. Krag proposed that a solution to the agricultural problem should be sought in negotiations between Britain, the Six, and Denmark. The Six took a non-committal position.<sup>623</sup>

Denmark could accept that agriculture was excluded from the FTA in a purely formal sense, provided the basis was created for greater agricultural trade in parallel to the freeing of industrial trade.<sup>624</sup> On 23 October 1957 Krag consulted Danish industry, agriculture and trade. Kjærgaard stressed the fact that unlike the OEEC's resolution from February 1957, the OEEC's resolution from October 1957 did not state that trade in agricultural products should take place on a non-discriminatory basis. The Landbrugsraad believed that discrimination against Danish agricultural exports in the EEC market could only be avoided if Denmark joined the EEC.

Krag replied that it had been very difficult for the Danish delegation to have the phrase on 'non-discrimination' inserted in the OEEC's resolution in February 1957. Ultimately Denmark had resorted to the threat of blocking the OEEC's resolution altogether. The phrase on 'non-discrimination' had been accepted, but the Six had taken a reservation concerning its meaning. During the meeting in the OEEC Council in October 1957 the Danish delegation had considered it more important to secure general agreement on an enlargement of the trade in agricultural products. If Denmark had insisted on the phrase 'non-discriminatory', several countries would have taken a reservation, and Denmark would lose goodwill.

The leader of the large farms and estates (*Tolvmandsforeningerne*) requested that the government should put forward a bill for a Danish accession to the EEC. The president of the Danish Smallholders' Unions, Peter Jørgensen sharply criticised the request. The smallholders believed that Britain's proposals had created a new situation, and the smallholders attached great importance to the FTA. The smallholders were not blind to the problems for Danish agriculture in staying outside the EEC. But until the position of

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<sup>623</sup> RA, *UM, GS 73B66f*, "Ministerrådet den 16.-17. ds. Om frihandelsområdet", 18-10-1957;

*LR, PM 8/1957*, "Fjernskrivermeddelelse fra OEEC-delegationen i Paris. Ministerrådsmøde i OEEC, den 16. oktober 1957"; *ibid*, "Fjernskrivermeddelelse fra OEEC-delegationen i Paris. Ministerrådsmøde i OEEC, den 17. oktober 1957".

<sup>624</sup> RA, *UM, GS 73B66f*, "Referat af møde i Det udenrigspolitiske Nævn og Folketingets Vareforsyningsudvalg onsdag den 23. oktober 1957 kl. 15.00".

agriculture in the FTA had been clarified, the smallholders would not make a decision concerning a possible Danish accession to the EEC.<sup>625</sup>

On 23 October 1957 the Landbrugsraad's leaders discussed the situation. According to Kjærgaard, both the Liberal Party and the Conservative Party were moving away from the demand for an immediate decision on EEC membership. Like Kjærgaard, the president of the Zealand Farmers' Unions, Johannes Larsen found that Denmark could become a member of the EEC under safer circumstances if the FTA was established. However, Johannes Larsen feared that once the FTA had become a reality, it would be difficult to find the necessary political support for a Danish accession to the EEC.<sup>626</sup>

The Ministry of Foreign Affairs believed that the British proposals from 16 October 1957 constituted the maximum limit as to how far Britain would go toward European cooperation in agriculture. The ministry found that the formal basis had been created for an arrangement which secured Danish agricultural exports to the EEC market against discrimination. However, Denmark insisted that the FTA should have strong institutions to implement the arrangement on agriculture.<sup>627</sup>

During the Maudling Committee's meeting on 14-16 November 1957 the Danish delegation specified its position. A permanent solution to the problems in agriculture should be based on a regular and critical examination of national policies, including public market regulation and organisations for state trade. The FTA member states should be willing to change their policies if they contradicted the objectives of the agricultural cooperation. Tariffs and imports quotas in agricultural products should be eliminated in accordance with the rules in the FTA. Investigations should point out those products where Britain could be granted a partial or complete dispensation from the obligation to break down tariffs, in order to maintain the Commonwealth preference. Alternative measures of protection should be

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<sup>625</sup> RA, *UM, GS 73B66f*, "Referat af mødet med erhvervsformændene den 23. oktober 1957".

<sup>626</sup> LR, *PM 8/1957*, Præsidiemøde 23-10-1957.

<sup>627</sup> RA, *UM, GS 73B66f*, "Referat af mødet i udvalget vedrørende Danmarks økonomiske samarbejde med andre lande m.v. lørdag den 26. oktober 1957 kl. 11.00"; *ibid.*, "Referat af mødet mellem ministeren for udenrigsøkonomi, økonomiministeren og erhvervsformændene tirsdag den 12. november 1957 kl. 14.00"; *ibid.*, "Referat af møde i Det udenrigspolitiske Nævn tirsdag den 12. november 1957, kl. 16.00; *ibid.*, "Maudling-komiteéns forestående møde", 28-10-1957;

LR, *PM 9/1957*, "Notat vedrørende et møde den 12. november 1957 angaaende Det europæiske Fællesmarked, Det europæiske frihandelsområde og en Nordisk Toldunion".

defined in detail and there should be common rules for the application of such measures. The objective should be their gradual reduction.

The Six did not reject the British proposals from October 1957, but took a critical attitude. It was agreed that Maudling's report could constitute the basis for an arrangement on agriculture in the FTA. France objected to the principle of non-discrimination. The Netherlands underlined that the Six should be considered as a single unit, and it was unrealistic to seek equal terms in the traditional sense. Instead, the aim should be to reduce the element of discrimination as much as possible.<sup>628</sup>

On 15 November 1957 the Landbrugsraad's leaders discussed the situation. Kjærgaard did not expect a decision on Denmark's position before 1959. If Denmark and Britain made an arrangement to stabilise the markets in butter and bacon, then Denmark would be placed in a better position toward the Six. Kjærgaard believed that the Danish government overestimated the change in Britain's policy toward agriculture in the FTA. The central point in Britain's position, namely, that British tariffs and subsidies should remain intact, was still unchanged, according to Kjærgaard.<sup>629</sup>

Denmark's position toward the EEC was discussed in the parliamentary group of the Liberal Party on 16 November 1957. Axel Kristensen argued that the Liberal Party should seek a clarification of Denmark's position, because Denmark could not afford to stay outside the EEC. Per Federspiel warned that a special arrangement between Britain and the Six could leave Denmark isolated, and the necessity of a Danish accession to the EEC was always to be reckoned with. Erik Eriksen agreed with Axel Kristensen and Per Federspiel, and argued that ultimately the Six would determine the terms of an arrangement on agriculture in the FTA.<sup>630</sup>

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<sup>628</sup> RA, *UM, GS 73B66f*, "Mødet den 14. – 16. ds. i OEEC's ministerkomité vedrørende frihandelsområdet", 20-11-1957; *ibid.*, "Referat af 2. møde i den intergouvernementale komité vedr. oprettelse af et frihandelsområde", 23-11-1957"; *ibid.*, Organisation for European Economic Co-operation, CIG/M(57)2, "Intergovernmental Committee on the Establishment of a European Free Trade Area. Summary Record of the Second Session held at the Château de la Muette between Thursday 14<sup>th</sup> and Saturday 16<sup>th</sup> November and on Thursday 28<sup>th</sup> and Friday 29<sup>th</sup> November 1957", 26-11-1957; *ibid.*, "Referat af møde i Det udenrigspolitiske Nævn onsdag den 20. november 1957 kl. 16.00"; *ibid.*, "Referat af møde i Det udenrigspolitiske Nævn og Folketingets Vareforsyningsudvalg onsdag den 4. december 1957 kl. 16.00"; *ibid.*, "Minister Krag's møde med erhvervsformændene den 6. december 1957".

<sup>629</sup> LR, PM 9/1957, Præsidiemøde 15-11-1957.

<sup>630</sup> RA, *Partiet Venstres Arkiv, Forhandlingsprotokol for Venstres folketingsgruppe 8/11, 1957 – 16/12, 1960*, Partimøde 15-11-1957; *ibid.*, Partimøde 4-12-1957.

During the yearly assembly of the Zealand Farmers' Unions on 21 November 1957, the secretary of the Danish Farmers' Unions, Helge Clausen gave an account of the activities of the national organisation. In this connection Helge Clausen mentioned the pamphlet published by the Danish Farmers' Unions in October 1957 on Danish agriculture and the EEC, *Dansk Landbrug og de nye europæiske samarbejdsplaner*. Helge Clausen regretted that some parts of the press had thrown suspicion on the arguments from the Danish Farmers' Unions. Certain economists had criticised the pamphlet and this was a serious problem, because economists were generally held in high esteem. Helge Clausen underlined that agriculture should not be alone in bearing the economic costs if Denmark stayed outside the EEC.<sup>631</sup>

On 5 December 1957 the Danish Farmers' Unions' leaders discussed the situation in the FTA negotiations. There was general agreement that the Danish Farmers' Unions should make a second issue of the pamphlet from October 1957. The president of the Funen Farmers' Unions, Niels Eriksen believed that if Denmark joined the EEC, it would still be possible to conclude a bilateral Anglo-Danish trade agreement with approval from the EEC partners, because imports and exports between Britain and Denmark were roughly in balance. Johannes Larsen believed that Britain would need a bilateral trade agreement with the EEC, and as a member of the EEC, Denmark would have a much stronger position toward Britain.

Another influential leader in the Danish Farmers' Unions, Kristian Møller, asked whether Danish imports could be shifted toward countries buying Danish agricultural products. Helge Clausen did not think the method would work. When Britain introduced the tariff on bacon, Denmark had tried to draw the Danish imports from Britain into the picture, but the argument had made no impression on the British government. Helge Clausen and Pinstrup mentioned that the British prime minister, the minister of Agriculture, and the minister of Economic Affairs all recently had given promises that the protection of British agriculture would continue in the FTA. Pinstrup did not expect that the FTA would have much value to Danish agriculture.<sup>632</sup>

During a meeting in the National Cooperative Council on 11 December 1957, chairman Søren Overgaard declared that he personally was in favour of a Danish accession to the EEC. However, Overgaard did not ask the National Cooperative Council to define a common position in the issue, since this would hardly be possible. Overgaard warned against exaggerated optimism regarding the possibilities for agricultural exports in the FTA. He

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<sup>631</sup> EA, DL, *Landboforeningernes referater 1957*, "Kort meddelelse om virksomheden inden for De samvirkende danske Landboforeninger. Aflagt ved De samvirkende sjællandske Landboforeningers delegeretmøde den 21. november 1957. v/ sekretær Helge Clausen".

<sup>632</sup> EA, DL, *Landboforeningernes referater 1957*, Bestyrelsesmøde 5-12-1957.

hoped that the EEC could be integrated into the FTA in such a way that Denmark's essential interests were defended by joining the EEC.<sup>633</sup>

During the Landbrugsraad's half-yearly plenary meeting on 18 December 1957 the leaders discussed the question of Danish accession to the EEC. In his address to the meeting Pinstrup declared that the Danish Farmers' Unions, the Dairy Board, and the Bacon Factories Federation all were in favour of Danish accession to the EEC. Pinstrup believed that membership of the FTA could never create equal terms for Danish exporters in the EEC market. This was because the Six were aiming at a profound integration of agricultural policy, including production as well as trade. Besides, Britain had decisive reservations against an inclusion of agriculture in the FTA and the other OEEC countries generally refused to reduce agricultural protection.

A general assembly in the Bacon Factories Federation had passed a resolution demanding an immediate Danish accession to the EEC, and had requested the Bacon Factories Federation's leaders to deliver the resolution to the Ministry of Agriculture. They had done as requested. Johannes Larsen asked whether in delivering the resolution to the ministry the Bacon Factories Federation's leaders had made any comments upon it. The president of the Bacon Factories Federation, Kristian Røhr Lauritzen replied that the resolution had been delivered to the ministry with the remark that 'the important thing for Danish agriculture was to acquire the best possible position'. As Røhr Lauritzen formulated it, probably no observers would expect this position to be clarified already in 1958. Johannes Larsen and Niels Eriksen concluded that the Bacon Factories Federation's leaders deliberately had abstained from supporting the resolution, knowing that the government would see this as an invitation to neglect it.<sup>634</sup>

On 6 January 1958 Britain presented the draft of an agreement on agriculture and fisheries in the FTA. The general intention was to 'reduce barriers to trade so as to afford opportunity for expanding trade on a non-discriminatory and economic basis in the produce of agriculture and fisheries'. The objectives were almost word by word identical to those in the agricultural chapter in the EEC Treaty, but the framework was fundamentally different. In the EEC Treaty the overall objective of a unified market and a customs union including agriculture was counterbalanced by the commitment to develop a positive common policy in the agricultural sector. In the British proposal for agricultural cooperation in the FTA these premises were absent. The British proposal did not suggest the creation of a common agricultural policy, and it did not describe the creation of a unified agricultural market without restrictions and unfair practices as an independent objective.

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<sup>633</sup> EA, *Andelsudvalget 1.3*, møde 11-12-1957.

<sup>634</sup> LR, *Rådsmødereferater*, Rådsmøde 18-12-1957.

Instead the British proposal merely described the achievement of ‘freer and increased trade’ and ‘progressively reduced distortion of competition’ as a means to achieve the agricultural policy objectives. There would be no independent or supranational organs, and a Council of ministers from the member states would dominate the cooperation. There would be annual reviews of agricultural production, prices and trade, and there would be confrontations of national policies. All this could only lead to policy recommendations from the advisory organs to the Council, and further from the Council to its member states.

The British proposal left the question of tariffs wholly open. As for import quotas, the British proposal foresaw a standstill followed by later efforts to draw up a plan for the elimination of quotas. It was not specified from which so-called ‘recent date’ the standstill applied.

With regard to longterm contracts and other commodity arrangements, the British proposal prescribed that the longterm contracts should respect existing obligations, should respect the ‘legitimate’ interests of non-member countries, and should remain open on ‘fair and equivalent terms and conditions’ to all member states. Furthermore, the British proposal suggested that longterm contracts should only enter into force when the member states had undertaken a joint examination of their consequences and found them acceptable. The British proposal prescribed a universal ban on export subsidies, but not on domestic production subsidies. Finally, the member states should define procedures for securing that internal market regulations (e.g., charges and obligatory milling ratios) did not protect domestic agricultural protection.<sup>635</sup>

On 10 January 1958 the Danish government consulted industry, agriculture and trade. Kjærgaard argued that it was desirable to have more strict and automatic rules in the FTA than in the EEC. This was because the FTA would have a larger number of member states than the EEC. Kjærgaard considered it a dangerous strategy to let the basis of the FTA consist only of institutions with similar authority as the institutions of the EEC. Kjærgaard found that although the question of British subsidies and trade restrictions was important, the main objective of Danish policy should be to secure non-discrimination in the EEC market.

The Danish Smallholders’ Unions suggested that Denmark should present a detailed proposal for agricultural cooperation in the FTA. The smallholders

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<sup>635</sup> RA, *UM, GS 73B66f*, Organisation for European Economic Co-operation, CIG(58)4, ”Intergovernmental Committee on the Establishment of a Free Trade Area. Draft outline of an Agreement on Agriculture and Fisheries”, 6-1-1958.

did not like the idea of copying the chapter on agriculture in the EEC Treaty into the FTA if this meant that public organs should control the exports and domestic sales of agricultural products. On the other hand, the smallholders proposed that the government should seek a clarification of the terms for a possible Danish accession to the EEC.<sup>636</sup>

Denmark maintained that the CAP should be integrated into the agricultural cooperation in the FTA in such a way that discrimination was prevented. With some flexibility the EEC Treaty should constitute the basis of the agricultural cooperation in the FTA. The institutions in the FTA should be able to exert influence on the CAP.<sup>637</sup>

During a meeting in London on 13 January 1957 Maudling and Krag discussed the question of Danish EEC membership. The Danish government did not favour EEC membership, but, with Krag's expression, certain people in Denmark strongly wanted this, and these people were spurred by the entirely unsatisfactory British proposal for agricultural cooperation in the FTA. It was an important aim for Denmark to obtain freer access to the British market, but the main aim was to avoid discrimination in the EEC market, and for this purpose Denmark was striving for an arrangement on agriculture in the FTA. Maudling suggested that Britain and Denmark could conclude a bilateral agreement on agriculture. Krag rejected this idea except as a supplement to a multilateral agreement on agriculture in the FTA.<sup>638</sup>

During the meeting in the Maudling Committee on 15-16 January 1958 the British proposal for agricultural cooperation in the FTA constituted the main issue. Krag declared that a satisfactory agreement on agriculture was an indispensable condition for Denmark's participation in an industrial FTA. Supported by Italy and Belgium, France rejected the idea that the Six should offer complete non-discrimination to non-EEC countries. The Netherlands found that discrimination should be reduced as much as possible. France, Italy and Belgium declared that issues like tariffs, subsidies, etc., should not be considered separately. France, Italy and Belgium preferred to postpone the entire issue until the agricultural conference of the Six had taken place. Britain restated her intention not to eliminate tariffs and subsidies.

Denmark proposed that the breakdown of tariffs should follow the rules of the EEC Treaty, in order to avoid discrimination. The British tariffs should be examined product by product, and the tariffs should only be maintained at

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<sup>636</sup> RA, UM, GS 73B66f, "Referat af møde i udenrigsministeriet den 10. januar 1958 med formændene for hovederhvervsorganisationerne".

<sup>637</sup> RA, UM, GS 73B66f, "Referat af nordisk økonomisk ministermøde vedrørende frihandelsområdedrøftelserne i København den 11. og 12. januar 1958".

<sup>638</sup> RA, UM, GS 73B66f, "Afskrift. Samtale med Mr. Maudling den 13. januar 1958 i London", signed Jens Otto Krag, undated.

their existing level – or at a lower level – when this was necessary for the maintenance of a Commonwealth preference. The possibility of tariff quotas should also be investigated. A Belgian proposal for a fixed schedule on the elimination of import quotas in food products was supported by Denmark, Italy, and Greece.

As for longterm contracts, Maudling declared that the British proposal aimed at preventing discrimination. Market arrangements between two EEC member states should not be exclusive in relation to other OEEC countries. France declared that the British proposal was unacceptable because it would disturb the balance in the EEC Treaty, and this balance would also be disturbed if Britain as the largest food importer in Europe obtained a special position. Krag declared that he could not imagine a German discrimination against Danish butter imports if Denmark at the same time opened her industrial market to imports from Germany. In this Krag was supported by the German minister of Economic Affairs, Erhard.

Concerning subsidies, Maudling intended only to discuss export subsidies. Sweden, Denmark, Ireland, Italy and Belgium demanded that all types of subsidies, including production subsidies, should be treated as a whole. Krag proposed that there should be a gradual reduction of all types of protection. For instance, the FTA member states could have an obligation to reduce the protection by a certain proportion every year. The common institutions ought to have extensive authority in order to be able to control the reduction of protection. France argued that the exporting countries should have a certain freedom to apply export subsidies. In the question of the FTA's institutions, Switzerland, Portugal, and Sweden supported the British proposal. Supported by Italy, Belgium wanted stronger organs beside the Council. Denmark proposed that the Council should be able to make not only recommendations, but also decisions, by majority.<sup>639</sup>

On 21 January 1958 Krag consulted the Foreign Affairs Committee of the Danish parliament. Denmark's main aim was that all types of agricultural protection, including subsidies and minimum price systems, should be included under common control. There should be common rules on a gradual reduction of agricultural protection. For this purpose, Denmark wanted strong institutions in the agricultural cooperation.

Krag mentioned that Maudling had suggested the conclusion of an Anglo-Danish trade agreement. Krag found that such an agreement perhaps could

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<sup>639</sup> RA, *UM, GS 73B66f*, "Frihandelsområdet. Den intergouvernementale ministerkomité's 4. møde. 15.-16. januar 1958", signed E. Bartels, 20-1-1958; *ibid.*, "Referat af det 4. møde i den intergouvernementale komité vedrørende oprettelsen af et frihandelsområde", undated.

settle the trade issues between Britain and Denmark, but it could not solve Denmark's problems in relation to the Six. Federspiel asked whether the government would apply for a full Danish membership of the EEC if the FTA did not enter into force simultaneously with the common market on 1 January 1959. Prime minister H.C. Hansen replied in the negative.<sup>640</sup>

On 22 January 1958 the Landbrugsraad's leaders discussed the situation. According to Kjærgaard, the expectation was that the British government would rework the proposal on agricultural cooperation in order to satisfy the critics. Kjærgaard feared that the Six and Britain would reach a compromise which was unsatisfactory for Danish agriculture. Niels Eriksen informed that the official position of the Liberal Party was to support a Danish accession to the EEC. The Liberal Party avoided sharp statements because the party was seeking the greatest possible popular support for an accession to the EEC. A conclusion should be reached in time to make possible a Danish participation in the agricultural conference of the Six.<sup>641</sup> On 23-24 January 1958 the government consulted Danish industry, agriculture and trade on the market plans. The agricultural leaders regarded the British proposal on agricultural cooperation in the FTA as unsatisfactory.<sup>642</sup>

On 30 January 1958 a meeting was held in Brussels between Britain, Denmark and the Six. Belgium, which chaired the meeting, declared that an arrangement on agriculture should stabilise the FTA in the period until the content of the CAP had been defined. The rules on the elimination of tariffs and import quotas in the FTA should be identical to the rules in the EEC. The FTA member states should be entitled to introduce minimum prices or similar systems such as subsidies, but such measures should be subjected to common control and should gradually be reduced. Such an arrangement could be limited in time, and when the CAP had been defined, the FTA countries could enter negotiations on a permanent arrangement. Britain would not accept an automatic lowering of tariffs on agricultural products. There was one British concession: Britain no longer refused to consider the option of a defining a fixed plan for the elimination of import quotas.

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<sup>640</sup> RA, UM, GS 73B66f, "Referat af mødet i Det udenrigspolitiske Nævn tirsdag den 21. januar 1958 kl. 15.30".

<sup>641</sup> LR, PM 1/1958, Præsidiemøde 22-1-1958; *ibid.*, "De europæiske markedsplaner".

<sup>642</sup> RA, UM, GS 73B66f, "Referat af minister Krag's møde i udenrigsministeriet den 23. januar 1958 kl. 11.00 med erhvervsformændene";

EA, *De Samvirkende danske Andelsselskaber Andelsudvalgets Arkiv*, 7.6. *Udvalget for Danmarks økonomiske samarbejde med andre lande ("Andelsudvalget 7.6")*, Udenrigsministeriet: "Referat af mødet i udvalget vedrørende Danmarks økonomiske samarbejde med andre lande m.v. fredag den 24. januar 1958 kl. 15.30", 25-2-1958.

Germany proposed that an arrangement on agriculture in the FTA should consist of a general agreement based on certain principles. One of the principles should be the balance in concessions between industrial and agricultural exporters. For instance, the agricultural exporters could receive a promise that they would maintain their existing market positions. The general agreement should be accompanied by bilateral agreements. Denmark liked the German proposal, but found that it would be difficult to implement. Regarding the Belgian proposal, Denmark underlined that if the agreement on agriculture was limited in time, the agreement on the industrial FTA should also be that. Denmark proposed that agriculture should be treated in a working group led by the EEC, but Britain would not accept that.<sup>643</sup>

On 6 February 1958 Krag declared in the Danish parliament that an agreement on agriculture in the FTA should be based on two principles. First, there should be a fair balance between burdens and advantages in the agricultural and industrial sectors. Second, the arrangement on agriculture in the FTA should be so flexible that the CAP could be part of it. Denmark accepted that Britain could maintain certain tariffs in connection with the Commonwealth preference, and Denmark accepted the use of minimum prices in the FTA. But it was a precondition that all types of agricultural protection were brought under common control, and that there was a gradual reduction of the total protective effect. The arrangement on agriculture should enter into force simultaneously with the FTA convention.<sup>644</sup>

On 11 February 1958 the question of Denmark's position toward the EEC was debated in the Danish parliament. The Social Democrats argued that a Danish decision on EEC membership should be postponed as long as FTA negotiations were still in progress. According to the Social Democrats, the Danish Farmers' Unions had overestimated both the costs of staying outside the EEC and the advantages in a Danish accession to the EEC. The freedom of action in economic policy should not be reduced more than was necessary in order to achieve free trade. Economic policy would be affected by participation in the FTA, but not as much as by participation in the EEC. Germany would obtain a dominant position in the EEC, and in reaction to this Denmark should strengthen the cooperation with the Nordic countries and Britain. Yet, the Social Democrats had not taken any definitive decision.

The Conservative Party did not put pressure on the government for an immediate clarification of Denmark's position toward the EEC. If the FTA negotiations failed to produce a satisfactory solution for Danish agriculture,

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<sup>643</sup> RA, *UM, GS 73B66f*, "Referat af mødet i det udenrigspolitiske Nævn onsdag den 5. februar 1958 kl. 17.00".

<sup>644</sup> *Folketingstidende, Forhandlingerne i folketingsåret 1957-58 (109. årgang) II*, Jens Otto Krag, 6-2-1958, cols. 2431-2447.

the Conservative Party would not rule out EEC accession. Speaking for the Liberal Party, Per Federspiel, Axel Kristensen and Niels Eriksen strongly recommended a Danish accession to the EEC. Federspiel saw integration in EEC as the best means to prevent German domination and in any case EEC membership was vital for Denmark's economic welfare. Federspiel believed that France did not want the FTA to enter into force until the first stage of the EEC's common market had been completed, and therefore it was a wrong policy to postpone a decision in the EEC issue until the situation in the FTA negotiations had been clarified.

Axel Kristensen denied that the EEC was more protectionist than the Nordic customs union. While 86% of Denmark's foreign trade would be affected by the Nordic tariff, only 70% would be affected by the EEC's tariff. The common market would also have a positive trade-creating effect. If the FTA was not established, and if Denmark stayed outside the EEC, then the agricultural exports to the EEC would probably be lost. Axel Kristensen did not believe that the exports to Britain would be lost if Denmark joined the EEC. Britain would have to negotiate an economic agreement with the EEC, thus, with a partner which was larger than her. In the existing situation Britain was negotiating with a junior partner, Denmark.

Niels Eriksen referred to a statement from Per Hækkerup that a Danish accession to the EEC would bring higher prices in agricultural products. Niels Eriksen would not accept that Danish economic policy should be based on a principle that Danish farmers received far lower prices than farmers in other countries. The CAP would probably bring higher prices in wheat and meat, and through the linkage with meat production the economic situation in milk production would be eased. Milk production mainly took place in smaller farms. Therefore Niels Eriksen denied that a Danish accession to the EEC would be particularly advantageous for the larger farms.

Krag found that the most important point in the FTA negotiations was to avoid discrimination against Danish agricultural exports to the EEC. The two largest markets for Danish exports were Britain and Germany, in that order. If the FTA negotiations broke down and Denmark joined the EEC, then Denmark would give Germany a preferential position in the Danish market and discriminate strongly against imports from Britain. Krag found that this would not be a clever trade policy.<sup>645</sup>

Various remarks during the debate in the Danish parliament revealed a latent disagreement in the Landbrugsraad concerning a Danish accession to the EEC. During a meeting between the Landbrugsraad's leaders on 21 February

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<sup>645</sup> *Folketingstidende, Forhandlingerne i folketingsåret 1957-58 (109. årgang) II*, Axel Kristensen, 11-2-1958, cols. 2490-2518, 2556-2585, 2607.

1958 the Landbrugsraad's secretariat presented a declaration on the European market plans. It was decided that the declaration should be signed by the two presidents of the Danish Farmers Unions (Johannes Larsen and Pinstrup), the president of the Bacon Factories Federation (Røhr Lauritzen) and the president of the Dairy Board (Overgaard).<sup>646</sup> On 28 February 1958 the declaration was issued, bearing all four signatures. In the declaration the Landbrugsraad argued that even the best possible solution for agriculture in the FTA could not prevent discrimination against Danish agricultural exports to the EEC. The Landbrugsraad strongly recommended that Denmark should join the EEC as soon as possible.<sup>647</sup> The Bacon Factories Federation subsequently remained silent on the question of EEC accession.

#### 4.6.2. *The Landbrugsraad and EEC membership: Main lines*

The Bacon Factories Federation was against EEC membership; the Dairy Board and the Danish Farmers' Unions were in favour; thus a majority in the Landbrugsraad was in favour; the Danish Smallholders' Unions were reluctant and prudent, but not decidedly against EEC membership. The economic arguments in favour of EEC membership, such as they were presented by the Danish Farmers' Unions, the Dairy Board's president Søren Overgaard and the Landbrugsraad's leading secretary Niels Kjærgaard, were largely based on the fact that Denmark was nearly self-sufficient in cereals. The argument sounded like "the CAP can do us no harm because we produce our own cereals". It has not been possible to find the records of the Danish Smallholders' Unions from the years 1955-1960. When looking back on the events half a century later, S.P. Jensen and Jørgen Skovbæk concluded that the EEC's expected policy of a high cereals price was a main reason for the reluctant attitude of the Danish smallholders toward EEC membership.

Skovbæk was a representative for the large estates in meetings with the government on the FTA, in 1959 he began to work in the secretariat of the Danish Farmers' Unions, and in 1966 he became the leader of the secretariat. According to S.P. Jensen and Skovbæk, geographical conditions made it easier for Dutch farmers than for Danish farmers to replace fodder grain with fodder mixtures imported from outside Europe. Besides, Danish farmers had fewer types of feed to choose between, since the exports of bacon depended on the product's quality. Danish bacon producers did not use maize as fodder grain, because it made the pigs too fat. Another question was whether the Netherlands would make it a condition for Danish accession to the EEC that

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<sup>646</sup> LR, PM 2/1958, Præsidiemøde 21-2-1958.

<sup>647</sup> Landbrugsraadet: *39te beretning om Landbrugsraadets virksomhed: 1. januar 1958 – 31. december 1958*, Copenhagen 1961, pp. 40f.

Denmark conceded a certain share of the British market to Dutch exporters. Not least the Danish smallholders seem to have suspected this.<sup>648</sup>

Various passages in the sources, such as van der Lee's statements during the Dutch-Danish contact meeting on 13-14 March 1957, can perhaps be interpreted as indirect suggestions that the Netherlands would raise such demands. It would be natural for the EEC's member states to undertake a coordinated food export policy toward non-member countries, and a Danish application for EEC membership would raise the question of the future balance between the EEC's agricultural imports and exports. But S.P. Jensen and Skovbæk did not consider Dutch demands for a sharing of the British market to be likely. This was because Dutch agricultural exports to Britain had a different composition, and because the Six constituted the main market of Dutch agricultural exports.

Dethlefsen (1988) suggested that Niels Kjærgaard used the EEC issue as a means to drive a wedge between the Danish Farmers' Unions and the Danish Smallholders' Unions, thereby defending the central political position of the Landbrugsraad against the Afsætningsråd. While Kjærgaard publicly raised the unconditional demand for Danish accession to the EEC, he took a much more moderate attitude in internal discussions in the Landbrugsraad.<sup>649</sup>

Skovbæk rejected this interpretation of Kjærgaard's motives. According to Skovbæk, Kjærgaard would never let his actions in so important an issue as EEC membership be decided by tactical considerations of organisation politics. However, Skovbæk suggested that the Landbrugsraad's president Hans Pinstrup might have had tactical reasons when he – as the president of the Jutland Farmers Unions – invited Niels Kjærgaard to make the public address at the Jutland Farmers' Unions' yearly assembly on 4 October 1957, at which occasion Kjærgaard (on behalf of the Landbrugsraad) raised the unconditional demand for a Danish accession to the EEC.

First, according to Skovbæk, Kjærgaard's authority, which was recognised by everyone, could sustain the arguments from the Danish Farmers' Unions in favour of EEC membership. Second, the Landbrugsraad became definitively tied to the EEC-oriented policy of the Danish Farmers' Unions despite the internal opposition in the Landbrugsraad against this policy. Third (here Dethlefsen was right) it was demonstrated to the Danish Farmers' Unions how useful it was for them to stay in the Landbrugsraad. S.P. Jensen believed that Kjærgaard was strongly in favour of EEC membership, and not only for tactical reasons relating to organisation politics. According to S.P. Jensen, the publication from the Danish Farmers'

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<sup>648</sup> Conversation with Kaare Milthers, 19-9-2003.

<sup>649</sup> Dethlefsen, 1988, p. 44.

Unions in October 1957 took place on their own initiative, and they did not want to involve the cooperative federations in the publication.<sup>650</sup>

The most reasonable interpretation seems to be that Kjærgaard was always strongly in favour of EEC membership, regardless of organisation politics. While organisational structures indirectly influenced the fears, hopes and expectations of smallholders and middle-sized farmers toward the CAP by setting the strategic conditions of policy-making, organisation politics in a narrow and tactical sense did not influence their European policies. In general the Danish source material is divided between an emphasis on the economic aspects of the CAP and the general economic and political aspects of EEC membership. The political aspects of the CAP from the perspective of agriculture are not given much attention in Danish sources. Kjærgaard's address in October 1957 is nearly the only exception.

Kjærgaard assumed that the common market, the CAP and the creation of supranational institutions had broad political support in the Six. Generally speaking, the possibility for Danish agriculture to exert influence in the EEC would depend on the will and ability of the member states to find common solutions and coordinate their interests, not only in the agricultural sector, but also in the general cooperation. In this respect Kjærgaard had confidence in the Six. The downplaying of minimum prices, etc. had a rhetorical and tactical element, but this was not decisive. Kjærgaard expected that the Danish government, agriculture and industry under EEC membership would be able to reach agreement on the parallel implementation of the common market in all economic sectors. A similar expectation formed the basis of the economic arguments from the Danish Farmers' Unions.

#### *4.6.3. Danish agriculture and the 'concerted policy', 1958-1959*

On 11-13 March 1958 the Maudling Committee convened in Brussels. Denmark's position was that the FTA should have the same rules as the EEC, and the step from the first to the second stage of the FTA should take place simultaneously for industry and agriculture. Denmark proposed that majority voting should apply to a gradually increasing number of cases. Sweden suggested that the Scandinavian countries should present a common proposal on agriculture in the FTA. The Danish government worked out an informal proposal on agriculture in the FTA.

According to the Danish proposal, the general objective in the agricultural cooperation in the FTA should be freer trade based on a gradual coordination

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<sup>650</sup> Conversation with S.P. Jensen, 20-10-2003; conversation with Jørgen Skovbæk, 22-10-2003; letter from Jørgen Skovbæk to the author, 25-1-2006.

of national policies. Import quotas, tariffs and import levies with a similar effect should be eliminated. An exemption could only be conceded to Britain with regard to the Commonwealth preference, and in that case there could be tariff quotas for traditional exports from the FTA member states to Britain.

The FTA member states could apply minimum prices under conditions as those described in the EEC Treaty. The FTA member states could apply other systems than minimum prices if these systems were recognised by the FTA institutions. Such alternative systems could be 'deficiency payments', state trade or import monopolies. After the end of the first stage of the FTA, subsidised agricultural exports should only take place under terms approved by the FTA institutions. During the first stage the FTA member states should work out a plan for a close coordination of their national policies, including minimum prices, production subsidies, state trade, etc.

Further, the FTA's institutions should consist of a Council of Ministers and a special organ. Like the EEC's European Commission, the special organ should be politically independent and should be able to decide by majority to make proposals to the Council of Ministers. There should be a complaints procedure and arbiters should be appointed. During the first two stages of the FTA, the Council should take its decisions by unanimity unless otherwise specified. The rules of decision to employ thereafter were not specified. The arrangement on agriculture should enter into force simultaneously with the convention on the FTA in industrial products. The step from the first to the second stage should take place in parallel to the industrial FTA.<sup>651</sup>

On 17 March 1958 Krag consulted Danish industry, agriculture and trade. Johannes Larsen, Overgaard and Kjærgaard urged the government to opt for EEC accession. They subscribed to the Danish proposal, but Kjærgaard found that the proposal had a fundamental weakness, namely its assumption that an equal treatment in the EEC market could be obtained by means of trade policy. According to Kjærgaard, Denmark was trying to take the CAP out of its wider political context and the Six would not accept that.<sup>652</sup>

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<sup>651</sup> RA, *UM, GS 73B66f*, "Referat af mødet i Det udenrigspolitiske Nævn fredag den 7. marts 1958 kl. 15.30"; *ibid.*, "Frihandelsområdet. Maudling-komiteens 6. møde den 11. – 13. marts 1958"; *ibid.*, "Referat af 6. møde i den intergouvernementale komité vedrørende oprettelsen af et frihandelsområde"; *ibid.*, "Organisation for European Economic Co-operation, CIG/M(58)3, "Inter-Governmental Committee on the Establishment of a European Free Trade Area. Summary Record of the Fifth Session held at the Château de le Muette on Tuesday, 11<sup>th</sup>, Wednesday, 12<sup>th</sup> and Thursday, 13<sup>th</sup> March, 1958", 17-4-1958; *ibid.*, "Bidrag til referat af møde i det udenrigspolitiske nævn den 17. marts 1958"; *ibid.*, "Fortroligt" [Landbrugsordningen], 17-3-1958.

<sup>652</sup> RA, *UM, GS 73B66f*, "Referat af minister Krag's møde i udenrigsministeriet den 17. marts 1958 kl. 16.00 med erhvervsformændene".

Norway and Sweden accepted the Danish proposal as a basis for further negotiations. Britain would not accept an obligation to eliminate tariffs, even if Britain could obtain an exemption for the Commonwealth preference. If Britain refused any obligation to eliminate tariffs, then the Six would probably not accept an elimination of tariffs and import quotas. In that case Danish agricultural exports to the EEC would be subject to discrimination. The Danish Smallholders' Unions asked whether the government intended to request information on the terms for a possible accession to the EEC. Krag replied that the government would only make such a request when the question of a Danish accession to the EEC became urgent. Until then it would be better to assume that there were no special conditions for a Danish accession to the EEC. The agricultural organisations agreed.<sup>653</sup>

Germany suggested a so-called 'freezing' of agricultural trade as a way of securing Danish agricultural exports; Britain should commit herself to import Danish and Dutch agricultural surpluses; FTA member states should conclude bilateral agreements on the basis of existing import quotas. In the Landbrugsraad opinions were divided. Johannes Larsen did not expect that the FTA negotiations would succeed, and bilateral 'freezing' agreements would therefore lack a substantial basis. A 'freezing' of agricultural trade could probably only be achieved by a special agreement with Britain, and Johannes Larsen feared that such an agreement could complicate a Danish accession to the EEC. Kjærgaard was of the contrary opinion. He believed that an Anglo-Danish stabilisation agreement would strengthen Denmark's position in negotiations on accession to the EEC. Jørgen Gram considered a 'freezing' agreement with Britain to be unrealistic, but he did not regard it as a precondition for a Danish accession to the EEC.<sup>654</sup>

On 31 March 1958 the agricultural issue was treated in a meeting in Brussels between Britain, Denmark and the Six. Belgium, which chaired the meeting, underlined that agreements on agriculture and industry in the FTA should be implemented simultaneously. However, agricultural cooperation in the FTA should not impede the development of the CAP. Belgium proposed that the FTA should not have a common agricultural policy, but only a so-called 'concerted agricultural policy'.

Denmark feared that this would not create security for Danish agricultural exports to the EEC market. The Netherlands would accept that Britain was exempted from the obligation to break down tariffs if this was necessary for the Commonwealth preference, but in that case the other FTA member states

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<sup>653</sup> RA, *UM, GS 73B66f*, "Referat af møde med landbrugsorganisationerne fredag den 21. marts 1958 kl. 16.00".

<sup>654</sup> LR, *PM 3/1958*, Præsidiemøde 27-3-1958.

should also be entitled not to break down their tariffs in the products in question. This was unacceptable to Denmark.

Germany proposed that the FTA member states should conclude bilateral so-called 'freezing' trade agreements on import quotas, with a duration equal to the FTA's first stage. The size of the import quotas should be equal to the average of imports in the preceding three years, with adjustment for growing consumption. Germany and Denmark agreed to conduct bilateral discussions on the question. Germany and the Netherlands proposed that only the Six should be entitled to employ minimum import prices in the FTA.<sup>655</sup>

In March 1958 the president of the EEC's European Commission, W. Hallstein presented the idea of a so-called *initial agreement* on the FTA. Hallstein proposed that the FTA member states should reduce their tariffs toward other FTA member states by 10% on 1 January 1959. This percentage would be equal to the reduction of the tariffs between the EEC member states on 1 January 1959. It was not clear whether the initial agreement should only apply to industrial products.<sup>656</sup>

In April 1958 the Landbrugsraad evaluated the situation. Kjærgaard did not believe that the necessary 5/6 majority in the Danish parliament for EEC accession could be found. The FTA could not enter into force on 1 January 1959, and the problem was to find a solution for Danish agriculture under an initial agreement. German imports of eggs and cheese were free from import quotas. When the German tariff in cheese was reduced toward the other EEC member states on 1 January 1959, Germany might offer Denmark one half of this reduction. Butter and cattle were subject to import quotas. In cattle the Germans might offer Denmark a continuation of the existing quota of 225.000 head per year. In butter Germany might offer Denmark an unchanged relative share, but a share of 3% of German butter imports had to be reserved for the other EEC member states in advance.<sup>657</sup>

The discussions between Denmark, Britain and the Six in March 1958, Germany's proposal of 'freezing' trade agreements, and Hallstein's proposal of an initial agreement on the FTA, together constitute a watershed in the negotiations on agriculture in the FTA. All parties searched for a solution to the same problem: the FTA-EEC relations when the EEC on 1 January 1959 took the first step to eliminate the trade barriers between its member states.

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<sup>655</sup> RA, *UM, GS 73B66f*, "Referat af mødet i Det udenrigspolitiske Nævn torsdag den 10. april 1958 kl. 16.00"; *ibid.*, "Referat af Krag's møde i udenrigsministeriet fredag den 11. april 1958, kl. 11.00 med erhvervsformændene".

<sup>656</sup> EA, *Andelsudvalget 7.6*, Udenrigsministeriet: "Referat af mødet i udvalget vedrørende Danmarks økonomiske samarbejde med andre lande m.v. tirsdag den 14. april 1958 kl. 14.30", 5-5-1958.

<sup>657</sup> LR, *PM 5/1958*, Præsidiemøde 30-4-1958.

The EEC would not undertake tangible commitments as to the content of ‘concerted agricultural policy’ until the CAP had taken form. The guaranteed export volumes in ‘freezing agreements’ could compensate for lacking substance in the ‘concerted agricultural policy’. ‘Freezing agreements’ could also serve as an emergency solution if no arrangement was found for the situation after 1 January 1959. However, in May 1958 Hallstein proposed an alternative solution, namely, the conclusion of bilateral association treaties between the EEC and individual OEEC countries. During the summer of 1958 Hallstein’s proposal of association treaties together with the continued search for a compromise on a ‘concerted agricultural policy’ overshadowed Germany’s proposal of ‘freezing’ agreements.

On 6 May 1958 a meeting was held in Brussels between Krag and Hallstein. Hallstein did not expect that Denmark’s interests toward the Six could be fully respected in an FTA treaty. Krag agreed. Hallstein proposed that OEEC countries could conclude individual association treaties with the EEC. Such association treaties would have a commercial character. In this way Denmark could become 80% member of the EEC. Hallstein proposed that Denmark should conclude an association treaty with the EEC speedily and regardless of the negotiations in the Maudling Committee. Hallstein rejected a Danish participation in the agricultural conference of the Six.<sup>658</sup>

On 19 May 1958 a meeting was held in Copenhagen between Danish and German government delegations. Denmark demanded that an initial agreement on a 10% reduction of tariffs in the FTA should also apply to agriculture. But even if this was obtained, there would still be the problem of discriminating import quotas in the EEC. If the multilateral agreement on agriculture in the FTA became unsatisfactory, then Denmark might consider making the multilateral agreement conditional on the conclusion of a bilateral association agreement between Denmark and the EEC.

Germany urged Denmark not to take steps toward an association with the EEC as long as the FTA negotiations were still in progress. Germany rejected the idea of bilateral association treaties between the EEC and individual OEEC countries. The Six proposed a standstill in agricultural tariffs in the FTA; tariff quotas should be introduced and a number of exceptionally high tariffs should be lowered. The Six agreed on a common proposal concerning agricultural import quotas which was similar to the German proposal of bilateral ‘freezing’ agreements. The Six did not reach agreement on common rules on production subsidies, nor on rules on

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<sup>658</sup> RA, *Udenrigsministeriet (UM) 1946-1972, Gruppeordnede Sager, jr. nr. 108B.2/Dan 1957-63 ("GS 108B.2")*, "Hovedpunkter i professor Hallsteins udtalelser over for minister Krag i Bryssel den 6. maj 1958".

longterm contracts and minimum prices. Germany did not expect that Denmark could participate in the agricultural conference of the Six.<sup>659</sup>

The Danish government found that the proposals from the Six on many points differed from Denmark's position. For instance, the Six did not propose an obligatory breakdown of tariffs between the Six and the other FTA member states; and the Six only foresaw a stand-still in import quotas, not elimination. Even if the proposed arrangements were permanent and not limited to a four-year period, they not give Denmark security against discrimination in the EEC market. The government gave up the hope of Denmark's participation in the agricultural conference of the Six.<sup>660</sup>

The Landbrugsraad's leaders concluded that Denmark would not be allowed to participate in the agricultural conference of the Six, neither actively nor as an observer.<sup>661</sup> Kjærgaard agreed with the government that Denmark could not reject the proposals from the Six, even though the guarantees for Danish agricultural exports were too loosely formulated in the proposals. The principles in the proposals did not create equality between the FTA countries in agriculture and Kjærgaard feared that the principles would be further watered down in the ensuing negotiations with Britain.<sup>662</sup>

During a debate in the Danish parliament on 3-4 June 1958, the Liberal Party urged the government to investigate the conditions for EEC membership if the FTA did not materialise. The Conservative Party desired an acceleration of the negotiations on a Nordic customs union, although this should not separate Denmark from the rest of Europe. The government declared that it would continue its policy of keeping all doors open.<sup>663</sup> The very mentioning of a possible failure of the FTA negotiations, Hallstein's proposal of bilateral association treaties between the EEC and individual OEEC countries, and Germany's request to Denmark not to follow Hallstein's proposal as long as the FTA negotiations were in progress: all these episodes were signs of a growing disbelief in the prospect of success in the FTA negotiations.

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<sup>659</sup> RA, *UM, GS 73B66f*, "Referat af møde i udenrigsministeriet mandag den 19. maj 1958, kl. 9.30"; *ibid.*, "Udkast til minister Krags indledende udtalelser under mødet med vicekansler, dr. Erhard den 19. maj 1958".

<sup>660</sup> RA, *UM, GS 73B66f*, "Bidrag til minister Krags udtalelser vedrørende forhandlingerne om frihandelsområdet i det udenrigspolitiske nævn den 22. maj 1958".

<sup>661</sup> LR, *PM 6/1958*, Præsidiemøde 23-5-1958.

<sup>662</sup> RA, *UM, GS 73B66f*, "Referat af minister Krags møde i udenrigsministeriet den 30. maj 1958 kl. 10.30 med erhvervsformændene".

<sup>663</sup> *Folketingstidende, Forhandlingerne i folketingsåret 1957-58 (109. årgang) III*, cols. 5193ff, 5219f, 5261ff, 5313ff.

In early 1958 the Six set up a special working group to treat the FTA issue. At the level of civil servants it was led by the Belgian delegate to the OEEC, Ockrent. On 11 June 1958 Ockrent had meetings in Copenhagen with Danish civil servants and representatives from Danish industry, agriculture and trades. The so-called 'Ockrent group' had worked out a proposal, and upon approval from the governments of the Six it would be presented to the Maudling Committee. On the economic side, the Ockrent group's proposal had the following content. The agricultural cooperation in the FTA should include the same products as the EEC Treaty. Agriculture and industry in the FTA should be considered as a whole, and the Six would not accept that progress was only achieved in the industrial sector. The objectives of the agricultural cooperation in the FTA should be those of article 39 of the EEC Treaty, with an additional objective of trade expansion.

According to the Ockrent group, precise rules were only needed during the first stage of the FTA. The FTA member states should conduct a so-called 'concerted agricultural policy'. When the CAP was developed, it would form the core of this coordination. The Netherlands and Italy would not accept that the FTA had rules on tariffs and minimum prices which were identical to the rules in the EEC. The Netherlands insisted that the creation of strong institutions in the FTA were a precondition for the use of minimum prices. Instead the Netherlands proposed a reduction of high tariffs. An alternative would be to negotiate on tariff quotas. In that case Denmark should have the right to block any further progress in the industrial sector if Denmark did not obtain satisfactory tariff quotas. With regard to import quotas the Ockrent group proposed a status quo. Longterm contracts were an option. The Ockrent group proposed a procedure where FTA countries which did not reduce their subsidies to both production and exports would be put under strong pressure. All these proposals related to the first stage of the FTA.

The Six demanded that the European Commission should be represented in the FTA's institutions. Maudling proposed that the decision to proceed from one stage to the next in the FTA could be taken by 2/3 majority. This procedure would give the EEC a right of veto. The Six proposed that during the first stage of the FTA the procedure for the FTA's subsequent stages should be negotiated. The Six demanded that the FTA should have the same institutions for industry and agriculture. When the OEEC countries concluded an initial agreement on the FTA, they should also conclude a one-year agreement on agriculture, especially concerning tariff quotas.<sup>664</sup>

The European Commission was negative toward the use of minimum prices in the FTA. The European Commission rejected a Danish participation in the

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<sup>664</sup> RA, UM, GS 73B66f, "Notat vedrørende møderne den 11. juni 1958 i udenrigsministeriet med M. Ockrent".

agricultural conference of the Six, but invited Denmark to submit a special memorandum to the conference.<sup>665</sup> With approval from the agricultural organisations and political leaders, the Danish government delivered a non-committal memorandum to the EEC.

It was still unclear whether a 10% lowering of tariffs in the FTA's initial agreement included agriculture. Germany, Italy and the Benelux countries proposed that for agriculture there should be a status quo in tariffs and import quotas, combined with quota agreements for one year; certain British tariffs should be reduced, and tariff quotas could be introduced. Denmark maintained that the FTA's initial agreement should include agriculture.<sup>666</sup> The Landbrugsraad found that a status quo in tariffs and import quotas would discriminate against Denmark, even if an inclusion of tariff quotas could make the initial agreement more acceptable.<sup>667</sup>

Prior to the Maudling Committee's meeting on 24-25 July 1958, the EEC presented a confidential memorandum on agriculture in the FTA. The EEC's position was more or less as described above.<sup>668</sup> Denmark demanded that the FTA should have a fair overall balance between rights and obligations in the agriculture and industry, and there should not be taken new discriminating measures in agricultural trade. There should be clear obligations concerning import quotas, tariffs reduction and tariff quotas, production subsidies and export subsidies. At the same time the Danish government was making preparations for bilateral negotiations with Germany on export guarantees.<sup>669</sup>

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<sup>665</sup> LR, PM 7/1958, "Referat af møde i Bryssel den 13. juni 1958 mellem minister Krag og medlemmer af Europa-Kommissionens landbrugsgruppe", 20-6-1958.

<sup>666</sup> RA, UM, GS 73B66f, Referat af mødet i det udenrigspolitiske nævns underudvalg vedrørende markedsplanerne den 1. juli 1958 kl. 10.00"; *ibid.*, "P.M.", Paris, 1-7-1958.

<sup>667</sup> RA UM, GS 73B66f, "Referat af minister Krags møde i udenrigsministeriet den 10. juli 1958 kl. 11.00 med erhvervsformændene".

<sup>668</sup> RA, UM, GS 73B66f, Organisationen for Europæisk Økonomisk Samarbejde, CIG(58)47, "Memorandum angående Det europæiske økonomiske Fællesskabs stilling med hensyn til forhandlingerne vedrørende planen om En europæisk økonomisk sammenslutning (Association Economique Européenne): Landbrug", Paris, 24-7-1958;

EA, *Andelsudvalget* 7.6, Udenrigsministeriet: "Oversigt over de i forbindelse med frihandelsområdeforhandlingerne fremkomne landbrugsforslag" (undated).

<sup>669</sup> RA, UM, GS 73B66f, Organisation for European Economic Co-operation, CIG/M(58)5, "Intergovernmental Committee on the Establishment of a European Free Trade Area. Summary Record of the Seventh Session held at the Château de la Muette on Thursday 24<sup>th</sup>, and Friday, 25<sup>th</sup> July, 1958", Paris 13-10-1958; *ibid.*, "Maudling-komitéens møde den 24. - 25. juli 1958"; *ibid.*, "Referat af Maudling-komitéens 8. møde den 24.-25. juli 1958"; *ibid.*, "Minister Krags udtalelse om landbrugsproblemerne på Maudling-komitéens møde den 26. juli 1958"; *ibid.*, "Referat af minister Krags møde i udenrigsministeriet den 31. juli 1958 kl. 11 med

In August and September 1958 the Landbrugsraad's leaders discussed the situation. The fate of the Nordic customs union depended on a European solution for agriculture in the FTA. Kjærgaard argued that Denmark should seek a bilateral agreement with Germany on guaranteed quotas for Danish agricultural exports, even though such a Danish-German agreement would probably only provide limited commercial advantages and could make it politically more difficult to obtain a Danish accession to the EEC.<sup>670</sup>

On 6 October 1958 the government consulted industry, agriculture and trade. According to Krag, neither Britain nor the EEC accepted an automatic breakdown of barriers in agricultural trade. The EEC proposed the creation of a multilateral framework for bilateral agreements on quotas, tariff quotas, etc., in order to provide guarantees to the countries with agricultural exports. The Danish and German governments had decided to initiate negotiations on a bilateral agreement on livestock for food, malt from barley, and possibly, butter. Presumably, Denmark did not have to offer Germany concessions in Danish industrial imports in return for guarantees for Danish agricultural exports, because the purpose of the Danish-German agreement would be to make possible a Danish participation in the FTA. However, the Danish-German agreement would remain valid if the FTA was not established.

Kjærgaard believed that Denmark could not refuse the German offer of a bilateral agreement. Danish agriculture would welcome the introduction of tariff quotas in the trade with Britain, but a bilateral agreement with Britain should not reduce the free character of British agricultural imports. The Danish Smallholders' Unions also supported bilateral negotiations with Germany. The Landbrugsraad and the smallholders feared that a Danish-German bilateral agreement could violate the EEC Treaty. Krag replied that bilateral agreements were foreseen in the EEC's proposal.<sup>671</sup> The Liberal Party supported bilateral negotiations with Germany.<sup>672</sup> A brief debate in the parliament on the FTA on 22-23 October 1958 led to the conclusion that government's policy, to keep all doors open, had broad support.<sup>673</sup>

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erhvervsformændene"; *ibid.*, "Referat af møde i det udenrigspolitiske nævns underudvalg vedrørende markedsplanerne den 31. juli 1958, kl. 16.15".

<sup>670</sup> *LR, PM 8/1958, Præsidiemøde 19-8-1958;*

*LR, PM 9/1959, Præsidiemøde 25-9-1958.*

<sup>671</sup> *RA, UM, GS 73B66f, "Referat af Minister Krag's møde med erhvervsformændene den 6. oktober 1958, kl. 11";*

*LR, PM 10/1958, "Kortfattet referat af et møde i Udenrigsministeriet den 6. oktober 1958 vedrørende de europæiske markedsplaner".*

<sup>672</sup> *RA, UM, GS 73B66f, "Bidrag til referat af mødet i det udenrigspolitiske nævn onsdag den 8. oktober 1958".*

<sup>673</sup> *Folketingsstidende, Forhandlingerne i folketingsåret 1958-1959 (110. årgang), I, 22/23-10-1958, cols. 161-173.*

During the Maudling Committee's meetings in Paris on 23-30 October 1958 Denmark, Norway and Sweden presented a common memorandum on agriculture in the FTA. The Scandinavian countries emphasised the principle of reciprocity. Agricultural exporters should be able to maintain and expand exports which were competitive. Agriculture should be treated by the general institutions of the FTA. The longterm objective was an elimination of tariffs and import quotas. The FTA member states should be entitled to replace them with minimum prices and similar measures, provided they did not violate the objective of trade expansion. For products subject to import quotas as well as for liberalised products there should be tariff quotas. Production subsidies should be controlled, and export subsidies should be eliminated.<sup>674</sup>

Danish agricultural organisations participated in the formulation of the Scandinavian memorandum, but on some points they did not subscribe to the final wording, since they found it too vague, for instance regarding minimum prices. Denmark insisted on the right of individual FTA member states to lay down a veto against the step from one stage to the next in the FTA.<sup>675</sup>

In mid-November 1958 the FTA negotiations were suspended. The Danish government made it clear that it would not take retaliatory action against the EEC when the reduction of trade barriers in the EEC created discrimination against non-EEC countries after 1 January 1959.<sup>676</sup> On 27-28 November 1958 Danish and German government delegations had secret negotiations in Bonn on a bilateral longterm trade agreement. Germany offered quantitative guarantees to Denmark in prolongation of existing import quotas. Germany

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<sup>674</sup> RA, *UM, GS 73B66f*, Organisation for European Economic Co-operation, CIG/M(58)6, "Intergovernmental Committee on the Establishment of a European Free Trade Area. Summary record of the Eighth Session held at the Château de la Muette, Paris on Thursday 23<sup>rd</sup>, and Friday, 24<sup>th</sup> October and from Tuesday, 28<sup>th</sup> to Thursday, 30<sup>th</sup> October, 1958", Paris 8-12-1958; *ibid.*, "Frihandelsområdet. Maudling-komiteéns møder 23.-24. og 28.-30.10.1958", signed Tyge Dahlgaard, Paris, 4-11-1958; *ibid.*, "Notits vedrørende møde mellem delegationscheferne den 30. oktober 1958 kl. 15.15", signed Jens Otto Krag, Paris, 30-10-1958; *LR, PM 10/1958*, "Fælles memorandum fra den danske, norske og svenske regering vedrørende landbrugsordningen i en Europæisk Økonomisk Sammenslutning (European Economic Association)", Copenhagen, 27-10-1958.

<sup>675</sup> *LR, PM 10/1958*, Præsidiemøde 12-11-1958;

RA, *UM, GS 73B66f*, "Referat af møde i Det udenrigspolitiske Nævn tirsdag den 4. november 1958 kl. 16.00"; *ibid.*, "Referat af udenrigsministerens møde med erhvervsformændene om markedsplanerne den 5. november 1958 kl. 9.30".

<sup>676</sup> RA, *UM, GS 73B66f*, "Referat af møde i det udenrigspolitiske nævns underudvalg vedrørende markedsplanerne, den 25. november 1958 kl. 19".

considered lowering the tariffs toward Denmark by half as much as the tariffs toward the EEC partners.<sup>677</sup>

On 3 December 1958 the Six presented a so-called *interim solution* for the trade-political situation after 1 January 1959. The interim solution would consist of unilateral concessions from the Six on tariffs and import quotas. The Six would reduce their tariffs toward all OEEC countries by 10%, but the reduction would only apply to tariffs that were higher than the EEC's common tariff, and the tariffs could not be lower than the EEC's level.<sup>678</sup>

On 11 December 1958 the Dairy Board's president Overgaard declared that the option of EEC membership had become purely theoretical, which he regretted very much.<sup>679</sup> A conclusion was reached in the trade negotiations with Germany. The lowering of tariffs in the EEC's interim solution would apply to non-liberalised items, which constituted the majority of German agricultural imports. It was unclear whether it would also apply to liberalised items such as cheese.<sup>680</sup> Germany urged Denmark to accept a duration period of three years. The Landbrugsraad concluded that Denmark could not obtain a better result by prolonging the negotiations.<sup>681</sup>

On 15 December 1958 a British-French confrontation led to a breakdown in the FTA negotiations. On 22 December 1958 a new trade agreement was concluded between Denmark and Germany. The agreement was valid for three years, but it could be prolonged by one year. The agreement replaced the Danish-German trade agreement from 1953 which had been prolonged from year to year without changes. The annual quotas for Danish agricultural exports to Germany were roughly equal to the quotas in the agreement from 1953. The German government would seek legislative approval of a 10% reduction of the tariffs toward Denmark in both liberalised and non-liberalised agricultural products, but the tariffs should not be lower than the EEC's common tariffs. The Danish government signed the agreement after approval from industry, agriculture, trade and political leaders.<sup>682</sup>

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<sup>677</sup> LR, PM 11/1958, "Referat af forhandlingerne i Bonn den 27. og 28. november 1958 vedrørende Danmarks handelsforhold overfor Vesttyskland efter ikrafttrædelsen af det europæiske fællesmarked pr. 1.januar 1959", 2-12-1958.

<sup>678</sup> RA, UM, GS 73B66f, "Referat af udenrigsministerens møde med erhvervsformændene om markedsplanerne den 10. december 1958 kl. 14.00"; *ibid.*, "Ekstraktafskrift af referat af det udenrigspolitiske nævns møde den 10. december 1958".

<sup>679</sup> EA, *Andelsudvalget 1.3*, møde 11-12-1958.

<sup>680</sup> LR, *Rådsmødereferater*, Rådsmøde 17-12-1958.

<sup>681</sup> LR, PM 12/1958, Præsidiemøde 17-12-1958.

<sup>682</sup> LR, PM 12/1958, "Vedrørende samhandelen mellem Danmark og Vesttyskland", signed N. Kjærgaard and H.C. Schmidt, 29-12-1958;

On 2 and 3 January 1959 meetings were held in Copenhagen between Danish agricultural organisations and the National Farmers' Union (NFU) from Britain. Danish and British industry participated in the meeting on 3 January 1959. British agriculture wanted to discuss the possible creation of a so-called 'outer free trade area' consisting of the so-called "non-Six": Britain, the Scandinavian countries, Switzerland and Austria. According to the NFU, the longterm objective of the 'outer free trade area' should be its fusion with the EEC into a single European free trade area. The NFU suggested that the 'outer free trade area' could contain a European arrangement on agriculture along the lines of the British proposal from January 1958 for agricultural cooperation in the FTA.

Danish agricultural leaders discussed the British proposal during an internal meeting. Pinstrup and Overgaard were against Denmark's participation in an 'outer free trade area'. The Bacon Factories Federation thought Denmark's participation in a trade block consisting of the "non-Six" would be without value unless the "non-Six" created a customs union. The Danish Smallholders' Unions feared that if the "non-Six" minus Denmark created a trade bloc of their own, Denmark could find herself isolated. Toward the British delegation Kjærgaard declared that the Landbrugsraad was primarily seeking a solution which could prevent discrimination against Danish agricultural exports to the EEC. Kjærgaard did not expect that an association between the EEC and the 'outer free trade area' could be established.<sup>683</sup>

In late January 1959 Krag had a meeting with Pinstrup. According to Krag's diary, Pinstrup was afraid of alienating Britain. Krag ironically noted that Pinstrup 'would let Denmark become member of the Commonwealth, i.e., member of a customs union with Britain (and Norway and Sweden)'.<sup>684</sup> Krag's statement is not confirmed by other sources. On 21 January 1959 Pinstrup publicly asked the Danish government to undertake an unbiased investigation of the economic consequences of EEC membership. Pinstrup declared that he did not expect that such an investigation would lead to the conclusion that Denmark should not join the EEC; but if that became the conclusion, the Landbrugsraad would adjust its position accordingly.<sup>685</sup>

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RA, *UM, GS 73B66f*, "Referat af udenrigsministerens møde med formændene for de større erhvervsorganisationer den 22. december 1958 kl. 13.00"; *ibid.*, Ekstraktafskrift af møde i det udenrigspolitiske nævn den 22. december 1958".

<sup>683</sup> *LR, PM 1/1959*, "Kortfattet referat af møderne i Landbrugsraadet den 2. og 3. januar 1959 mellem britiske og danske repræsentanter for landbrug og industri".

<sup>684</sup> Lidegaard, 2001, pp. 605, 729.

<sup>685</sup> *LR, PM 1/1959*, "Præsidentens udtalelser ved Landbrugsraadets pressemøde den 21. januar 1959".

In order to maintain the Landbrugsraad as a coherent actor in the EEC question, and out of a genuine concern for bacon and butter exports to Britain, Pinstrup tried to raise the demand for EEC membership in a manner which displayed understanding for the anxieties of the Bacon Factories' Federation. Perhaps Pinstrup also hoped that he could gain political support from the Danish Smallholders' Unions to EEC membership in this way. Finally, Pinstrup may have calculated that such investigations could have a self-reinforcing political effect in direction of EEC accession.

In February and March 1959 the Ministry of Foreign Affairs evaluated the economic consequences of EEC membership. The ministry found that Denmark should not undertake an official investigation of the issue, because it might complicate the relations with Britain. The ministry concluded that one of the decisive factors, the danger of British retaliation, could not be predicted. A Danish association to the EEC, instead of accession, could reduce the negative effects from membership. For instance, Denmark could obtain an exemption from the common cereals price. But in that case the Netherlands would probably demand a continuation of the discrimination against Danish exports in the EEC market.<sup>686</sup>

On 12 February 1959 the parliamentary group of the Liberal Party discussed the situation. The option of a Danish association to the EEC instead of accession was rejected.<sup>687</sup> On 17 and 19-20 February 1959 the Danish parliament debated the European market plans. The Social Democrats argued that Denmark should not join the EEC in a situation where the FTA did not exist. The result could be discrimination against Danish agricultural exports to Britain. The EEC had a much stronger degree of self-sufficiency in food products than Britain, and in the long run the British market would be more stable. The political cooperation in Europe would be imbalanced without British and Nordic participation.

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<sup>686</sup> RA, *UM, GS 108B.2*, "Bidrag til notat vedrørende konsekvenserne af en dansk tilslutning til Det europæiske økonomiske Fællesskab. De toldmæssige virkninger og deres indflydelse på det danske omkostningsniveau", signed C.U. Haxthausen, 24-1-1959; *ibid.*, "Notits. Landbrugsrådets krav om undersøgelse af konsekvenserne af at stå udenfor og af at indmelde sig hos de Seks", 28-1-1959; *ibid.*, "Bidrag til notat vedrørende konsekvenserne af en dansk tiltræden af Rom-traktaten", signed C.U. Haxthausen, 6-2-1959; *ibid.*, "Udkast til disposition og hovedpunkter for en undersøgelse af konsekvenserne af en eventuel dansk tilslutning til Rom-Unionen (under forudsætning af, at der ikke oprettes et frihandelsområde)", signed C.U. Haxthausen, 10-2-1959; *ibid.*, "Bidrag til et notat vedrørende konsekvenserne af en dansk tilslutning til Rom-unionen", signed C.U. Haxthausen, 10-2-1959; *ibid.*, "Bilag. Nogle af konsekvenserne for dansk økonomi af dansk tilpasning til de Seks' landbrugspolitik", unsigned, undated; *ibid.*, "Vilkårene for en eventuel associering med de Seks", signed Skak-Nielsen, 18-3-1959.

<sup>687</sup> RA, *Partiet Venstres Arkiv, Forhandlingsprotokol for Venstres folketingsgruppe 8/11, 1957 – 16/12, 1960*, Partimøde 15-11-1957.

The Liberal Party argued that Denmark should join the EEC. The Conservative Party took a noncommittal position. The Social Liberal Party feared that a Danish accession to the EEC could strain the trade relations with non-EEC countries and could reduce the competitive ability of Danish exports. According to Krag, the terms for an accession to the EEC would not necessarily be favourable to Danish interests. It was not certain that the economic relations between Britain and the EEC would be peaceful. Krag would not rule out a Danish participation in an outer free trade area until it was known what it could offer to Danish agriculture.<sup>688</sup>

#### 4.6.4. *Danish agriculture and the 'concerted policy': Main lines*

In the same way as for the FTA negotiations until February 1958, the Danish sources in this period abound in economic detail and bargaining tactics and only contain very general statements on political content.

For Danish agriculture the main themes were the FTA's institutions, the material content of a 'concerted agricultural policy' in the FTA, and the conclusion of bilateral trade agreements with Germany and Britain. Danish agriculture favoured the creation of strong institutions in the FTA with responsibility for all economic sectors. Danish agriculture gradually came to accept that the best possible solution was one where the EEC's tariff preference would be respected but also clearly confined together with the Commonwealth preference; the EEC's tariff preference would constitute the maximum limit for the EEC's future protection; the FTA organs would deal with production grants, especially in Britain, and with export subsidies, etc. The general agreement would include bilateral Anglo-Danish and German-Danish trade agreements.

However, it is not difficult to understand why Danish agricultural leaders were sceptical. The EEC as an independent organisation would have a strong position in the FTA in the first place, and on that background it was not obvious how the FTA should be able to take effective action against discriminating practices in the CAP. As far as agriculture was concerned, Denmark tried to have as clear and strict rules as possible in the FTA, but during 1958 it became clear that the Six worked in the opposite direction. The Landbrugsraad's leaders decided that they would cooperate loyally with the government to achieve the best possible result in the FTA negotiations, even though this could ultimately make it more difficult to obtain a decision to join the EEC. In exchange the Danish government never abandoned its

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<sup>688</sup> *Folketingstidende, Forhandlingerne i folketingsåret 1958-1959 (110. årgang), II*, cols. 2726-2757, 2806-2834, 2844ff, 2869ff.

demand for agricultural-industrial reciprocity in the FTA, supported the creation of strong institutions in the FTA, and constantly postponed a final decision in the question of a Nordic customs union.

How did agriculture react to the government's decision to join the EFTA? In his diary, as quoted by Lidegaard, Krag wrote that 'the agricultural leaders stick to the Six, but in their minds (the organisations) they are uncertain'.<sup>689</sup> The impression from contemporary sources is that the Landbrugsraad's president Hans Pinstруп was disappointed over the decision. According to Jørgen Skovbæk, Pinstруп was also disappointed over the decision of the smallholders to support EFTA membership. Denmark's participation in EFTA was a factor in Pinstруп's decision to resign as president of the Landbrugsraad. Pinstруп foresaw the profound economic problems which the European market schism would create for Danish agriculture and he was not able to surmount the conflicts between the organisations. According to S.P. Jensen, Kjærgaard was also disappointed over the decision to join EFTA.

However, if Skovbæk and S.P. Jensen can be seen as representative for the Danish Farmers' Unions' leadership, at least a minority was not negative toward EFTA membership. They found that EEC membership was out of reach anyway, and in addition to the accompanying beneficial bilateral agreements on Danish food exports, EFTA would reduce the production costs by deregulating the imports of agricultural machinery, etc.<sup>690</sup>

#### **4.7. Danish agriculture and the CAP: Summary**

The Danish Farmers' Unions, the Dairy Board and the Landbrugsraad accepted the supranational principle, and in their argumentation in favour of EEC accession there was no reservation on this point. They assumed that the CAP would be implemented and they regarded this as a useful development. All Danish agricultural organisations uniformly took a positive position toward the FTA. Even if the FTA did not become supranational in a legal sense, it might still imply political obligations and majority decision-making. Danish agriculture supported this even if the FTA became dominated by the EEC of which Denmark was not a member.

Among industrial leaders, trade unions, Social Liberals, Social Democrats and a substantial number of liberal-minded economists there seems to have been a strong conscience of political perspectives in EEC membership. Seen in retrospect it might perhaps have been a better option in economic terms to apply for EEC membership. But the difference is relatively marginal,

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<sup>689</sup> Lidegaard, 2001, p. 628.

<sup>690</sup> Conversations with S.P. Jensen, 20-10-2003, and Jørgen Skovbæk, 22-10-2003.

considering the growth in the Danish economy in EFTA period (1959-1971). If the Nordic customs union and later the EFTA were not optimal alternatives to EEC membership, they were still viable alternatives. Therefore the supporters of EEC membership were not able to argue that the Danish economy would be destroyed if Denmark stayed outside the EEC.

The opponents of EEC membership employed two arguments. Firstly, by joining the EEC, Denmark would isolate Britain and destroy the cooperation with Norway and Sweden. As a result, Western European policy would be dominated by France and Germany. Secondly, since the ultimate goal of the EEC was political and economic unification, the question was whether in the long run the Danish political economy would have to be reorganised and associated to the national systems in the six EEC member states.

Some of the leaders in the Danish Farmers' Unions – Jørgen Gram and others – were clearly attentive to the potential economic benefits from the Community preference. When faced with Danish demands for agricultural free trade, the Germans argued that if German food imports were deregulated, Danish meat exports would be competed out by Argentine meat. The Community preference could solve this problem. Despite all considerations of this kind, the impression is that with the Netherlands as member and Britain staying outside, the Community preference would only have limited commercial value for Denmark. But the 'Community preference' may have been a code word for price protection in the CAP, and Gram did support the principle of politically determined common prices.

In the parliament Niels Eriksen declared that he would not accept as a basic premise for economic policy that Danish farmers should receive prices that were low by international standards. The prices which Danish farmers received by 1958 were much lower than the prices which were established in the CAP in the 1960s, and Niels Eriksen was not arguing in favour of agricultural protectionism. The arguments of the Landbrugsraad and the Danish Farmers' Unions were based on an expectation that the economic dividend in the CAP would be so large that all parties in Denmark would gain something, or at least the losers' costs could be compensated. But the difference may have been too subtle to be noticed by a public which had become accustomed to one-sided demands from the Danish Farmers' Unions for wage restraint, tax lowerings, etc.

The long power struggle between the agricultural organisations – between regional organisations inside the Danish Farmers' Unions, between the Danish Farmers' Unions and the cooperative federations, and between the Landbrugsraad and the Afsætningsråd – drained them of energy and other resources that could have been spent on working out a "constitution" for EEC membership. The basis for a "constitution" remained unclear. If the Afsætningsråd won the struggle, it would possibly gain control of the export

boards. In that case the clusters between the export boards and the respective cooperative federations would be broken up, and co-decision with the government would only take place at cross-sector level.

Tactical moves in organisation politics did not influence the position toward EEC membership, but if an attempt to work out a “constitution” for EEC membership only resulted in overt disagreement between the agricultural organisations, then the final outcome might be a weakening of the external arguments in favour of EEC membership. For instance, it would be self-contradictory if the agricultural organisations declared their willingness to accept counter-balancing measures in income policy as a condition for EEC membership while at the same time they had no scheme for co-decision with the government under the CAP regime. Political forces outside agriculture might doubt the longterm commitment of the agricultural organisations to such a declaration and inside agriculture the individual sub-sectors might demand guarantees that co-decision did not take place at their expense.

According to Buksti (1974), the reluctance of the Danish Smallholders’ Unions to support EEC membership weakened their alliance with the Zealand and Funen Farmers’ Unions against the Landbrugsraad.<sup>691</sup> This may have been part of the background for the decision of the Danish Farmers’ Unions not to dissolve the Landbrugsraad in May 1958.

On the other hand, the Danish Farmers’ Unions’ decision in May 1958 created a distance to the smallholders which may indirectly have influenced the latter’s European policy in direction of supporting EFTA membership. It seems that the unclear relations between the agricultural organisations indirectly led the Landbrugsraad, the Danish Farmers’ Unions and the Dairy Board to concentrate their attention on the immediate issue of EEC accession, with almost exclusive emphasis on the commercial aspects, at the expense of formulating longterm strategies for Danish policy under EEC membership.

The Danish Smallholders’ Unions’ position seems to have been reluctant but not decidedly negative toward EEC membership. The smallholders tried to keep the situation as fluent as possible while they joined forces with the government and the Landbrugsraad in demanding free and undistorted agricultural trade in the FTA. If the FTA negotiations ended with the result that the Landbrugsraad and the Danish Farmers’ Unions considered mist likely, namely an industrial FTA with ineffective agricultural cooperation, the smallholders would maintain the option of EEC membership.

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<sup>691</sup> Buksti, 1974, pp. 194f.

In 1959 the context was different, because there was no overall European framework for trade cooperation with Britain if Denmark joined the EEC, and because the EFTA agreement did offer some tangible economic advantages in the accompanying bilateral agreements with Britain and Sweden. Therefore the smallholders' support to EFTA membership in 1959 cannot be taken as an indication of their position toward EEC membership in 1957 and 1958.

The smallholders' argued that as long as the FTA might solve or compensate for the problem of discrimination against Danish agricultural exports in the EEC market, agriculture should not raise demand for EEC accession, since this was a solution which industry and trade unions and most political parties would only opt for if no alternatives existed. This was another way of saying that the smallholders considered the balance between potential advantages and disadvantages for themselves in EEC membership to be so uncertain that they did not consider it worthwhile to challenge the political system on the question. Since the smallholders were connected to one of the parties in the majoritarian coalition government (the Social Liberals), they had more at stake in terms of political influence than the Landbrugsraad had.

#### **4.8. Dutch and Danish agriculture and the CAP: Comparison**

Whereas Dutch agriculture's position toward the creation of supranational authorities remained equally positive during the EEC negotiations as it had been before 1955, there was an evolution in the position of Danish agriculture. The smallholders did not become more positive toward participation in supranational cooperation than they had been before 1955. But the Landbrugsraad's position – with an exception for the bacon factories – went from cold-hearted acceptance to genuine support.

It was important for Danish agricultural exporters get a foot in the door to the German market, but the perspectives in EEC membership went beyond the transitional period. The Landbrugsraad's leaders expected that the CAP would be implemented, and that agriculture would be an integral part of the general integration in the common market. If Denmark joined the EEC, the Landbrugsraad's leaders intended to work for the implementation of the CAP. They expected great economic advantages from the creation of unified market with the Six and a coordination of national policies. In this they came close to the position of Dutch agriculture.

The approximation of the Landbrugsraad's position to Dutch agriculture's position also applied to the objectives and instruments of the CAP, as far as price and market policy was concerned. The question of structural policy will be considered further below. Dutch agriculture took note of the CAP's objectives such as they were formulated in the EEC Treaty, but Dutch

agriculture believed that social security presupposed economic efficiency. The Landbrugsraad's position was more or less identical.

As for instruments, Dutch agriculture supported the creation of a common market organisation. There was a preference for functional price regulation, and there should be as little micro-level intervention as possible. If it was not possible to prevent protectionism in the CAP, Dutch agriculture would demand compensatory protection for animal production. Since Dutch agricultural exports were largely directed toward the Six, the payment of restitutions to Dutch manufactured exports to non-EEC countries would not create an intolerably large financial burden on the CAP.

The Landbrugsraad's position was similar with regard to the choice of instruments for functional regulation, but there was an expectation that regulation in the CAP for political reasons could not be merely functional. The Landbrugsraad would accept that. To a great extent the change in the Landbrugsraad's position can be attributed to evolutions in the composition and geographical distribution of Danish agricultural exports, increasing consumption in the Six, growing need for functional price regulation, etc. For Danish agriculture the introduction of the British bacon tariff in 1956 was a traumatic experience. Neither the OEEC nor GATT was of any help to Denmark. The learning could go in both directions. The Landbrugsraad could conclude that supranational regimes could be no worse than that, and the Danish Smallholders' Unions could conclude that undisturbed exports to Britain were not a given thing.

As previously described, a number of structural factors in the 1950s worked to make Dutch agriculture a somewhat stronger actor in international negotiations than Danish agriculture. Such factors were Dutch agriculture's larger number of contacts to political actors, the more central position of the Netherlands in European cooperation in general, and the great political and administrative capacity of the Dutch Ministry of Agriculture. In the FTA negotiations the strong involvement on part of leading members of the Danish government counter-balanced the influence of the Dutch Ministry of Agriculture, but the other structural factors were reinforced by the Dutch membership of the EEC, the improved coordination between the 3CLO and the Landbouwschap, and the creation of COPA.

The fact that Dutch agriculture was passive during most of the FTA negotiations and concentrated its efforts on the creation of COPA and the preparations for the CAP negotiations, while Danish agriculture was very active in the FTA negotiations, could perhaps disguise the difference. However, when Dutch agricultural leaders in the spring of 1958 intervened in the FTA negotiations in order to prevent the creation of a European system of minimum prices, they did so with considerable effect. The pattern of interaction between the Netherlands and Denmark in the Green Pool

negotiations continued. Danish initiatives in the negotiations on agriculture in the FTA were reactions to Dutch actions in the EEC.

In the question whether there was cooperation between the two countries in the FTA negotiations the answer depends on the level considered. At the level of institutions and general principles there was some cooperation. The two countries supported the creation of strong institutions in the FTA with responsibility for both agriculture and industry. At the commercial level the contradiction of interests in the German market was stronger than the convergence of interests in the British market.

The fact that agricultural integration after 1955 became part of general European integration is reflected in a change in the Danish and Dutch source material. In Denmark the Ministry of Agriculture ceased to be an important source. The Dutch Ministry of Agriculture continued to be a central source after 1955, but it was not so dominant a source as it had been in the Green Pool negotiations 1950-1955. In both countries a number of alternative forums for consultation between government, agriculture and industry emerged as important sources after 1955. In both countries the most intensive consultations between industry and agriculture took place in relation to framework issues like the EEC Treaty, FTA and EFTA. When a general framework had been established, the sources again became stronger oriented toward sector-specific forums.

The contacts between farmers' unions and urban trade unions on European issues were much more developed in the Netherlands, and especially in the Catholic pillar of Dutch society, than in Denmark. This was related to the way in which Dutch economic life was structured and to the strong role of the government in the coordination of prices and wages in the 1950s. It was also related to the importance of the German market for Dutch industrial exports. In this respect is difficult to distinguish between the organisation of domestic economy and the pattern of exports, because the former was adapted to the latter, and perhaps also preconditioned the latter.

The contacts between agriculture and political parties in European issues are not well described in the archive material of the Dutch political parties. In Denmark the contacts between the Danish Farmers' Unions and the Liberal Party in European issues are relatively well described in the archive material of the latter. But the contacts were mostly about how to get Denmark into the EEC, whether EEC membership should be complete or partial, etc. The means and ends of Danish policy in the EEC were not treated. The silence on this question may have reflected a feeling that the CAP might become protectionist. The Liberal Party's general ideological message was economic deregulation and many of its voters and elected parliamentarians represented urban professions, so the CAP was a difficult issue for the party.

The Dutch and Danish sources are rich in economic detail, not least concerning the interim arrangements under the EEC's transitional period. The import policies in the member states were very different, and Dutch agriculture feared that the most restrictive practices would be extended to all member states. But from the perspective of Dutch agriculture the problem in minimum prices and longterm contracts was basically political. Because the common control of national minimum prices was so weak, the commercial interests of the exporting member states could be held hostage for the introduction of a protectionist CAP. It seems that the Landbouwschap was more anxious than the Landbruksraad about minimum prices. There were three possible reasons for this, and they were not mutually exclusive.

First, Dutch agricultural exports were more oriented toward the Six and therefore more vulnerable to minimum prices. Second, there were tactical considerations. The Landbouwschap had an interest in emphasising the problem of minimum prices during the ratification of the EEC Treaty, while the Landbruksraad had an interest in downplaying the problem when it argued in favour of EEC membership. Third, since the Danish middle-sized farmers were relatively less vulnerable to negative economic effects of a protectionist CAP, they were also less concerned about the potential use of minimum prices on part of importing member states as a bargaining weapon under the negotiations on the introduction of common prices.

In the question of the EEC's price level it is reasonable to assume that the Danish Farmers' Unions would take a similar position as the KNLC, the Dutch farmers' organisation where specialised cereals producers were most influential. The KNLC took a moderate view on the level of the common cereals price. The specialised cereals producers in the Netherlands had undertaken great investments and were dependent on a certain minimum price level. Nationally determined production quotas in the absence of international coordination were one evil; multilaterally determined production quotas in the EEC were another evil; a moderate price policy in the CAP could make it possible to avoid either evil.

Whereas in the Netherlands the farmers were politically mobilised under EEC membership, in order to influence the policies of the EEC, in Denmark the farmers were only mobilised in order to pressure for EEC membership in the first place. Organisational and political problems which were approached in a direct and strategically oriented fashion in the Netherlands were evaded for tactical reasons in Denmark. The power struggle between Danish agricultural organisations did not change this situation, on the contrary, it created an atmosphere inside and between the organisations where longterm issues were approached in a non-cooperative and tactically oriented way.

#### 4.9. European agricultural integration 1945-1960: DK-NL compared

The positions of Dutch and Danish agriculture to European integration are summarised in the scheme below. Dutch agriculture consistently supported the principle of supranational decision-making throughout the period from 1950 to 1960, and Dutch agriculture did not want to relax the supranational principle for the sake of having Britain participating in the cooperation. Dutch agriculture supported the principle of financial solidarity in common price regulation, but would not accept a *perequation* fund, and the financial question was postponed until the institutional question was clarified. After 1956 Dutch agriculture saw the creation of a Free Trade Area as a means to secure cooperative trade relations between the EEC and the rest of the world. With a reservation for the EEC's trade preference, Dutch agriculture saw the FTA as a possibility to obtain increased exports to Britain.

Until late 1952 Danish agriculture took a sceptical view to supranational decision-making, but from then onward opinions began to differ. The Danish Farmers' Unions, the Dairy Board and the Landbrugsraad took a more open-minded position toward international coordination of production and trade in general, and supranational decision-making was regarded as one of several possible ways of organising international coordination. For their part, the Danish Smallholders' Unions and the Bacon Factories Federation continued to dislike any idea of international coordination of production of trade, and no less so if such coordination was to take place in supranational organs.

After 1956 the Danish Farmers' Unions and the Landbrugsraad came to regard supranational decision-making as the best way of coordinating production and trade, on the basis of a common price policy and a common market. The other Danish agricultural organisations maintained the positions they had before 1955. The Danish Smallholders' Unions supported the instruction of majority-voting in the FTA, but the FTA would not include a common price policy and Britain would be member of the FTA.

In terms of policy objectives, Dutch and Danish agriculture maintained their respective positions more or less unaltered through the period 1950-1960. Dutch agriculture supported the efficiency objective, but with qualification. Dutch agriculture did not demand parity of income with other sectors in rigid terms, but Dutch agriculture requested fairness in inter-sector economic relations. Price policy should create security for healthy investments. When international agricultural prices declined after 1953, Dutch agriculture argued that the decline was artificially created by protectionist national policies, and it was believed that a moderate European price policy in combination with a common market could re-establish or defend a natural price level. After 1956 Dutch agriculture gradually accepted an active structural policy at the national level and subsequently at the European level, but like Danish agriculture, Dutch agriculture considered the structural question to be less important than price and market policy.

Danish agriculture put much emphasis on the efficiency objective during the period 1950-1960. However, with regard to fairness and the international price level, the Danish Farmers' Unions' and the Landbrugsraad's arguments became increasingly similar to Dutch agriculture's arguments. There was agreement in Denmark that national protectionism and the decline in international prices were a primary cause of the stagnation in Denmark's earnings from agricultural exports. Vaguely defined and unsystematically applied, a certain idea of fairness was always present in Danish agricultural policy. The Landbrugsraad and the Danish Farmers' Unions projected these arguments into the CAP framework while the Danish Smallholders' Unions preferred to rely on domestic measures and intergovernmental arrangements.

As for the length of the transitional period before the introduction of a common market and a common price policy, Dutch agriculture accepted a long transitional period in the Green Pool. Dutch agriculture acknowledged that it would be necessary to maintain separate national price levels during a long period of time if agricultural integration remained a sector-specific project. By contrast, in the CAP Dutch agriculture insisted on a short transitional period, out of fear that the sector otherwise might be separated from the general economic integration. In the Green Pool Danish agriculture took a similar position as Dutch agriculture and after 1956 Danish agriculture preferred a short transitional period for the sector in the FTA.

After 1954 the Landbouwschap and the Dutch farmers' unions established a network where the former represented Dutch agriculture in consultation with the government while the latter represented Dutch agriculture in private international organisations (IFAP, CEA, COPA). The Dutch model of coordination across sub-sectors under leadership of horizontal organisations was extended into COPA. Dutch and Danish agriculture supported IFAP against CEA, but after 1956 Dutch agriculture worked for the creation of COPA, with only member organisations from the EEC and with policy basis in the CAP. The impression from the sources used in this study is that IFAP fully respected COPA's independence and that Danish agriculture adhered to this policy, in order to maintain friendly relations with COPA.

At sub-sector level it was Dutch agriculture's aim to have the autonomous administrative and legislative functions of the commodity boards preserved as much as possible, so that a level of self-organisation continued to exist between the supranational organ and the individual producer and trader. In Denmark the sub-sector organisations with considerable exports going to the EEC (the Dairy Board) took a similar position as Dutch agriculture while the sub-sector organisations with exports mainly going to the British market (the bacon factories) insisted more strongly on self-management.

### Positions towards the Green Pool and the CAP, 1950-1960

	Dutch agriculture	Danish agriculture
<b>Green Pool, 1950-1955</b>		
European organs	Supranational	Preferably intergovernmental
Policy objectives: economic, social	Efficiency; fairness, but no rigid income parity demand; security encouraging to efficiency	Efficiency
Policy instruments, financing	Joint price regulation; financial solidarity, but no <i>perequation</i> fund	Late 1952: farmers' unions accepting pooling of production
Agricultural organisations: administrative, political position	<u>Horizontal</u> : corporate union partnership, nation-level co-decision <u>Vertical</u> : co-management	Co-decision for horizontal and vertical organisations; preferably self-management
European agricultural organisations: internal structure	Community group not yet considered; IFAP primacy over CEA	IFAP supremacy
Geographic area	The Six sufficient, but cooperation with UK	UK membership preferred
Transitional period	Long period accepted	Long period accepted
<b>CAP, 1955-1960</b>		
European organs	Supranational	Supranational principle: Landbrugsraad and farmers' unions positive, Smallholders doubtful
Policy objectives: economic, social	Efficiency; fairness, but no rigid income parity demand; social security encouraging to efficiency	Efficiency, but the Landbrugsraad and farmers' unions emphasising fairness
Policy instruments, financing	Joint price regulation; financial solidarity, but no <i>perequation</i> fund; active structural policy accepted	Joint price regulation: Landbrugsraad and farmers' unions positive, Smallholders doubtful
Agricultural organisations: administrative, political position	<u>Horizontal</u> : corporate union partnership, nation-level co-decision, COPA as EEC's partner <u>Vertical</u> : co-management	Co-decision for horizontal and vertical organisations; preferably self-management
European agricultural organisations: internal structure	COPA: general coordination, only for EEC members	IFAP as channel of contact between EEC and non-EEC members
Geographic area	The Six sufficient, but cooperation with FTA	Strong FTA, and/or membership in EEC without Britain
Transitional period	Short period demanded	FTA: short period

The working thesis assumed that Danish agriculture's policy toward the Green Pool and the CAP would be fragmented, reactive and relatively commercially biased, while Dutch agriculture' policy would be united, active and relatively politically oriented. Dutch agriculture's policy would be decided by the Stichting voor de Landbouw/Landbouwschap, and mainly by the farmers' unions. The general orientation of Dutch agricultural exports and the wish for political partnership with the government in European affairs would be strong reasons for Dutch agricultural organisations to support the creation of a European price policy. They would support the creation of supranational organs, even if Britain stayed out.

Sub-sector organisations in Danish and Dutch agriculture would consider European integration from the geographic orientation of their own exports. The Danish Dairy Board might take a positive position toward participation in a supranational regime with the Six, while the Danish Bacon Factories Federation would reject that. The Dutch commodity boards would generally be tempted by the prospect of a common market with the Six.

The fact that Britain was Danish agriculture's largest export market, and the commitment of Danish agriculture to economic liberalism, would be strong reasons for Danish agricultural organisations not to commit themselves to supranational cooperation with the Six. But if the alternative was trade-political exclusion from the Six, it could perhaps be accepted as an emergency solution. It would be easier for Danish agriculture to decide to participate in a supranational Green Pool than in the CAP, because at the time of the Green Pool negotiations there was no liberal alternative in the form of a Free Trade Area, and as a sector-specific project the Green Pool had less definitive political and economic consequences than the CAP. It would be easier for the Danish Farmers' Unions than for the Danish Smallholders' Unions to support supranational cooperation with the Six, because the middle-sized farmers were economically less vulnerable than the smallholders to a high cereals price in the CAP.

The empirical findings confirm these assumptions. However, the findings show that Dutch agricultural organisations increasingly gave higher priority to their own supranational-oriented vision of European cooperation than to their partnership with the government. Moreover, the findings show that the FTA could only be a 'liberal' alternative to EEC membership in the sense that non-EEC countries might cease to apply certain protective measures and might increase their imports from Denmark, and existing Danish exports to Germany might be guaranteed for the lifetime of the FTA, while internal Danish policy could operate with lower prices than the CAP.

## 5. Conclusion

### 5.1. NL, DK: Results of the empirical investigation

The overarching question for the empirical investigation was the following: Which factors determined the reactions from Dutch and Danish agricultural organisations to European integration in the period 1945-1960?

Three general working questions were derived:

- 1) Did the agricultural organisations primarily consider European integration in terms of trade policy or income policy?
- 2) Which position did longterm possibilities for political influence occupy in their considerations?
- 3) Did they support or reject supranational decision-making, and for which reasons?

1. — The findings from the background description and the empirical investigation confirm a suggestion that is implicit in the working thesis: The growing distance between agricultural and general trade policy. The latter moved towards deregulation of trade and payments and it became less and less dependent on agricultural exports or import savings. The former was increasingly tied to sector-specific farm income policy. Economic experts proposed that farm production should be decoupled from farm income, but agricultural organisations would not accept that. The evidence is less clear in Denmark than in other countries because the subsidies to Danish agricultural production were very small. But there was a growing political demand for compensation for Danish agriculture's deteriorating terms of trade and the demand was defended with the argument that efficient farm production should be sustained. In the Netherlands the agricultural producers argued that price policy and income policy should remain connected.

2. — The source material rarely offers direct evidence that Dutch and Danish agricultural organisations were seriously concerned with longterm possibilities for political lobbying before or during negotiations on treaties establishing supranational institutions. However, there is at least one clear and significant example of such concerns, namely, when IFAP was established in 1946 with the purpose of representing national agricultural organisations in consultations with the projected World Food Board.

COPA is another example. COPA was created after the ratification of the EEC Treaty in 1957, but prior to the specification of procedures and agencies in the European Commission's draft CAP proposal from late 1959. COPA was created with the explicit purpose of providing channels for coordinated lobbying between the national agricultural organisations and the EEC's institutions. However, in the case of COPA the picture is more

complicated. Dutch agricultural organisations considered the creation of a European farm lobby to be useful only in the context of an effective supranational common policy. Otherwise, it was believed, a European farm lobby would be dominated by national protectionist interests.

The creation of COPA strengthened the domestic power basis of Dutch agricultural organisations in certain ways, but was it necessary for the preservation of their domestic power basis in the EEC framework? The creation of COPA was part of a wider development where Dutch agricultural organisations expanded their international activities and technical resources. On this background the Landbouwschap became increasingly assertive in the privileged partnership with the Dutch Ministry of Agriculture. Besides, this partnership became a tradition so that the Landbouwschap could display less self-restraint without the risk of losing it.

The most significant effect of the creation of COPA on Dutch agricultural politics was that the farmers' organisations gained a more dominant position in the Landbouwschap with respect to European and international questions. Consequently, the farmers' organisations also gained a stronger position in their indirect contacts with the Dutch government through the Landbouwschap. Since agricultural price policy was transferred from the Netherlands to the EEC, this was potentially important. In this respect, the relation between the farmers' organisations and the agricultural labourer's organisations within the Landbouwschap should probably not be regarded as a zero-sum game. There seems to have been little disagreement between them in international policy matters, whether economic or social.

The central components of Dutch agricultural organisations' power basis were the relatively high membership densities in the farm cooperatives and in the farmers' unions, together with the Landbouwschap's internal and external resources as a corporate peak organisation. All these components would probably also have existed in the absence of a European farm lobby under the CAP. In sum, it can not be concluded that Dutch agricultural organisations made central elements in their power basis conditional on and ultimately secondary to the creation of the CAP.

By comparison, for Danish agricultural organisations the fragmented power basis and the absence of corporate peak unions created a different situation. For the Danish Farmers' Unions it was a reasonable expectation that the organisation would be able to exert influence on a European policy through the Landbrugsraad in a roughly similar way as the Dutch farmers' unions did through the Landbouwschap. For the Danish Smallholders' Unions the political implications of EEC membership were more difficult to predict, but the prospects for influence for the smallholders were not promising.

The most common pattern in Western Europe was that national governments in matters of general policy granted privileged political partnership to a single agricultural peak organisation, whether private or corporate. This did not exclude the existence of less formal contacts between national governments and individual member organisations within these peak organisations. But the Danish model, where the national government in matters of general policy granted privileged partnership to two agricultural organisations that were separate and of equal status, was a rare phenomenon. Intergovernmental organisations dealing with agricultural matters employed a similar model as the majority of Western European countries. For instance, the OEEC gave privileged partnership to IFAP's European Committee. In relation to the OEEC, IFAP and GATT, the Danish Smallholders' Unions could safely let the Landbrugsraad fulfil the task of representing Danish agriculture, because these international bodies on the whole were dealing only with trade policy. The CAP and the EEC's common trade policy would be far more penetrating.

Even though the agricultural cooperatives had many smallholders as floor members, the high membership density in the cooperatives could not be used politically or organisationally by the Danish Smallholders' Unions. The leadership in the cooperatives and their national federations was in most cases controlled by middle-sized farmers. For the members of the Landbrugsraad (the farmers' unions and the cooperative federations) this component of Danish agricultural organisations' power basis was useful. Because the Danish Smallholders' Unions could not use it, they became more dependent on other components of the total power basis: their own membership density and their contacts to political parties. By implication, external political contacts became a relatively more important part of the power basis of the Danish Smallholders' Unions, in comparison with the Danish Farmers' Unions and the cooperative federations. In sum, the Danish Smallholders' Unions were not only more exposed, but also more vulnerable to political centralisation under supranational cooperation.

According to Nielsson (1966), the smallholders were negative toward EEC membership for both economic and political reasons, but mainly for political reasons; like their political allies in the Social Liberal Party, they feared that EEC membership could lead to a Continental re-orientation of general Danish foreign policy, etc. This argument is not satisfying because it does not explain why the smallholders should be more concerned with general foreign policy than the Landbrugsraad. But Nielsson's main point, that the smallholders were more fearful of the political consequences of EEC membership than the Landbrugsraad, can relate to the argument made here: the smallholders' greater vulnerability to political centralisation in the CAP.

3. – During 1950 Dutch agricultural leaders came to identify themselves with the supranational project. They did not have unanimous support to this

policy within their organisations, but the sceptics generally were not against the supranational project as such. They feared that the supranational authorities would not be effective. To use a term developed by political scientists many years later, the Netherlands could end up in a “joint decision trap” with protectionist countries. The sceptics also feared that agricultural exports to Britain could be endangered.

Dutch agricultural leaders incorporated these concerns into their European strategies in two ways. First, they made the establishment of supranational authorities an indispensable condition for the creation of a European agricultural policy. Second, they sought to minimise commercial obligations, at least for the transitional period. In this way the status quo could be preserved until the supranational authorities became effective. Dutch agricultural leaders stuck to this policy throughout the period 1950-1960.

The desire for recognition as a corporate body under a European regime is a supplementary explanation for the Landbouwschap’s policy toward the Green Pool and the CAP, but it is not a sufficient explanation. The Landbouwschap could also obtain this recognition by following the Dutch government in subscribing to an intergovernmental regime. During the negotiations on the EEC Treaty in 1956-1957 the Landbouwschap identified so strongly with the supranational principle that it would not subscribe to an intergovernmental regime no matter what the Dutch government did.

During the Stresa Conference in 1958 the Landbouwschap only wanted to be represented as an observer in the Dutch delegation, because as a full member the organisation’s representative would be bound by instructions from the Dutch government. This attitude can be explained by the Landbouwschap’s wish to preserve political autonomy. However, the Landbouwschap did not want the Stresa conference to be anything more than a symbolic political event confirming the European Commission’s authority to define the CAP. If the Dutch government joined other member states in imposing decisions upon the Commission, the Landbouwschap would not be involved.

Underlying this strong support to supranational decision-making were the limited vulnerability of Dutch agricultural organisations’ power basis to political centralisation and their income-oriented approach to price policy. They believed that only a supranational regime would be able to make the optimal combination of efficiency and security.

A similar argument can be applied to the Danish Farmers’ Unions and the Landbrugsraad. They had a relatively solid power basis; as the agricultural terms of trade worsened during the 1950s they increasingly came to consider trade policy, prices and regulation of production in terms of income policy. Their initial scepticism against the supranational project in 1950-1952 was motivated by similar concerns as the scepticism which existed in Dutch

agriculture at the same time. They feared that the supranational authorities would be ineffective and that exports to Britain could be endangered. From 1952 onward the Danish Farmers' Unions and the Landbrugsraad became more and more positive toward the supranational project as such.

However, because of Denmark's greater dependence on agricultural exports to Britain, Danish agriculture could not shift so easily from status quo to an enlarged "home market" with the Six. In 1957-1958 the Landbrugsraad tied its demand for a Danish accession to the EEC to the assumption that a Free Trade Area including both the Six and Britain would be established. When the FTA negotiations broke down, it became difficult for the Landbrugsraad to demand a Danish accession to the EEC regardless of Britain's relations with the EEC. Nevertheless, the Landbrugsraad continued to work for EEC membership, and in early 1959 it requested an official investigation of possible economic consequences of EEC accession. The Danish government turned down the request, but then the Landbrugsraad was free to draw its own conclusions. When the Danish government later presented a package consisting of EFTA membership combined with beneficial agricultural trade agreements with Britain and Sweden, the Landbrugsraad made it clear that the organisation still gave first priority to EEC membership.

All this leads to the following general conclusion. The reactions from Dutch and Danish agricultural organisations to European integration in the period 1945-1960 were determined by considerations of the organisations' longterm power basis, and by their desires and expectations for agricultural policies. Their considerations of longterm power basis and their desires and expectations for agricultural policies were causally closely related. In comparison with these factors, the question of intergovernmental versus supranational cooperation was in itself completely subordinate for Dutch and Danish agricultural organisations. During the period from 1945 to 1960 their approach to supranational cooperation was always instrumental.

## **5.2. NL, DK: Discussion with literature on European integration**

Referring to the overarching question and the three derived working questions of this study, do the works presented in the bibliographical survey come to similar or different conclusions?

In the first place, this question can be asked for works that deal solely or primarily with Dutch and Danish agricultural organisations in relation to European integration: Robinson (1961), S.L. Louwes (1980 and 1986), Mommens (1995), Dethlefsen (1988), Vibeke Sørensen (1991 and 1995), and A.T. Sørensen (1998). To these works Nielsson (1966) is added, because Nielsson gave ample treatment to Danish agricultural organisations.

In the first question, Robinson (1961) treated the Green Pool and the CAP mainly from a trade policy perspective. The emphasis was on Dutch efforts to achieve the elimination of trade barriers. Likewise, while describing the internal organisation of Dutch agriculture in great detail, Robinson generally considered the longterm possibilities for political influence from an external perspective. The main subject was channels of contact between agricultural organisations and the political system. Robinson concluded that Dutch agricultural organisations considered the sovereignty question in primarily instrumental terms. By means of supranational decision-making, national protectionism could be suppressed.

This study shares Robinson's general conclusion, that Dutch agricultural organisations took an instrumental view of the sovereignty question. However, in contrast to Robinson, this study considers the CAP in terms of income policy rather than trade policy, and stresses the internal background of agricultural organisations' external activities under a europeanised farm income policy. Robinson published his work in 1961, at a time when the CAP was not yet effective. Since Robinson's study is well informed by contemporary sources, one may wonder whether agricultural leaders in the 1950s identified more with Robinson's conclusions than with those of this study. In a formal sense the findings from archive sources correspond better to Robinson's conclusions, because the content of archive sources is mostly oriented toward economic issues and political contact-seeking. However, this study contends that such activities in current issues were indirect expressions of deeper concerns about longterm power resources.

Thierry Mommens's article from 1995 applied Robinson's approach to an investigation of the Green Pool negotiations on the basis of Dutch archives. Mommens's emphasis was on trade policy, international diplomacy, and efforts to create a supranational authority in order to suppress national protectionism.

Like Mommens, S.L. Louwes (1980 and 1986) took Robinson's approach as a starting point. But whereas Mommens's study concentrated on a shorter time period and employed a source material that is both deeper and narrower, S.L. Louwes went in the opposite direction. S.L. Louwes extended the time period under treatment and enriched the systemic part of Robinson's analysis with a more thorough consideration of the internal aspects of agricultural group organisation, including farm ideology. Likewise, S.L. Louwes considered the CAP in terms of income policy rather than trade policy. S.L. Louwes's source material did not include archives. This study seeks to combine S.L. Louwes's systemic perspective with the historical research method as represented by Mommens's study.

Nielsson (1966) is in many ways equivalent to Robinson (1961). The stress is on external aspects of interest group activity. According to Nielsson, the

Landbrugsraad considered the sovereignty question in purely economic and instrumental terms while the Danish Smallholders' Unions considered the question mainly in political terms. According to Nielsson, this did not necessarily imply a rejection of supranational decision-making as such, because the Danish smallholders subscribed to the government's idea of an all-European supranational agricultural policy in the framework of the Free Trade Area. It was the non-participation of Britain, Norway and Sweden in supranational cooperation which made Danish participation politically unacceptable for them.

The conclusions in this study are partially identical to Nielsson's. As for the Landbrugsraad's position, Nielsson's analysis relied primarily on the arguments presented officially by secretary Kjærgaard and the Danish Farmers' Unions in October 1957. This study agrees that the Landbrugsraad considered the sovereignty question in economic and instrumental terms, but underlying this attitude was a tacit expectation that the Landbrugsraad and its member organisations would not suffer any significant loss of political influence, still less internal autonomy under the CAP. Membership of Britain, Norway and Sweden in the EEC would not have solved the political problem which the centralisation of decision-making in the CAP created for the Danish Smallholders' Unions. However, membership of these countries in the EEC would have made it impossible for commercial and foreign policy-related reasons to reject Denmark's participation.

Dethlefsen (1988) treated the period 1957-1972, and her treatment of the period 1957-1959 was very descriptive. However, in her general conclusions for the period 1957-1972, she touched upon some of the arguments made in the study. She found that the debate within and between Danish agricultural organisations centred around two issues: the economic and the political-organisational aspects of EEC membership. According to Dethlefsen, the Landbrugsraad and the Danish Farmers' Unions mainly considered the economic aspects. The Danish Smallholders' Unions mainly considered the political aspects. The Bacon Factories Federation considered the economic and political aspects in approximately equal measure. Dethlefsen did not treat the Dairy Board's position to European integration.

Dethlefsen was not inattentive to the price policy aspect of the CAP, but she did not develop the point further. In connection with the political aspects of EEC membership, Dethlefsen noted that the Danish Smallholders' Unions in 1976 became member of the Landbrugsraad in order to obtain influence in COPA. Dethlefsen also argued that the Danish Smallholders' Unions in the late 1960s became increasingly positive towards EEC membership as a result of their growing ties with the Landbrugsraad. However, Dethlefsen did not take the argument to its logical conclusion: that the smallholders would have had to join the Landbrugsraad at a much earlier point in time if

Denmark became EEC member in 1957, and that this was an important reason for the smallholders' reluctant attitude to EEC membership.

Vibeke Sørensen (1991) argued that Danish agricultural organisations in the early 1950s identified deregulation and commercial self-management with the nation-state framework, while they identified supranational government and market regulation with protectionism and government interference. Only the trade-political dilemma created by the establishment of a Green Pool between the Six, together with the prospect of growing dependence on food exports to Germany as a necessary supplement to exports to Britain, brought them to a more supranational-oriented policy from 1952 onward. Vibeke Sørensen (1995) made a central point: Danish participation in the Green Pool negotiations should be evaluated within the complex framework of domestic tension over the future role of agriculture in the economy. She drew a link between the Landbrugsraad's demand for EEC membership in 1957 and the Landbrugsraad's acceptance of market regulation.

However, it was not clear from Vibeke Sørensen's argument whether it was the decision to join the EEC for the sake of exports to the Six that caused the Landbrugsraad to abandon its resistance against market regulation – or vice versa. A.T. Sørensen (1998) found that the Landbrugsraad by 1952 no longer believed in free trade as a viable option anyway. Minor losses of self-management under supranational price regulation could be accepted if the alternative was a large loss of exports due to trade-political exclusion; but if only minor commercial gains could be made from supranational decision-making, the preservation of self-management would be more important. By contrast, this study stresses the potential for positive support to European supranational decision-making which developed when the Landbrugsraad had abandoned the hope of free trade.

The argument in Vibeke Sørensen's articles from 1991 and 1995 is similar to an assumption that was implicit in Milward: *The Rescue of the European Nation-State* (1992) and explicit in Milward et al.: *The Frontier of National Sovereignty* (1993). In these works the sovereignty question is, in fact, considered in its own right. National governments, who embody national sovereignty, will only surrender parts of it when they consider this to be necessary. Interest organisations who have great political influence in the national framework take the same position.

Milward (1992) interpreted the Green Pool as a failed attempt by agricultural organisations to establish an equally strong power position at the international level by means of sector-specialised intergovernmental institutions. In comparison with the neofunctionalist and intergovernmentalist approaches, Milward succeeded better in including the question of interest group power basis in the overall analysis. But Milward's conclusion was too generalising, the power basis of agricultural

organisations was not analysed in sufficient detail. Moreover, to judge from the findings concerning Dutch and Danish agriculture in this study, Milward underestimated the degree of support from agricultural organisations to supranational cooperation.

### **5.3. Comparison with France, Germany, Belgium and Italy**

On a tentative basis, the overarching question and the three derived general working questions will be applied to agricultural organisations in France, Germany, Belgium and Italy: which factors determined their reactions to European integration in the period 1945-1960?

Working question 1: There is general agreement in the literature that leading agricultural organisations in France, Germany, Belgium and Italy considered European integration primarily in terms of income policy. There are some possible exceptions from this conclusion. It would require further research to find out, for instance, whether Italian agricultural leaders aimed at free trade in fruits and vegetables; or whether they from the beginning aimed at the creation of a protected European market in these items.

French agricultural organisations always considered the question of exports in the framework of domestic price policy, which until the late 1950s was more or less equal to income policy. For them it was not a great challenge in ideological terms to consider agricultural trade between the EEC member states and with non-EEC countries in the framework of a European combined price and income policy. However, an alternative solution was the continued separation of national policies with preferential trade agreements between the participating countries.

Although there is some disagreement in the literature on this point, it seems that French agricultural leaders in 1956 decided in favour of the creation of a unified, protected European market. Thiemeyer (1999) stresses the expectation of longterm price stability in a large market. One might also argue that a unified European market with a common price policy had no time limit; whereas the alternative, longterm contracts, would expire and require re-negotiation. The French price level in agricultural products was generally not the highest in the EEC, and the introduction of an agricultural price guarantee in the form of “indexation” in France in 1957 probably did not make French agricultural leaders less positive toward the CAP.

Working question 2: Milward (1992) is probably right in arguing that longterm possibilities for political influence occupied an important position in the considerations of agricultural leaders in the Six. Milward is probably also right in arguing that such considerations constituted an important factor when French, German, Belgian and Italian agricultural leaders took a

sceptical stand toward a supranational Green Pool in the years 1950-1954. Nevertheless, like in the Dutch and Danish cases, it seems that Milward underestimates the political potential for a European orientation on part of agricultural leaders in France, Germany, Belgium and Italy.

Working question 3: Agricultural organisations in all six EEC member states had a solid power basis within the sector in the form of what one, borrowing a term used in Keeler (1987), could call 'independent hegemony'. France constituted an exception in some respects.

Membership density in French farmers' unions (FNSEA) was relatively low in comparison with farmers' unions in other Western European countries. Although there is neither agreement nor clarity on that point in the literature, it seems that the French Chambers of Agriculture (APPCA) really did become a political rival to FNSEA during the 1950s. At the very least it is clear that FNSEA could not dominate APPCA in the way that farmers' unions did the Agricultural Chambers in Germany. Moreover, whereas there were strong connections between farmers' unions and agricultural cooperatives in Germany and Italy, FNSEA could not control the French cooperative organisations and their national confederation CNMCCA. Finally, specialised producer associations had a strong position within FNSEA and this situation was not paralleled in Germany, Belgium or Italy.

However, even with all these reservations, one must conclude that FNSEA independently of any government had a central position in French agricultural organisation in the 1950s. This position could not be expected to become weaker under a supranational CAP. For farmers' unions in Germany, Belgium and Italy the conclusion is similar. With their fragmented power basis, French agricultural organisations resembled Danish agricultural organisations. In much the same way as Danish agricultural organisations found it difficult to develop strategies for a positive common European policy, while it was easier for them to agree on emergency tactics in the face of threatening exclusion from preferential arrangements between the Six, French agricultural organisations also tended to rely on minimum solutions.

Small French farmers with mixed production did not have strong objections against preferential European trade contracts or even against high-level common European prices in wheat and sugar beet. Thus the specialised producer associations in wheat and sugar beet could take a leading role in FNSEA's European policy. However, if FNSEA in 1956-1957 had made explicit demands for a unified European market and for a common price policy, then this would have raised many questions about price relations between bread and fodder grain, between cereals, meat and milk, etc. It would also have raised many questions about institutions and decision-making procedures.

For FNSEA and its member organisations, as well as for APPCA and CNMCCA, it was easier to reach agreement on more defensive and more limited objectives: guarantees for the preservation of domestic price protection during the transitional period, commitment to the conclusion of longterm contracts in wheat, etc. This may explain why French agricultural leaders during the negotiation and ratification of the EEC Treaty in 1956-1957 were fundamentally positive toward the establishment of a common market and a common price policy in agricultural products, even though they did not make explicit demands to that effect.

For agricultural organisations in France, Germany, Belgium and Italy, penetration of political parties and parliaments constituted an important but external component of their total power basis. This observation also applies to the Netherlands. However, it seems that in the question of European integration, relations to political parties and to the national parliament constituted a less important factor for Dutch agricultural organisations.

Dutch agricultural leaders would support the creation of a strong European Parliament, but for them the question was subordinate to the supranational principle. Behind the question of a European Parliament's position was the question of political parties' involvement in European decision-making. Dutch agricultural organisations could agree to the involvement of political parties, and it was no aim for them to depoliticise the CAP. But it was a precondition that a supranational CAP was established. This attitude was similar to Dutch agricultural organisations' attitude toward the creation of a European farm lobby in COPA.

For agricultural organisations in the other five EEC member states the position of parliaments and political parties was probably more important. There were two reasons for this. Firstly, even if they were not against the supranational principle, it was less important for them to defend it. Secondly, they had a stronger interest in politicising the CAP, because the connection between domestic price policy and agricultural income was more direct. Both reasons relate to their weaker competitiveness in international markets. In domestic politics the agricultural penetration of parliament and political parties was no less effective in the Netherlands than in the other EEC member states. Once a stage had been reached where politicisation could no longer obstruct the establishment of the CAP, Dutch agriculture had nothing to lose from the involvement of political parties. But Dutch agriculture did not have very much to win from politicisation either.

Even in the years 1953-1954 where their rejection of supranational authority for agriculture became most outspoken, agricultural organisations in France, Germany, Belgium and Italy maintained a certain ambiguity in the question. Their rejection of a supranational authority was derived from other concerns, and it was not definitive. The question was not solved, but postponed until

the end of a long transitional period. During that period they would defend what they regarded as fundamental principles in agricultural policy: the determination of ‘fair’ prices and income levels, political consultation, etc.

The more the Community was committed to such principles from the outset in a European treaty, and the more open the Community was to politicisation and to parliamentary politics, the more permissive they would be toward supranational decision-making. It could not be foreseen whether for instance the German farmers’ unions would be able to manipulate the competition between centre-right parties in elections to a European parliament. But even if these parties were able and willing to bypass the German farmers’ unions in their activities in the context of a European Parliament, the German farmers’ unions could still punish them in domestic elections.

#### **5.4. Perspectives**

There are two overall perspectives in this study. The first perspective is the question how political actors react to European integration. The different attempts to integrate Europe have vacillated between two alternative strategies. One is to seek de-politicisation, initially or permanently, in order to make European integration uncontroversial. The projects for economic sector integration in the 1950s constituted a variant of this strategy. Another strategy is to seek politicisation. The constitutionalist project for a European federation is a variant of that strategy.

The debates in the Parliamentary Assembly of the Council of Europe on the Green Pool in 1951 did perhaps represent an opportunity to take the project into a larger political context. According to Noël (1999), a near-unanimous decision by the Assembly to support a supranational Green Pool might have compelled the member-state governments consider the question in that context. However, the intergovernmental-oriented (“functionalist”) minority led by British and Danish representatives counted so many votes that the Assembly could not put sufficient pressure to bear on the member-state governments. Noël’s argument would seem speculative since neither France nor the Netherlands wanted to pursue the Green Pool project through the Council of Europe. But one may take the liberty to make the counterfactual supposition. The German and Italian representatives in the Assembly were relatively positive toward the supranational Green Pool, and the account in Kaiser (2007) indicates that its French supporters in the Assembly had connections to the transnational Christian Democratic network.

Much of the criticism against the Green Pool claims that the sector-by-sector strategy impedes cross-sector coordination, making it easier for national-oriented protectionist forces in the sector to obstruct the project. It would be ironical if the sector-by-sector strategy also generates a negative attitude

from organised interests in the sector by cutting them off from political resources to which they would have had access in a framework of general integration. This may have been the situation in the case of the Green Pool.

In the existing situation in the 1950s, agricultural penetration of parliaments worked well from the farmers' point of view. It was uncertain whether it would work well in the future under the continued migration of labour out of agriculture. Therefore it was also uncertain whether bureaucratic decision-making would constitute a useful alternative to parliamentarian lobbying in the future. In the existing situation it did not.

In an article from 1996, John T.S. Keeler argued that the total rural vote is much larger than the farm vote narrowly defined. People engaged in non-agricultural business in rural regions are conscious of their economic interdependence with agriculture. According to Keeler, the transformation to post-industrial society has divided electoral groups into specialised professions. In present society the farmers, relatively speaking, constitute one of the larger groups. Finally, Keeler found that privileged connections with major political parties in France and Germany still provide the farm lobby in the EU with great influence.<sup>692</sup>

The second perspective is the role of agricultural organisations in economic and social evolution. Lars Mjøset: *The Irish Economy in a Comparative Perspective* (1992) is a comprehensive study of economic development in Denmark, Sweden, Finland, Switzerland, Austria and Ireland. According to Mjøset, agricultural cooperatives constituted an important institutional factor in the economic development in these countries.<sup>693</sup> One of the most important works on postwar Danish agricultural history has not been published: Hans Vedholm's MA thesis from 1977 on the creation of the national cooperative dairy company MD Foods. Its later fusion with an equivalent Swedish company created one of the greatest companies in European agribusiness. Such concentration of economic power must sooner or later have political consequences, not only within agriculture, but also in relation to general society. European-level political negotiations will always constitute an important subject for historical research into the CAP, but researchers should also acknowledge the perspectives in business history.

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<sup>692</sup> Keeler, John T.S. (1996): "Agricultural power in the European Community: Explaining the fate of CAP and GATT Negotiations", *Comparative Politics*, vol. 28 (2), January 1996, pp. 127-149.

<sup>693</sup> Mjøset, Lars (1992): *The Irish Economy in a Comparative Institutional Perspective*, Dublin: National Economic and Social Council.

## 6. Appendix: External comments

On behalf of the Dutch Land- en Tuinbouworganisatie (LTO):  
Mr. Maarten L. de Heer.

On behalf of the Danish Agricultural Council:  
Mr. Erik Hovgaard Jakobsen.

**Comments from Maarten L. de Heer, 12 August 2008.**

(Translated from Dutch into English by Anders Thornvig Sørensen)

Maarten L. de Heer began his career in the Dutch Ministry of Agriculture, in 1962 he was employed in the Landbouwschap's secretariat, and he became Secretary-General in the Landbouwschap.

— *1. Introduction (pp. 9-19).*

The author mentions a number of opinions and prejudices about agriculture. By confronting these opinions and prejudices with the facts of the real world, the author constructs a paradox. Later on, the author proceeds to treat the more substantial themes of the literature on European integration.

The choice of Denmark and the Netherlands for comparison is, I think, justified by the approximately equal size of the two countries and by their interest in the agricultural sector at the time when European integration began. However, it is an exaggeration to state that Danish and Dutch agriculture had greater interest in European integration than for instance French and German agriculture, or that Danish and Dutch agriculture had greater international activity than these larger countries. Quite apart from the fact that such comparisons can never be made in precise terms, not even a superficial comparison would leave that impression.

It is also an overstatement to equalise European integration with the surrender of national sovereignty. The European Commission has the right of initiative, but the nation-states retain the right to reject the Commission's proposals. During the construction of the EEC and the CAP the right of veto was certainly not an empty prerogative for the nation-states. The EEC Treaty articles relating to agriculture (articles 39ff) were only agreed upon after difficult negotiations and they did not lead automatically to the present CAP. At least in the Netherlands there were industrial interest groups which regarded the creation of the CAP as unnecessary.

There is no description of the political and economic forces which brought European integration into motion and drove it forward. As far as the farmers' groups are concerned, especially their economic interest could be relevant in this regard. European integration was connected to a more general development of international economic cooperation after 1945. The economic crisis of 1929 had made clear that economic nationalism served more to deepen than to solve the problems. The decisions leading to the creation of international economic cooperation after 1945 were taken by powerful politicians and the population could merely take note of them without knowing their exact consequences. The European Coal and Steel Community had the clear political aim of preventing a new war between the participating countries. The extension of this cooperation to other economic sectors served to prevent national economic isolation and to increase the general welfare level by expanding the international exchange. These decisions were not taken in secrecy: the political leaders made their

intentions well-known to the public. In the economic sphere this was well understood and supported by the management in industry, commerce and agriculture. The interest groups also generally agreed to this policy, even if they did not always derive direct advantages from it and sometimes no advantages at all.

**P. 15 below.** I question the analytical force of the working questions.

1. For agricultural exporting countries like the Netherlands and Denmark, trade and income are to a great extent two sides of the same coin.

2. A pressure group must present arguments in favour of its case in order to obtain results. Whether or not the pressure group succeeds in this endeavour, has little influence in respect to which arguments can later be brought forward. Yet, if an organisation is always side-stepped, or if it does not employ sufficiently hard political pressure, then it can lose the support of its members, and this again can lead to the creation of another organisation.

3. The author does not clearly distinguish between the process of supranational decision-making and the material content of such decisions.

**P. 17, third full paragraph.** The cooperation between the three Dutch agricultural organisations (3CLO's) in COPA was independent of the Landbouwschap. However, the joint international secretariat of the 3CLO's was subordinated to the Landbouwschap more or less by the same time as the EEC came into being. From about 1960 onwards the ties between the agricultural organisations and the political parties became weaker. But this had more to do with the erosion of the pillar system in Dutch society, and it did not owe so much to the activities in Brussels.

**P. 18-19.** It might have been better to replace the assumptions with more sharply formulated working questions.

— **2. Bibliographical survey and working thesis (pp. 20-114).**

Political science studies like those of Lindberg (p. 25) describe the functions of the European Commission and the Council of Ministers in ways that differ from the wording in the EEC Treaty. From the viewpoint of international law, this difference is remarkable. Likewise, in these political science studies the role of the European Commission is described as something which has grown out of current practice whereas, in fact, the EEC Treaty's articles 228 and 43 constitute the foundation of the Commission's legitimacy. Possibly the scholars in question believe that such formal treaties do not constitute the real basis for the distribution of authority in the EEC, and that the latter is only decided by the general political power relations. The only argument I can bring against this viewpoint is my own experience from agricultural politics. My experience is that the EEC's treaties and decisions were decisively important for the behaviour of public authorities, and therefore also decisively important for external policy advisors. Small countries like the Netherlands had a manifest political interest in defending the 'rule of law'. Germany which in this period sought to re-establish its international position also had every interest in defending the 'rule of law'.

I will not deny the fact that participation in European-level decision-making gave a certain feeling to national ministers, leaders of national

agricultural organisations and their assistants that they were doing more than simply defending the national group interest. In this period they were primarily motivated by the association, in their collective memory, between war, economic depression and nationalism.

*P. 79.* In the Netherlands, the Stichting voor de Landbouw was only created after the war had ended in 1945, and not in 1944. However, the creation of the Stichting voor de Landbouw was prepared secretly during the last war winter. After the war, a Stichting van de Arbeid was created. Like the Stichting voor de Landbouw, it was composed of workers and employers, but the Stichting van de Arbeid included all (other) economic sectors. Thus, the Stichting voor de Landbouw was not an exceptional kind of institution. The Stichting voor de Landbouw was later replaced with the Landbouwschap and the author incorrectly states the large sums of money were transferred from public authorities through the Landbouwschap to Dutch agriculture. Perhaps this misunderstanding originates from the observation that the Stichting voor de Landbouw in the first years of its existence received large subsidies from the Ministry of Agriculture. This was only temporary, and later on the financial support to Dutch agricultural policy was given either directly from the ministry (land consolidation) or through the commodity boards [produkttschappen] (market policy).

After the war a distinct Ministry of Agriculture was created in the Netherlands and the author describes it as 'independent'. Two points must be stressed. First, the ministry was created, not in order to defend the interest of Dutch farmers, but because it was an essential national interest to secure the supply of food. Second, the ministry was decidedly not independent in the sense of being able to act freely. The ministries of Economic Affairs and Finance were important partners (and sometimes antagonists). Mansholt was chosen to be minister of Agriculture in 1945, because he was a farmer, and because he had displayed great skills in organising the distribution of food and the like during the war. Besides, all politicians were attentive to the special character of agricultural sector. It was well-known to them that there existed strong ties between the ministry of Agriculture and the agricultural sector, as the majority of civil servants in the ministry were recruited from the sector. The Agricultural High School in Wageningen was an important supplier of candidates to the ministry. Minister Mansholt had direct contacts with farmers and horticulturalists on a regular basis. For Mansholt and his successors in the ministry, the agricultural organisations represented an important channel of communication. However, Mansholt and most of his successors knew the agricultural sector well and could entertain direct contacts (and contacts through civil servants) to the floor people. Therefore they could exert some degree of control on what the agricultural organisations were propagating.

*P. 89.* The author summarises the Landbouwschap's position. This is clearly no easy task. Krajenbrink, whom the author quotes, has also only been partially successful in this respect. I refer to the author's statement that the Landbouwschap 'as a corporate group made it possible to use coercion to

mobilize Dutch agriculture' (which generally was not the case). In this connection the author also points again to the alleged transfer of large sums of money from public authorities to the farmers through the Landbouwschap.

The ensuing description of the position of the cooperatives does not appear to be entirely correct. The cooperatives did leave many issues to be decided by the Landbouwschap. However, there were also some national federations of cooperatives, e.g., in the dairy sector and fodder industry, which employed their own channels of contact to the public authorities.

Every interest group has its own particularities and it is understandable that political scientists prefer to leave out some detail when describing interest groups. Sometimes it is the 'captains of industry' who themselves take contact to ministers or parliamentarians; sometimes a professional bureau is hired to set up a lobby; sometimes a group of enterprises jointly appoint a small number of people to the task of defending their common interest; etc. The agricultural sector consists of a large number of personally managed and relatively small (family) farms. In the Netherlands they are organised in unions. The first farmers' organisations were regional committees which together formed a national federation. Subsequently, under leadership of religious leaders, the Catholic and Calvinist farmers set up their own organisations. The division into confession-based unions was not universal, however. In Zeeland and Gelderland the strictly Calvinist farmers stayed in the original inter-confessional agricultural committee, because they considered the new Calvinist farmers' organisation to be too lax in terms of religious strictness. Meetings in the Gelderland agricultural committee opened with a prayer. There was an active participation by the farmers and horticulturalists in the agricultural organisations. The ordinary members frequently convened locally and regionally. Their discussions included agricultural policy issues and they were strongly interested in the activities of the organisation leaders. The latter could not easily afford to neglect the concerns of the ordinary members. I have the impression that the author is leaving such peculiarities out of the overall picture, and the political pressure from the agricultural sector on government policy is treated in a somewhat mechanical fashion.

Further, I do not think the author pays sufficient attention to the contradiction between different groups of farmers. This contradiction was an important aspect of Dutch agricultural policy and it was particularly strong in the case of fodder grain. For arable farming the price of fodder grain is an important part of the total income from crops production. By contrast, for animal production the price of fodder grain is an expenditure that must be kept as low as possible. Within the Landbouwschap an intensive conflict lasted for several years over the price of fodder grain. Farmers on both sides of the conflict knew that they would gain more political influence if they could agree on presenting a common proposal to the minister of Agriculture on the price of fodder grain. For the minister of Agriculture such a common proposal would also constitute a better starting point. Discussions in the

agricultural organisations provided useful preparation for the introduction of public policies for the sector, and one could bring several examples of this.

*P. 103.* The assumptions and working hypotheses on commercial aspects of European agricultural integration take for granted that nearly all kinds of trade-political instruments could be used in a CAP. In the real world the range of options would be restricted due to conflicts of interest between different countries and between agricultural sectors.

*P. 104.* The author apparently suggests that the Landbouwschap's very existence in itself had influence on what kind of CAP the agricultural sector would prefer. I disagree and the suggestion is never sustained with proof.

— **3. Background (pp. 115-244).**

*P. 117.* At least as far as the Netherlands is concerned, the author is right in suggesting that personal careers often ran across ministry and agricultural organisations. The candidates from Wageningen felt at home everywhere in the agricultural sector. In this period there was a separate group culture. People from the outside world could not really be part of it, and they could not always fully comprehend the political and economic reasonings in agricultural policy. Yet, the agricultural group was always willing to enter into discussions with the outside world, because it was conscious of its strong dependence on the rest of society.

*P. 130.* The author regards the establishment of the European Commission as an important change in the international situation. The author describes the Commission as an 'independent and self-interested actor'. This is hardly an adequate description. During the creation of the EEC it was important for the Netherlands that the agreements on freer trade between the member states could not be violated by domestic policies. Therefore the Dutch worked for the creation of supranational authorities. For some this meant the surrender of a part of national sovereignty to an international organ; for others it meant the creation of an organ that was independent in relation to the participating countries (cf. p. 251). This organ became the European Commission. It defended the common interest, something which could not always be expected from the individual member states.

*P. 172.* The Central Organ was in fact a private organisation of trade, industry and agriculture and served as a forum for consultations with the Directie Buitenlandse Economische Betrekkingen (BEB). The BEB was part of the Ministry of Economic Affairs. The BEB was in charge of bilateral negotiations on economic affairs with other countries and a small number of experts from the Central Organ participated in the bilateral negotiations as advisors for the BEB. Among the experts from the Central Organ were members of the Landbouwschap's secretariat. The Landbouwschap was also represented in the leadership of the Central Organ.

*P. 172.* The KNLC was 'neutral' in terms of religion or confession, and 'liberal' in terms of political orientation. Probably the majority of the KNLC voted for the Liberal Party (VVD).

*P. 189 below.* I am curious to know the author's source. I believe the Stichting voor de Landbouw was a member of IFAP despite the fact that

agricultural labourers (who were members of the Stichting's leadership) were not 'farmers'. What I have been told is that the agricultural organisations did not object to the Landbouwschap taking over the Stichting's membership in IFAP, but the secretariat did not consider it to be possible in legal terms. At any rate, the rest of the paragraph is a correct description of the agreements that were made at the time.

— **4. Agricultural integration, 1945-1960 (pp. 245-399).**

**P. 245.** IFAP's first preparatory conference took place in Scheveningen while the creation of IFAP properly speaking took place during the subsequent conference in London. The managers of the day-to-day business in Dutch agricultural organisations were internationally oriented, and after 1945 they were also internationally active. This is confirmed, not only by the fact that IFAP's first conference took place in the Netherlands, but also by the Dutch participation in the congresses and meetings of IFAP and CEA. Furthermore, the Marshall Plan made it possible to undertake study journeys to the USA (by boat!), which also contributed to enlarging their outlook.

**P. 279.** The author again argues that the Landbouwschap's existence had importance for the direction which Dutch agricultural organisations tried to give to European agricultural policy. I do not consider this likely, and in any case the author's argumentation is not clear to me. It seems somewhat exaggerated to state that agriculture was outdoing industry in terms of international organisation. There was indeed a constant 'green front', but the agricultural organisations also had much to work to do because economic policy was more complicated in agriculture than in other sectors.

**P. 284.** The author states that the Landbouwschap's evaluation of the Spaak report represented a 'turning point' in the relationship between Dutch agriculture, industry and government under the EEC Treaty negotiations. The reasons for this are not entirely clear, however. The author argues that Dutch agricultural leaders found signs in the wording of the Spaak report that the CAP might become excessively protectionist. However, the author does not indicate clearly whether the term 'protectionist' refers to an excessive external protection of the future common market, or to the continued existence of trade barriers between the member states. It seems that Dutch agriculture feared the latter possibility more than the former. The agricultural leaders wanted to make beneficial agreements; either an independent organ should be in charge of their implementation, or a majority of ministers from the member states should take decisions on the implementation. The concern over a common external protection mostly centred around the question of conformity with GATT rules. Some agricultural sectors feared that non-member countries would react to the creation of a closed European market by reducing their own imports from the Netherlands. The argument that the "Six" should not become self-sufficient, which appears on page 285 and on page 302 second paragraph, can be interpreted in both ways.

**P. 286 middle.** The argument seems to be that the Landbouwschap would gain greater influence by taking a standpoint which took into account reasonable arguments from the government, rather than defending only the interest of the agricultural sector.

**P. 287 second full paragraph.** Civil servants from the (economic) ministries in question are always attached to the SER's commissions as delegates or advisors. The word 'government' can create the misleading impression that the SER was associated with decisions taken at the level of ministers.

**P. 293 first full paragraph.** The agricultural labourers' unions may have used their double membership in the Landbouwschap and the national trade union federations to work for agreement on the CAP between agriculture and industrial trade unions. It will probably be difficult or even impossible to establish whether such a process did take place. Later (p. 303) the author rightly points to incompleteness of the source material used.

**P. 313.** Anne Vondeling, who became minister of Agriculture when Mansholt moved to Brussels, was really not popular with the agricultural organisations. Vondeling was not a farmer, but the leader of an agricultural book-keeping office in Friesland, and from this position he had knowledge of various aspects of farming. For prime minister Drees it was not a bad thing in itself to have Mansholt taking office in Brussels. Together with the expensive land consolidation programme, the growing surpluses, especially in the dairy sector, had turned agricultural policy into a costly affair. Something had to be done about this, but it was difficult to make substantial decisions without the consent of Mansholt who had been minister of Agriculture for 12 years. Later it turned out that many of the financial problems in Dutch agricultural policy could be solved through the CAP. A later minister of Agriculture (Barend Biesheuvel) would reap the financial benefits of the CAP, but in 1958 Vondeling took charge of an agricultural policy which appeared to have come to a dead end. Moreover, Vondeling sometimes behaved like an old-fashioned school master and he emphasised the interest of consumers. For these reasons the agricultural leaders distanced themselves from him.

**P. 315 above.** The author argues that Dutch agricultural leaders foresaw the introduction of a high common cereals price in the EEC; in that case they would demand compensatory protection to animal production.

As I have previously mentioned, the cereals price was a contentious issue in the Landbouwschap. The author's research also shows that it took quite a lot of discussion in the agricultural organisations (especially in the KNBTB) before even a slight increase in the cereals price was accepted. If the agricultural leaders tried to pursue a policy of accepting a higher cereals price for purely tactical reasons, then such a policy create widespread confusion and anger in the agricultural organisations.

— **5. Conclusions (pp. 400-412).** In answering the working questions, the author gives so wide implications to the answers that they can hardly find support in the preceding source-based account.

1. [*Did the agricultural organisations primarily consider European integration in terms of trade policy or income policy?*] It is not clear whether the author refers to general trade policy and general income policy, or only to agricultural trade policy and agricultural income policy. Here I presume that both trade and income are limited to the agricultural sector. In that case the difference is negligible for an agricultural exporting country like the Netherlands. However, the author is referring to a different discussion: whether it would be a more efficient policy for the Netherlands if the country ceased to pursue the expansion of agricultural exports and, if necessary, even became an agricultural importer. In that case the farmers could be compensated for their loss of income by means of special subsidies. In fact, at the time this discussion did take place in the margins of Dutch politics. The agricultural organisations rejected such a policy, because it would destroy the sector's potential for economic growth, and because the special income subsidies would have an uncertain political future. Dutch agricultural organisations wanted the sector to earn its income through the market, even if this market was regulated. For the same reason they aimed at the complete inclusion of agriculture in European integration, and then a solution would have to be found for the integration into a single policy of the different national market arrangements.

2. [*Which position did longterm possibilities for political influence occupy in their considerations?*] The question of longterm agricultural influence on public policy has many aspects. In brief, the most basic foundation for any pressure group influence in a democracy is the collection of information. This applies to the national agricultural organisations as well as IFAP and COPA. To exert political influence at the international level is much more difficult, but a great deal of influence can be gained by the collection of information at the national level. The public authorities, beginning with minister Mansholt, came to realise the advantages that could be gained from regular contacts with farmers' representatives. The Dutch political and administrative system also permitted similar contacts to take place in other economic sectors. Together with the agricultural labourers' unions, the farmers' unions wanted to make maximum use of the opportunities which the Landbouwschap offered as a statutory organisation. In the absence of the Landbouwschap, the farmers' organisations would have found other ways to organise a common defence of their interests.

3. [*Did they support or reject supranational decision-making, and for which reasons?*] I refer to my previous statements regarding the different (internal and external) meanings of 'protectionism' in EEC context, and the political importance which Dutch agriculture attached to the creation of an independent and thus supranational common organ.

### **Comments from Erik Hovgaard Jakobsen, 28 August 2008.**

Erik Hovgaard Jakobsen is a former Head of Division, Agricultural Policy and International Affairs, in the Danish Agricultural Council.

Anders Thornvig Sørensen's thesis is very detailed and interesting, based on many relevant sources, including reports from meetings in the Danish Agricultural Council and its Presidium, where issues related to the thesis often were under debate.

The reopening of international markets and relations after the Second World War was of vital interest for the Danish Agricultural Council and its members of farmers and their cooperatives. The Marshall Plan and the beginning cooperation among the European nations on both sides of the former war fronts starting with the Coal and Steel Union, implying transfer of sovereignty to a common institution, was of great interest to our farmers, cooperatives and their organisations. To begin with, European integration was followed from the sideline with some scepticism which disappeared over the following years.

I have some few specific comments to the text.

**P. 93.** The Danish Agricultural Marketing Council (Afsætningsrådet), established in 1958 to boost agricultural exports in a difficult time where parts of the agricultural organisations felt that the traditional export boards were insufficient in their efforts, was not dissolved in 1961. But its status, position and name were changed. It became the Danish Agricultural Marketing Board, now as a subcommittee under a reorganised Danish Agricultural Council.

**P. 192.** The Danish Agricultural Council decided to join CEA in 1965 on behalf of both the Farmers' Unions and the Smallholders' Unions, for two main reasons.

a) To seek closer contact with colleagues in the EEC, where the CAP was under fast development.

b) To strengthen IFAP's European Committee by asking CEA to join the committee. It was one of the Danish preconditions for joining CEA that the central farm organisations in Sweden and Norway joined CEA at the same time. Finland had been a traditional member of CEA for several years.

I find that it would have been of further value if the thesis also had covered the decade up to the Danish entry in the EEC. It was the years of the so-called "waiting policy" where the Danish agricultural organisations – including the smallholders in close cooperation, and supported by the government and the majority in the Folketing, received large state funds to keep business going until we finally could enter the EEC in January 1973 together with the UK and Ireland: after a very costly delay compared to our Dutch friends.

## 7. Archives

### **Nationaal Archief (NA), The Hague**

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- Microfiches Notulen Raad voor Economische Aangelegenheden (REA)
- Microfiches Notulen Ministerraad (MR)
- Inv. no. 411 Raad van Ministers van het Koninkrijk (Rijksministerraad, RMR), Notulen 1955-1959

Toegangsnr. 2.02.28, Archief Tweede Kamer

Inv. no. 5470 Vaste Commissie Handelspolitiek, Notulen van de gecombineerde vergaderingen van de Vaste Commissies voor de Handelspolitiek en voor de Landbouw en Visserij

Toegangsnr. 2.03.01, Ministeries AOK en AZ, Kabinet van de Minister-President (1940) 1942-1969 (1975), inv. no. 2649 Stukken betreffende de Voedsel- en Landbouworganisatie van de Verenigde Naties (FAO) 1945-1969

Toegangsnr. 2.19.103.11, Stichting Centraal Orgaan voor de Economische Betrekkingen met het Buitenland [COBB], 1946-1987, inv. no. 5, Notulen van bestuursvergaderingen, met bijlagen 1955-1960

Toegangsnr. 2.06.064, Sociaal-Economische Raad (SER)

- Inv. no. 129 Notulen 1959-1967
- Inv. no. 390 Commissie Garantiebeleid Landbouw, Notulen 1955-1958
- Inv. no. 391 Commissie Garantiebeleid Landbouw, Vergaderstukken 1955-1959
- Inv. no. 428 Commissie Europese Economische Integratie 1956-1957, Notulen 1956-1957
- Inv. no. 429 Commissie Europese Economische Integratie 1956-1967, Vergaderstukken 1956-1957
- Inv. no. 431 Commissie Europese Economische Integratie 1956-1957, Correspondentie 1956-1957
- Inv. no. 432 Commissie Europese Economische Integratie 1956-1957, Adviezen 1956-1957
- Inv. no. 433 Commissie Europese Economische Integratie 1956-1957, Werkgroep Buitentarief 1956-1957
- Inv. no. 437 Commissie Europese Economische Integratie 1956-1957, Werkgroep Landbouw 1956-1957
- Inv. no. 440 Commissie Internationale Sociaal-Economische Aangelegenheden, Notulen 1957-1979
- Inv. no. 441 Commissie Internationale Sociaal-Economische Aangelegenheden, Vergaderstukken 1957-1979
- Inv. no. 445 Commissie Internationale Sociaal-Economische Aangelegenheden, Correspondentie 1957-1979
- Inv. no. 451 Commissie Internationale Sociaal-Economische Aangelegenheden, Werkgroep Landbouw, Notulen 1957-1979
- Inv. no. 453 Commissie Internationale Sociaal-Economische Aangelegenheden, Werkgroep Landbouw, Vergaderstukken 1957-1979

Toegangsnr. 2.11.07.01, Ministerie van Landbouw, Visserij en Voedselvoorziening, inv. no. 170 Directie van de Landbouw: Algemene Zaken, 1905-1954, I.F.A.P. Marshall-Commissie

Toegangsnr. 2.11.57, Ministerie van Landbouw, Visserij en Voedselvoorziening, archief van de Directie Internationale Organisaties 1950-1959 (LNV-DIO)

- Inv. no. 108 Stukken betreffende de instelling en de werkzaamheden van de Commissie voor Buitenlandse en Internationale Aangelegenheden 1955-1956
- Inv. no. 123 Multilaterale beleidsvergaderingen 1953-1960, Vergadering 27-34, 1956
- Inv. no. 124 Multilaterale beleidsvergaderingen 1953-1960, Vergadering 35-42, 1956
- Inv. no. 125 Multilaterale beleidsvergaderingen 1953-1960, Vergadering 43-54, 1957-1958
- Inv. no. 126 Multilaterale beleidsvergaderingen 1953-1960, Vergadering 55-64, 1958-1959
- Inv. no. 128 Multilaterale beleidsvergaderingen 1953-1960, Vergadering 73-85, 1959-1960
- Inv. no. 271 Jaarlijkse contractbesprekingen tussen Nederland en Denemarken met betrekking tot economisch-agrarische aangelegenheden 1956-1958
- Inv. no. 393 Stukken betreffende de opname van landbouw in de vrijhandelszone 1957-1958
- Inv. no. 671 Stukken betreffende een plan van actie voor de Europese economische integratie opgesteld door minister Stikker 1950-1951
- Inv. no. 672 Stukken betreffende de behandeling van de Europese landbouwintegratie door de Raad van Economische Aangelegenheden (REA) 1950-1952
- Inv. no. 674 Stukken betreffende een plan voor de Europese landbouwintegratie, opgesteld door minister Mansholt 1950-1953
- Inv. no. 675 Stukken betreffende interdepartementaal overleg over de Europese landbouwintegratie 1950-1953
- Inv. no. 677 Stukken betreffende standpunten van, alsmede besprekingen met, buitenlandse regeringen over de Europese landbouwintegratie 1950-1955
- Inv. no. 700 Stukken betreffende de instelling, samenstelling en werkzaamheden van de Nationale Commissie van Advies voor Europese Landbouwintegratie, Subcommissie Granen 1952-1953
- Inv. no. 701 Stukken betreffende de instelling, samenstelling en werkzaamheden van de Nationale Commissie van Advies voor Europese Landbouwintegratie, Subcommissie Groenten en Fruit 1952-1953
- Inv. no. 708 Stukken betreffende de instelling, samenstelling en werkzaamheden van de Nationale Commissie van Advies voor Europese Landbouwintegratie, Subcommissie voor Vee en Vlees 1952-1953
- Inv. no. 712 Stukken betreffende de instelling, samenstelling en werkzaamheden van de Nationale Commissie van Advies voor Europese Landbouwintegratie, Subcommissie voor Zuivel 1952-1953
- Inv. no. 714 Stukken betreffende de instelling, samenstelling en werkzaamheden van de Nationale Commissie van Advies voor Europese Landbouwintegratie, Subcommissie voor de vaststelling van de omvang van het meest wenselijke gebied voor de integratie in West-Europa 1952

- Inv. no. 715 Stukken betreffende de instelling, samenstelling en werkzaamheden van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE, Stukken betreffende de totstandkoming van een rapport van de Coördinatie-commissie LandbouwinTEGRATIE betreffende de vermoedelijke gevolgen voor de Nederlandse volkshuishouding van een eventuele Europese landbouwinTEGRATIE 1952-1953
- Inv. no. 717 Stukken betreffende de instelling, samenstelling en werkzaamheden van de Nationale Commissie van Advies voor Europese LandbouwinTEGRATIE, Ingekomen en uitgegane stukken van de Nationale Commissie van Advies voor de Europese LandbouwinTEGRATIE 1952-1954
- Inv. no. 730 Stukken betreffende het op initiatief van de Benelux hervatten van Europese integratie-besprekingen 1955-1956
- Inv. no. 731 Besprekingen ter voorbereiding van de oprichting van een gemeenschappelijke markt 1955-1957
- Inv. no. 742 Reacties van verschillende landen op een gemeenschappelijke Europese markt 1956-1959, Nederland – bedrijfsleven 1956-1958
- Inv. no. 754 Stukken betreffende de behandeling van verschillende aangelegenheden met betrekking tot de Europese Economische Gemeenschap (EEG) 1957-1959
- Inv. no. 757 Stukken betreffende overleg met het bedrijfsleven over de agrarische aspecten van de gemeenschappelijke markt 1957-1959
- Inv. no. 770 Stukken betreffende bijeenkomsten van de EEG-ministers van landbouw 1958-1959
- Inv. no. 772 Stukken betreffende de landbouwconferentie van de lidstaten gehouden van 3 tot 12 juli 1958 te Stresa 1958-1959

### **Land- en Tuinbouw Organisatie (LTO), The Hague**

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- Microfiches Dos. no. 25: Besluitenlijsten Dagelijks Bestuur 1946-1965
- Microfiches Dos. no. 27: Agenda's Hoofdbestuur Stichting voor de Landbouw 1<sup>e</sup> vergadering juli 1945 tot en met 130<sup>e</sup> vergadering augustus 1953
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- Microfiches, Dos. no. 40 (formerly 539): Agenda's Buitenland 1<sup>e</sup> vergadering december 1947 Stichting voor de Landbouw tot en met 45<sup>e</sup> vergadering november 1966
- Microfiches Dos. no. 62: 053.3 Minister van Landbouw – Stichting agenda 1948-1954. Minister van Landbouw – Landbouwschap agenda 1954-1972. 0.53.7 Verslag Minister – Stichting voor de Landbouw 1949-1954. 0.53.7 Minister van Landbouw – Landbouwschap 1954-1972
- Microfiches, Dos. no. 549 (or 28): Agenda's Hoofdbestuur Stichting voor de Landbouw 1953-1954. Mededelingen 1952-1954
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- Verslagen Bestuur
- Agenda's Dagelijks Bestuur

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Archief Koninklijk Nederlands Landbouw-Comité (KNLC)
- KNLC Hoofdbestuur

**Vrije Universiteit Amsterdam, Historisch Documentatiecentrum voor het Nederlands Protestantisme [1800-heden] (HCD)**

Archief Nederlandse Christelijke Boeren- en Tuindersbond (CBTB)

- Notulen CBTB Bestuur

**Katholiek Documentatie Centrum (KDC), Nijmegen**

Archief Katholieke Nederlandse Boeren- en Tuindersbond (KNBTB)

- Inv. no. 33-61: Agenda's voor en notulen en bijlagen van de 1e – 98ste vergadering van het bestuur
- Inv. no. 3870: CEA: Congres te Wenen 1958
- Inv. no. 4079: 3CLO's, Internationaal Secretariaat en Commissie Buitenland 1955, 1957-1959
- Inv. no. 4948: CEA: Notulen van de Commissie Europese Economische Vraagstukken 1958-1964
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- Jr. nr. 75B20, Den Grønne Plan
- Jr. nr. 73B66f, Forhandlingerne om frihandelsområdet 1956-61
- Jr. nr. 108B.2/Dan 1957-63

Partiet Venstres Arkiv

- Protokol over Venstres partimøder 9/5, 1956 – 7/11, 1957
- Forhandlingsprotokol for Venstres folketingsgruppe 8/11, 1957 – 16/12, 1960

**Erhvervsarkivet i Århus (EA)**

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- 1.3. Andelsudvalgets møder
- 6.2. Landbrugets Produktions- og Afsætningsudvalg 1949-58
- 7.6. Udvalget for Danmarks økonomiske samarbejde med andre lande

Husmandsforeningernes Arkiv: landsmødereferat (1957)

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