

## Taking Farmers off Welfare. The EEC Commission's Memorandum "Agriculture 1980" of 1968

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Agriculture is in crisis, again. During his visit to the Paris *Salon de l'Agriculture* on 6 March 2010 French President Nicolas Sarkozy acknowledged that the sector suffered from a climate of crisis and fear and that young people in particular must seriously doubt whether they had a future in farming. He condemned the path the Common Agricultural Policy (CAP) has taken since the early 1990s, namely to "exchange prices against subventions". Farmers, according to him, were entrepreneurs who needed to gain their incomes from prices and not subventions. At the same time, he announced that, should the agricultural budget of the European Union (EU) be slashed further, France would insist on Community preference and price policy to compensate for the cuts, otherwise "ce n'est plus l'Europe".<sup>1</sup>

Nearly fifty years after setting up the CAP and eighteen years after the 1992 MacSharry reforms, agricultural policy and the economic and social situation of farmers still draw the political attention in Europe. The fact that in the year 2010 the French President advocates a strengthening of Community preference and a return to price policy that had caused the EU budget nearly to collapse in the 1980s, invites an analysis of the first attempt of reforming the CAP in 1968. Here, too, the point of departure was "a feeling of despair" that had "gripped many farmers, who see no future in their work".<sup>2</sup> In the late 1960s, the flaws of the CAP, a "welfare policy" the European Economic Community (EEC) had established to help the agricultural sector survive the economic and social transitions post-war Europe was undergoing, were blatant.<sup>3</sup> The situation was characterised by increasing costs of market support and price policy – the two pillars of the CAP – and the inability of many farmers in the six member states to generate a sufficient income in spite of the costly support mechanisms. At the same time the high agricultural prices started to lead to costly structural surpluses for some commodities, in particular dairy products, wheat and sugar.

1. Information and quotations from <http://www.france-info.com/france-politique-2010-03-06-sarkozy-annonce-des-mesures-de-soutien-a-l-agriculture-413962-9-10.html>, accessed 06.03.2010.

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2. §33 of the "Memorandum on the Reform of Agriculture in the European Economic Community and Annexes", COM(68)1000 final, Parts A and B, 18.12.1968; *Bulletin of the European Communities*, Supplement No.1/69, pp.9-46. This memorandum, which was submitted by the Commission to the Council on 21 December 1968, is henceforth referred to as the Mansholt Plan (MP).

3. On the welfare policy paradigm see A.C.L. KNUDSEN, *Farmers on Welfare. The Making of Europe's Common Agricultural Policy*, Cornell University Press, Ithaca, 2009. On the costs of the CAP see the contribution of Mark Spoerer in this volume.

Since the mid-1960s the Commission had realised that the CAP, even though it was the first common, and in many ways the EEC's flagship policy, needed to be altered. To remedy the situation, the Commission launched its memorandum "Agriculture 1980" in December 1968, the aims of which were no less than to transform European agriculture, modernise agricultural structures and turn farmers into entrepreneurs who could generate a satisfactory income from their work. Agricultural prices should again play the role of prices in a market economy, namely regulate supply and demand. In short, the reform proposal aimed to take European farmers off welfare.

This so-called Mansholt Plan – named after Commission vice-president Sicco Mansholt, responsible for agricultural policy – resulted in three directives on agricultural structures which the Council of Ministers adopted in April 1972.<sup>4</sup> These directives were, however, only a watered-down version of the Commission's ambitious plans and hardly appropriate to achieve the radical change in the European agricultural sector it had set out to realise. The Mansholt Plan itself, the reactions to it and its aftermath have already been discussed in the research literature on the CAP.<sup>5</sup> Kiran Klaus Patel analyses in particular the position of the German government and the German farmers' lobby, *Deutscher Bauernverband*. Edmund Neville-Rolfe's account focuses on the reactions of the member states to the Memorandum. He also gives interesting insight in the long-term impact of the three directives on structural policy adopted in 1972. However neither Patel and Neville-Rolfe, nor authors such as Michael Tracy, Guido Thiemeyer and Adrian Kay analyse in detail the preparation of and the rationale behind the Mansholt Plan. Yet, the background of the reform is important as the "Agriculture 1980" memorandum was the first attempt to reform the CAP - arguably the most radical until the MacSharry reforms of 1992 – and it served as a blueprint for subsequent reform proposals.<sup>6</sup>

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4. Council Directive 72/159/EEC of 17 April 1972 on the modernisation of farms, Official Journal (OJ) of the EC, No.L 96, 23.04.1972, p.1; Council Directive 72/160/EEC of 17 April 1972 concerning measures to encourage the cessation of farming and the reallocation of utilized agricultural area for the purposes of structural improvement, OJ of the EC, No.L 96, 23.04.1972, p.9; and Council Directive 72/161/EEC of 17 April 1972 concerning the provisions of socio-economic guidance for and the acquisition of occupational skills by persons engaged in agriculture, OJ of the EC, No.L 96, 23.04.1972, p.15.
  5. See, among others, K.K. PATEL, *Europäisierung wider Willen. Die Bundesrepublik Deutschland in der Agrarintegration der EWG 1955-1973*, Oldenbourg, Munich, 2009, pp.427-445; E. NEVILLE-ROLFE, *The Politics of Agriculture in the European Community*, Policy Studies Institute, London, 1984, pp.298-317; M. TRACY, *Government and Agriculture in Western Europe 1880-1988*, Harvester/Wheatshaf, New York, 1989 (3<sup>rd</sup> ed.), p.267; G. THIEMEYER, *The Mansholt Plan, the definite financing of the common agricultural policy and the enlargement of the Community, 1969-1973*, in: J. VAN DER HARST (ed.), *Beyond the customs union: the European Community's quest for deepening, widening and completion, 1969-1975*, Nomos, Baden-Baden, 2007, pp.197-222; and A. KAY, *The Reform of the Common Agricultural Policy. The Case of the MacSharry Reforms*, CABI Publishing, Wallingford, 1998, pp.28-36.
  6. On the MacSharry reforms see the contribution of Robert Ackrill and Adrian Kay in this volume. See also I. GARZON, *Reforming the Common Agricultural Policy: History of a Paradigm Change*, Palgrave Macmillan, Basingstoke, 2006.

This article sets out to place the Memorandum in the context of the rise of structural policy and the “great plans” of the late 1960s, explore the policy and decision-making process leading to the Memorandum, and discuss the different actors that were involved. It first summarises the main points of the Mansholt Plan before secondly studying the slow rise of structural policy as a potential addition to the CAP framework during the 1960s. The third section analyses the preparatory phase of the Memorandum in EEC Committees and the last section examines the controversial discussion of the reform in the Commission.

### **The Memorandum “Agriculture 1980”**

On 21 December 1968 the Commission submitted the “Memorandum on the reform of agriculture in the European Economic Community” to the Council. It was part of a 500-page strong package that included several annexes containing statistical data, among them the first Community report on the situation of agricultural structure. The Memorandum first gave an account of the current situation of farming in the EEC, showing that in spite of growing output and productivity farmers lagged behind the non-agricultural population both in terms of income and living standard. It argued that the demand for agricultural products in the Community was not likely to grow proportionately to the increasing farmers’ output as the degree of self-sufficiency for most agricultural commodities was already high. Hence, the Memorandum concluded that there was little possibility of improving the situation of farmers by further augmenting prices and productivity, also given the growing costs of the guarantee section of the European Agriculture Guidance and Guarantee Fund (EAGGF). The main obstacle to improving the situation of farming was seen in structural imperfections such as the small average farm size in the member states and the rising average age of the farming population, leaving old farmers running small farms which barely earned them a living. The overall rationale of the reform the Memorandum proposed was to cut prices and to proceed to a radical change of agricultural structure.

Consequently, the price proposals for the marketing year 1969/70 presented in the first part of the Memorandum were cautious. A veritable reform programme was then developed in the second part, the actual “Agriculture 1980” programme. The aim of improving incomes and living conditions of farmers would necessitate a reorganisation of agriculture with potentially important consequences for traditional agricultural patterns. The Commission argued that in the long-term farms needed to become much larger to make investments pay off, to lower production costs and to be able to react to changes in markets and demand by adapting production. Farms were therefore to form “production units” (PU) or “modern agricultural enterprises” (MAE) (§90-91, MP). The former were either large individual farms or farms entering into cooperative arrangements with other farms, working on a size of 80-120 ha. The latter were farms that merged with others into large agricultural enterprises, i.e. above 120 ha. Both forms should grant their owners and labourers a sufficient income allowing them to

participate in the general rise in wealth in the Community. After five years into the programme, these PUs and MAEs would exclusively benefit from financial aids and investment grants whereas other types of farms would not be supported anymore and were eventually to disappear (§96, MP).

The surplus problem should be tackled by reducing the agricultural population which would fall by five million within ten years (§88bis, MP). To achieve this, a costly social and regional policy programme, partly financed by the EEC, should create jobs and provide the necessary incentives in the form of aid, education, retraining, early retirement, etc., for farmers to give up farming (§74-83, MP). In order to curb production and to cope with the rising productivity of the PUs and MAEs, five million hectares of arable land should be taken out of production and transformed into woodland or used for recreational purposes (§105, MP). By 1980 EAGGF guarantee costs should be limited to 750 million units of account (u.a.) per year (from ca. 2,000 million u.a. in 1968/69). Additional measures were proposed to remove obstacles to increasing farm sizes, for example in land tenure legislation, and to improve information and marketing of agricultural products. In short, the Mansholt Plan was not simply a programme for reforming agriculture but it was a political, economic and social programme for the agricultural sector and rural areas. The member states should invest heavily in their regions in a “movement of solidarity, which aims at guiding agriculture into modern ways and at giving farmers their due share in the general prosperity” (§33, MP).

The immediate reactions to the Mansholt Plan ranged from friendly through sceptical to outright hostile.<sup>7</sup> Many were surprised by the frankness with which the Memorandum described the situation of farming in the Community and by the radical measures it proposed. This raises the question to what extent the ideas in the Memorandum were unique, in what context they emerged and what kind of data was available from which the Commission drew these kinds of conclusions. To understand the background of the Mansholt Plan, it is crucial to look at the development of structural policy in the Community in general and in the CAP framework in particular.

### **Structural policy and the asymmetrical CAP**

The treaty establishing the EEC in 1957 stipulated that one of the aims of the Community’s agricultural policy should be to improve agricultural structures to enhance the competitiveness of European agriculture (Articles 39.1(a) and 41(a)). This aim was again emphasised in the resolution of the Stresa conference of June 1958: “Structural reforms should go hand in hand with market policy; the first should

7. See K. SEIDEL, *The perception of the Mansholt-Plan of 1968 in the public of the member states*, European Navigator, Luxembourg, 2010 ([www.ena.lu](http://www.ena.lu), forthcoming). Agricultural trade unions welcomed the proposals as Rainer Fattmann’s contribution in this volume shows.

result in a harmonization of prices, the latter should stimulate productivity".<sup>8</sup> In the following years the Commission and the member states focused on market organisations, however, and the CAP was built on price and market policies; the improvement of agricultural structures remained in the hands of the member states.

At the national level structural policy became more important throughout the 1960s. France was pioneering in this respect, their efforts on land reform culminating in the 1960 *Loi d'orientation agricole* and the 1962 *Loi complémentaire*. This legislation aimed at regrouping farmland, raising productivity in agriculture and improving marketing and production structures by establishing the *Sociétés d'aménagement foncier et d'établissement rural*, or SAFERs, for land consolidation.<sup>9</sup> Other member states followed and enacted similar legislation before the mid-1960s.

Structural policy measures to improve the efficiency of farming were also advocated by leading agronomists, particularly in the context of the difficult question of the common cereal prices.<sup>10</sup> In the Federal Republic of Germany, for instance, a panel of eight experts was charged with studying the consequences of a possible lowering of the high domestic cereal prices. In the so-called *Professorengutachten* of 1962 the experts argued that German cereal farmers had to raise their level of productivity to offset the envisaged price cuts. In the long-term, they argued, movement of surplus manpower into other economic sectors was necessary to increase farm sizes and thus productivity.<sup>11</sup> Although such ideas were widespread, they were also heavily contested, for example by the *Deutscher Bauernverband*.<sup>12</sup> The net result was that productivity-enhancing ideas had little impact on the price decisions at Community level.

Generally speaking, Ulrich Kluge sees in the second half of the 1960s the peak of research and discussions among agronomists about aims for a modern agricultural sector. This period gave rise to what he calls the "grand programmes and plans" at both the national and Community levels.<sup>13</sup> In 1967, for instance, the German Agricultural Minister Hermann Höcherl published an agricultural programme which re-

8. *Résolution finale adoptée par les délégations des six États membres de la Communauté économique européenne (CEE) réunies pour la conférence agricole de Stresa, du 3 au 12 juillet 1958*, in: Communauté européenne (dir.), *Recueil des documents de la Conférence agricole des États membres de la Communauté économique européenne à Stresa du 3 au 12 juillet 1958*, Service des publications des Communautés européennes, Luxembourg, 1958, pp.219-224 (<http://www.ena.lu?lang=1&doc=1609>, accessed 29.04.2010), pt. III.3.

9. On this topic see V. BIVAR, *Land reform, European integration, and the industrialization of agriculture in postwar France*, in: K.K. PATEL, *Fertile Ground for Europe? The History of European Integration and the Common Agricultural Policy*, Nomos, Baden-Baden, 2009, pp.119-137, here pp.130-134.

10. On this question see K.K. PATEL, *Europäisierung wider Willen ...*, op.cit. and A.C.L. KNUDSEN, *Creating the Common Agricultural Policy. Story of Cereals Prices*, in: W. LOTH (ed.), *Crises and Compromises: The European Project 1963-1969*, Nomos, Baden-Baden, 2001, pp.131-154.

11. E. NEVILLE-ROLFE, op.cit., p.79, U. KLUGE, *Vierzig Jahre Agrarpolitik in der Bundesrepublik Deutschland*, 2 Vols., Verlag Paul Parey, Hamburg, Berlin, 1989, vol.1, pp.337-338.

12. K.K. PATEL, *Europäisierung wider Willen ...*, op.cit., p.215.

13. U. KLUGE, op.cit., vol.2, pp.26 and 41.

sembled, in some of its elements, the “Agriculture 1980” memorandum.<sup>14</sup> For example, Höcherl also emphasised the need for structural policy, the formation of producer groups and a preference for full-time farm holdings and farms with potential to increase their size.<sup>15</sup> Another plan, this time more geared towards regional economic development generally, was the Schiller Plan of 1969, named after the German Economics Minister Karl Schiller.<sup>16</sup>

In France, Agricultural Minister Edgar Faure commissioned a report on the situation of French agriculture in 1966. Unlike the Höcherl and Schiller Plans, this was a report from an independent commission, led by law and economics professor Georges Vedel. The resulting report, published in 1969, was a projection of the development of French agriculture until 1985.<sup>17</sup> In its spirit and frankness, as well as in many of its conclusions, it was similar to the Mansholt Plan and the Professorengutachten. The Vedel report suggested analysing the farming profession with the same criteria that were applied to the general economy, namely in terms of business, problems of raising capital, management, employment, investment and markets.<sup>18</sup> While the Höcherl Plan did not mention agricultural surpluses, the Vedel report thought that such surpluses were already a problem and that they would become an even greater problem if the sector did not undergo transformation. Surpluses were seen as the result of a price policy geared towards meeting the production costs of even the most unprofitable farms and of poor agricultural structures. The reduction of arable surface and of the agricultural population was, like in the Mansholt Plan, mentioned as part of the solution. Prices should again play their economic role to guide production and not to support farmers. However, unlike the Mansholt Plan, the Vedel report did not think that people leaving agriculture would considerably increase farm sizes and thus efficiency. All in all, it was very frank about the current situation and painted an alarming picture of the French agricultural sector by 1985 if nothing was done to reform it. It is not surprising that the French government, anxious not to cause new unrest among the agricultural population in the aftermath of May 1968, hesitated to publish the report and kept quiet about it.

The main difference between the Mansholt Plan and the national plans was that the latter often did not communicate clear ideas about the look of a modern agricultural sector and who should benefit from government aids to achieve modernisation. The French 1960 law, for example, was geared towards viable “family farms” without further defining them. The Höcherl Plan and later the 1970 Ertl Plan of German

14. Bundesministerium für Ernährung, Landwirtschaft und Forsten (ed.), *Arbeitsprogramm für die Agrarpolitik der Bundesregierung*, (Landwirtschaft – Angewandte Wissenschaft, H. 134) Hitrup b. Münster, 1968. See also H. HÖCHERL, *Die Welt zwischen Hunger und Überfluss. Eine agrarpolitische Bilanz im technischen Zeitalter*, Seewald, Stuttgart-Degerloch, 1969.

15. U. KLUGE, op.cit., vol.2, p.68.

16. *Vorschläge des Bundeswirtschaftsministeriums zur Intensivierung und Koordinierung der regionalen Strukturpolitik*, Bonn, 1969.

17. *Rapport Vedel. Rapport général de la Commission sur l'avenir à long terme de l'Agriculture Française 1968-1985*, in: *Le Plan Mansholt, Le rapport Vedel*, Seclaf, Paris, 1969, pp.521-568.

18. *Ibid.*, p.527.

Agricultural Minister Josef Ertl, attributed a lot of freedom to farmers to choose whether they wanted assistance to improve their holdings with the view of generating acceptable incomes, whether they wanted to continue as before or whether they wanted to leave agriculture altogether.<sup>19</sup> Any selective approach to helping farmers, like in the Commission's Memorandum, would have been politically explosive. Also, the individual national plans did not aim at improving the situation in the Community as a whole. Often they were geared towards improving the competitive situation of one country's agricultural sector in the EEC common market. Farmers of countries with no national structural plans such as Italy were left behind by those in financially better off member states that were able to subsidise an often backward agricultural sector. The idea that there needed to be a Community structural policy to complement the CAP therefore suggested itself.

Although the Commission initially tried to push for structural measures, progress in structural policy at Community level was slow. In September 1958, for example, Mansholt gave a speech at Bad Tölz in which he advocated that structural reforms were necessary. Already then the transformations he envisaged for the sector were quite radical, advocating a reduction of the agricultural surface and a massive exodus of farmers – nine million people within fifteen years should leave the land.<sup>20</sup> These ideas were met with a wave of protest and such plans, judged too controversial, were subsequently abandoned in the set-up phase of the CAP.

Yet, reducing the number of farmers and setting aside arable land were ideas the Commissioner for Agriculture kept at the back of his mind, communicating them from time to time. At the third regional conference of the Food and Agriculture Organisation in Rome in October 1962, for example, he argued that to avoid agricultural surpluses EEC member states should aim to reduce their agricultural population to 6-10 % of the active population while implementing a careful price policy. Structural reforms, he believed, could reduce the income gap between agricultural and non-agricultural sectors.<sup>21</sup> It was only in January 1962 that the Council had decided on implementing a Community market and price policy for agricultural products. In late 1962, therefore, Mansholt may still have hoped that well-thought national structural programmes would lead to an efficient European farming sector which would allow for lower prices and less market support at the Community level.

In December 1963 the Council set up EAGGF; one third of its funds should have gone into the "orientation" section, from which structural measures in the member states would be financed. This threshold was never reached as the "guarantee" section of EAGGF for market support grew constantly as agricultural surpluses increased. An attempt to co-ordinate national structural measures at EEC-level was made by

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19. E. NEVILLE-ROLFE, op.cit., pp.88-89.

20. E. FREISBERG, *Die grüne Hürde Europas. Deutsche Agrarpolitik und EWG*, Westdeutscher Verlag, Cologne, Opladen, 1965, p.32.

21. U. KLUGE, op.cit., vol.1, p.340.

setting up the Standing Committee on Agricultural Structure in December 1962.<sup>22</sup> The Standing Committee was composed of member state representatives and chaired by a Commission representative (Article 1). Further, the Commission should submit to the European Parliament and the Council an annual report on the structure of agriculture in the EEC containing an appraisal of member states' structural policies in relation to their contribution to the aims of the CAP (Article 2). Based on these reports, the Commission should submit proposals to the Council aimed at improving agricultural structure and coordinating further the structural policies in the member states (Article 3). Importantly, the decision authorised the Commission to request information on programmes and legislation regarding national structural policies. In 1964, the Commission decided to set up an Advisory Committee for Problems Regarding Agricultural Structure Policy composed of 36 representatives of the profession, namely farmers, farm cooperatives, banks specialising in agricultural credit, farming families, farm workers, commerce and industry as well as non-agricultural trade unions. The Commission could consult the Advisory Committee on issues relating to the Council decision of December 1962 and on all problems related to the politics of agricultural structures.<sup>23</sup>

These measures were primarily aimed at coordinating and harmonising national structural policies. The Community institutions were lacking any power or right to impose sanctions in this area. By neglecting structural policy, the EEC had ended up with an asymmetrical CAP with different centres of decision-making: the market organisations and common prices were decided at Community level and managed by the Commission whereas socio-economic measures were excluded from the CAP framework and remained in the hands of the member states.

The Mansholt Plan was clearly embedded in the academic and political debates on the modernisation of agricultural structures and regional policy in the 1960s. At the same time it was based on Mansholt's own ideas reaching back at least to the Stresa conference.

### **Collecting data and preparing the Mansholt Plan**

Both the Council decision of December 1962 and, to a lesser extent, the Commission decision of 1964, were important steps on the way towards a Community structural policy. They allowed for the collection of data and thus for more precise studies of the structure of agriculture in the Community. Structural policy was a complex area as national and regional differences made one-size-fits-all solutions impossible. The improved methods in agricultural economics and the national structural programmes

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22. Council Decision of 4 December 1962 on the co-ordination of policies on the structure of agriculture, OJ of the EEC, No.136, 17.12.1962, pp.2892-2895.
  23. Decision of the EEC Commission, No.64/488/CEE of 29 July 1964, OJ of the EEC, No.134, 20.08.1964, pp.2256-2257.

were therefore a necessary precondition for the Commission to be able to obtain data and draw conclusions that could guide their policy decisions.

Commissioner Mansholt and his Directorate-General for Agriculture (DG VI) had played a major role in setting up the CAP and managing it. During the early 1960s structural policy had however played only a marginal role. This was not least due to a rather passive Director of structural policy, Roger Groten. In the late 1960s Groten was replaced by Raymond Craps who had previously been head of the division "Improvement of the social conditions in agriculture" and then of the division "Coordination of structural policy in the member states, Community programmes for agriculture". Craps was one of the leading figures in DG VI pushing for structural policy. Allegedly in 1964 Craps and a colleague wrote a letter to Mansholt saying that "a global policy, an agricultural policy and not a price policy" was needed.<sup>24</sup> This view hit a nerve with Mansholt who, as seen above, nurtured similar thoughts. Craps, together with Hans-Broder Krohn, the Director of the Directorate for Agricultural Economics and Legislation, and Georges Rencki, head of division for non-governmental organisations, were to become the main drafters of the Mansholt Plan. The reform proposal reflected not least the ideas of Krohn, who had been a student of German agriculture economists Arthur Hanau and Emil Woermann, and who like them considered agriculture as primarily an economic problem, with farming enterprises forming an integral part of the economy. He thus opposed the special treatment the agricultural sector received in the CAP framework.<sup>25</sup>

Moreover, the growing surpluses and the rising costs of the EAGGF guarantee section certainly encouraged DG VI to propose a reform of agricultural structures. Further, the completion of the CAP – the common market for agricultural products opened on 1 July 1968 – invited a new move of the Commission. In October 1967, a small group of DG VI officials met in Luxembourg at the village of Gaichel to discuss the long-term implications of the market and price policies under conditions of unchanged economic growth and agricultural imports and how much land and labour needed to remain in production.<sup>26</sup> Later Krohn, the leading figure in this meeting, explained the rationale of the group to officials of the British Ministry of Agriculture, Fisheries and Food. The decision to go into agricultural structures was taken because of the accelerating surpluses and the prospect of heavy annual destruction of produce (especially wheat, fruit and dairy products) and because of the frightening prospect that the Community would not be able to meet the costs of the CAP unless something was done and quickly. As the CAP had been the first European policy, safeguarding

24. Raymond Craps, interview with the author, Brussels, 16.04.2004.

25. Hans-Broder Krohn, interview with the author, Göttingen, 03.02.2004. On Krohn's role in drafting the Mansholt Plan see Archiv für Christlich-Demokratische Politik, Sankt-Augustin (ACDP), 1-659 122/2, Hans von der Groeben, Vermerk über eine Besprechung mit Herrn Hans Bruder [sic] Krohn, Brussels, 15.01.1981, pp.10-11. For a short biography of Krohn see K. SEIDEL, *The Process of Politics in Europe: The Rise of European Elites and Supranational Institutions*, I.B. Tauris, London, 2010, pp.138-140.

26. E. NEVILLE-ROLFE, op.cit., p.300; see also K.K. PATEL, *Europäisierung wider Willen ...*, op.cit., p.429.

it as a symbol of European integration played a role as well: “A further point in the background was the crucial importance both in the economy of the Community and prestige-wise of the CAP. If it went ‘bust’, apart from the possibility of social revolution and economic hardship the whole fabric of the EEC itself could be in the balance”.<sup>27</sup>

Mansholt had started preparing the ground for the reform since early 1967. This included presenting his ideas to different audiences. In April he gave a talk to the Medium-Term Economic Policy Committee. It is telling that he addressed the economic experts before the agricultural community, given that the changes he had in mind would “peut-être [...] donner un choc aux agriculteurs. Parfois ce choc est salutaire, mais parfois il peut entraîner une rébellion”.<sup>28</sup> It was only in October of the same year that Mansholt raised the question of structural policy in the Commission. He wanted to present the problem at the Council of Agricultural Ministers in mid-October and thus needed agreement of his colleagues.<sup>29</sup> In the Commission, Mansholt’s main argument for a Community structural policy was that of rationalising production and reducing costs. He chose this argument (and not for example that of raising farm incomes) to persuade his CAP-critical colleagues such as Hans von der Groeben. The Commission agreed that an efficient structural policy needed to be set up and gave Mansholt the mandate to pursue this accordingly.

When he presented his ideas in the Agricultural Council a couple of days later, Mansholt - again adapting to his audience - put the main emphasis on improving the social and economic situation of farmers and not on reducing costs. He argued that the main question to be solved was how to ensure that farmers obtained a standard of living comparable to that in other sectors of the economy. He then drew a link between incomes and structural policy, arguing that prices could not rise indefinitely and increasing production was not a solution either, as for many commodities the Community had already reached self-sufficiency. Instead, his solution was: “Il ne nous reste qu’à augmenter la productivité; en produisant avec moins de personnes les mêmes quantités de produits”.<sup>30</sup> The target was to bring the agricultural population down to six per cent of the active population over a period of circa 20 years. Mansholt argued that by giving aids also to small farms, the member states would only perpetuate the problem, namely of farms where farmers had a seven-day working week on

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27. National Archives of the United Kingdom (NAUK), Kew, Foreign and Commonwealth Office (FCO) 30/317, G. W. Ford to Geoffrey Woodward, 27.01.1969. Ford was an official in the Ministry of Agriculture, Fisheries and Food (MAFF). Woodward was Assistant Secretary and since 1970 Undersecretary in MAFF.
  28. Private Papers Georges Rencki, Tervuren, F. Stroobants, Note à l’attention de M. Rencki, Brussels, 21.09.1967, Objet: Exposé de M. Mansholt lors du dernier Comité de Politique Economique à moyen terme [28.04.1967].
  29. European Commission Historical Archives (ECHA), Brussels, BAC 259.80 No.5, PV spécial de la 10<sup>e</sup> réunion de la Commission, 10-13.10.1967.
  30. ECHA, BAC 38/1984 No. 465, Secrétariat Exécutif, “Politique des structures agricoles de la Communauté”, Exposé de M. Mansholt, Réactions des chefs de délégations et conclusion de procédure du Conseil Agriculture, Session des 16/17 Octobre 1967 à Luxembourg, undated, pp. 323-336, p.327 for quotation.

a low income and the farmer was "l'esclave de son entreprise".<sup>31</sup> The ministers, although surprised and not entirely convinced by Mansholt's alarming picture, agreed to assist the Commission in the study of agricultural structures, particularly through the senior civil servants sitting on the Standing Committee of Agricultural Structure. These works should be "très confidentiels" however, in order not to upset the farming population.<sup>32</sup>

While the Commission advocated that price policy and market support had reached their limits, agricultural incomes had stagnated and many of the Community's farmers lived in dire socio-economic conditions, it was vital to base these assumptions on reliable data and scientific studies. In an intensive study phase lasting from mid-1967 to summer 1968 DG VI worked closely together with national experts. For example, work on the first survey on the structure of agricultural holdings, which had been on the agenda since 1962, finally got under way. The survey was carried out by the Standing Committee on Agricultural Structures and was coordinated by DG VI, in particular by Krohn and the Directorate for Agricultural Structures under Craps.<sup>33</sup> DG VI based the diagnosis of problems in agriculture and the remedies it proposed in the Mansholt Plan on this survey, based on a random survey of 1.2 million agricultural holdings, and on additional studies it produced itself and commissioned from the Standing Committee and the Advisory Committee.<sup>34</sup> The survey was only published in late 1968 together with the Mansholt Plan.<sup>35</sup>

In summer 1967 Craps' directorate prepared a paper with mandates for five working groups in the Standing Committee. The paper argued that the common market for agricultural products posed new challenges to farmers to which they needed to adapt. It was necessary to develop a "conception globale de cette politique agricole".<sup>36</sup> Consequently, the themes DG VI wanted the Standing Committee to study were those which they thought would characterise agriculture in the future. These were the common use of capital equipment and of services, the joint production of certain commodities, the merger of agricultural enterprises, large-scale animal farming, and the amalgamation in commercialisation and processing of agricultural products. All these themes were eventually addressed in the Mansholt Plan.

31. Ibid., p.328.

32. Ibid., p.324.

33. ECHA, BAC 38/1984 No.465, Application du règlement no.70/66/CEE du Conseil du 14 juin 1966 portant organisation d'une enquête de base dans le cadre d'un programme d'enquêtes sur la structure des exploitations agricoles. (Communication de M. Levi-Sandri et de M. Mansholt), undated, pp. 456-457.

34. Since then, the Commission has published these surveys on the structure of agricultural holdings circa every three years; see Commission européenne, *Structure des exploitations agricoles. Résultats historiques – Enquête de 1966/67 à 1997. Version finale: octobre 2000*, Office des publications officielles des Communautés européennes, Luxembourg, 2000 (p.3 for the 1.2 million figure).

35. *Rapport concernant les politiques nationales de structure agricole dans la communauté*, in: *Le Plan Mansholt, Le Plan Vedel*, op.cit., pp.379-519.

36. ECHA, BAC 38/1984 No. 465, DG VI, Directorate Agricultural Structures, "L'agriculture de la Communauté à l'avenir", undated [Summer 1967], pp.339-341, p.340.

In early 1968 DG VI again established working groups in the Standing Committee, each of them studying a different aspect of structural policy. In April 1968 working group I tabled a hundred-page document on the situation of farms and the agricultural population in the member states.<sup>37</sup> This report was an important source for the Mansholt Plan which retained many of its results. The paragraphs in brackets in the following section refer to the corresponding paragraphs in the Mansholt Plan. The report first underlined that in all member states the reduction of the agricultural population in previous years had led to more efficient farms that, due to technical progress, could function with less labour (§3, MP). However, the report concluded that this migration from the land was not sufficient to improve agricultural structures (§35, MP). The demographic analysis had shown that there were still too many small farms often worked by ageing farmers who were left behind after paid labour and then family members had left the farm (§§13 and 35, MP). Given that these small farms often did not find a successor due to better working conditions for the young in jobs outside agriculture, the report argued that this was the opportunity of enlarging existing farms. With its social measures, the Mansholt Plan aimed at stimulating, accelerating, accompanying and controlling this transformation process (e.g. §§59 and 68-83, MP). The report projected the development of the agricultural sector until 1975, concluding that the agricultural population would shrink further and estimating that 514,779 people would need jobs in different sectors and 1,596,052 would retire.<sup>38</sup> These numbers were even higher than the estimated 80,000 new jobs that had to be created annually according to the Commission's Memorandum (§88, MP).

The report then distinguished between the prospects for farms in three types of regions. The best prospects were for farms in urban or industrialised areas with good communication and transport facilities, availability of non-agricultural jobs and markets for agricultural products. The second region was rural but with a satisfactory demographic situation and normally functioning public services. Also here agriculture had potential and the creation of additional industrial jobs was possible. The third type of region was essentially rural and isolated; its demographic situation was problematic as the young were deserting it, leaving behind an ageing population. These three regions and the conclusions as to their possible development entered the Mansholt Plan as industrial, semi-agricultural and predominantly agricultural regions (§§84-86, MP). Crucial for the argument of the Commission to increase farm sizes was the conclusion of the report that farm size had a direct impact on the socio-economic situation of a farm.<sup>39</sup> The report also examined the average farm sizes in the member states, ascertaining that many farms were run by full-time staff while being too small to generate a satisfactory income (§§11-12 and 36, MP). Finally, the controversial figure of five million farmers having to leave agriculture that would

37. ECHA, BAC 38/1984 No 465, Commission des CE, DG VI, Comité permanent des structures agricoles, Rapport du group de travail I "Situation, évolution et tendances en matière d'exploitations, y compris les structures de productions externes et internes, et de population active agricole", 2532/VI/68-F, April 1968, pp.176-268.

38. *Ibid.*, p.216.

39. *Ibid.*, p.229.

cause outrage in the farming community after the launch of the Mansholt Plan could be found in this report (§88bis, MP). The report even concluded that this number was not high enough to allow for real improvement of farm sizes.

Simultaneously to the work in the Standing Committee, DG VI used the Advisory Committee to involve the agricultural community in the discussions and to obtain their opinion on some of the proposals for a modern agriculture. In May 1968, DG VI submitted a catalogue of questions to working groups, asking for example which were the most appropriate means to guarantee farmers the availability of land necessary for enlarging their farms while keeping the financial costs down. Another question was whether a policy facilitating the acquisition of land by farms would be welcomed and how and under what conditions the reduction of labour for improving farm structures could be achieved. Finally, DG VI asked which type of collaboration between farms would be advantageous and which types of vertical integration between farms and the agricultural and food industry could be beneficial.<sup>40</sup>

Given these studies and the amount of data that was processed to obtain the conclusions that entered the Memorandum, Adrian Kay is certainly right to emphasise that “the plan is the one significant example of the analysis of agricultural economists, prior to the MacSharry Reforms, having some input into the reform process”.<sup>41</sup> In addition, based on these findings Mansholt and DG VI constructed a particular narrative, sharpening the arguments to create an ambience of urgency to convince first the Commission and then the Council of Ministers of the need to undertake a radical reform of the CAP. They also combined the results of the report of the Standing Committee working group with other aims. It was DG VI, for instance, that linked agricultural structure to the surplus problem. This provided them with an additional argument in favour of this costly adaptation programme both vis-à-vis the Commission and member state governments.

### **Broadening the reform programme: the input of the Commission**

During the second half of 1968 DG VI drafted the reform memorandum. Mansholt presented the draft in the Commission on 16 October. It appears that after the Commission had agreed to make a move in the field of structural policy in October 1967, it had not discussed the issue again, nor had any of the other directorates-general been involved in the preparation of the draft. Mansholt's proposals thus must have generated surprise among his colleagues in terms of both the radical nature of the measures that would transform agriculture and of the costs of the measures that would retain agriculture as the Community's main interest for the next ten years. While the main arguments of the Memorandum survived the debate in the Commission, new aspects

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40. Private Papers Georges Rencki, Tervuren, Comité consultatif pour les problèmes de la politique de structure agricole, Meeting of working group No.1, 14.05.1968.

41. A. KAY, *op.cit.*, p.31.

were introduced by Commissioners who pursued their own agendas and who did not necessarily think that the Commission should continue to focus its attention on the CAP.

Following Mansholt's presentation, the Commission set up a group of five Directors-General to study the Memorandum.<sup>42</sup> According to a British source, these Directors-General had the task of "revamping" the Memorandum, following criticism made by Raymond Barre and other Commissioners.<sup>43</sup> The Directors-General discussed a catalogue of six questions during one working weekend (23-26 October).<sup>44</sup> Due to the short time span, the report was brief and introduced few new aspects. Among them was the idea to propose to the Council a reform of the European Social Fund to provide funding for education and training of children of farmers and those who wanted to leave the agricultural sector. In general, the Directors-General supported the reform which "s'impose dans l'intérêt général de l'économie", but they predicted that the financing of the measures would pose a problem.<sup>45</sup>

At the same time, members of the Commission set up a *Groupe des problèmes agricoles*, which was presided over by Mansholt. Commissioner von der Groeben participated actively in the group and identified three problems the reform needed to address: how to limit EAGGF expenses; problems related to farmers who had to stay in agriculture but did not have a sufficient income; and problems related to farmers who had to leave agriculture. The last problem was, according to him, a regional policy problem as new employment needed to be created in the regions. He announced that he would draft a paper on "lignes directrices d'une politique régionale appropriée".<sup>46</sup> Generally speaking, von der Groeben became very active in the preparatory phase of the Memorandum, emphasising the regional aspects of the structural policy proposals.

It was only in July 1967 that von der Groeben had taken over the newly created Directorate-General for Regional Policy (DG XVI) and it is likely that he was looking for a possibility of linking up the CAP problems with regional policy actions to get the then non-existent regional policy off to a start. The Mansholt Plan presented von der Groeben with the opportunity to raise his profile as Commissioner responsible

42. ECHA, BAC 259.80 No. 22, PV spécial 52<sup>e</sup> réunion de la Commission, 16.10.1968.

43. NAUK, FCO 30/318, James Mellon to Martin R. Morland, Brussels, 26.08.1969. Mellon was an agricultural expert in the FCO and member of the UK delegation to the EC between 1967 and 1972. Morland was an official in the European Integration Department of the FCO.

44. NAUK, FCO 30/318, Secrétariat Général, Rapport à la Commission en exécution du mandat confié au groupe restreint des Directeurs généraux au sujet de certains problèmes relatifs au Mémorandum "Agriculture 1980", 31.10.1968.

45. Ibid., p.10.

46. ECHA, BAC 38/1984 No. 465, Secrétariat Général, Note à l'attention de MM. les Membres de la Commission, SEC(68)3302 (AGRI3), Brussels, 21.10.1968, pp.163-164, here p.163. See also *ibid.*, Secrétariat Général, Note à l'attention de MM. les Membres de la Commission, SEC(68)3302/2 (AGRI3), Brussels, 22.10.1968, pp.160-161.

for regional policy. As a matter of fact, it was in December 1969 that he presented his proposals for a "regionalisation" of the agricultural reform to the Council.<sup>47</sup>

Another Commissioner who took the opportunity of the reform memorandum to discuss the CAP in general was Raymond Barre, Commissioner for Economic and Financial Affairs.<sup>48</sup> Barre analysed the draft memorandum from an economist's perspective. The first and main problem he saw were the costs of the measures: it would be difficult to get politicians to accept that expensive measures they agreed to now would only pay off in five to ten years' time. In particular those countries currently not benefiting from the CAP such as Germany and Italy would be very reluctant to endorse the programme if it did not go hand in hand with extending Community policies in other sectors to balance the expenditure and make those losing out in agriculture gain in other areas. For this reason Barre argued for integrating the reform into a broader programme of employment and industrial development which would of course involve his Directorate-General. He then criticised the core convictions of the Memorandum; he doubted whether reaching parity for agricultural incomes, improving the living conditions on farms, reducing agricultural expenditure and avoiding additional costs for consumers could be reached through the proposed measures. While Barre agreed that with growth rates of circa three per cent per annum the EEC economy could absorb the 3.6 million people leaving agriculture (or 1.9 million as some would retire), he argued that the exodus could become a problem for some regions.

For Barre the entire reform of agricultural structures did not make sense from an economic point of view. Regarding the creation of production units and modern agricultural enterprises, he doubted whether it made sense to subsidise the process of taking land out of production while at the same time investing heavily in the creation of more productive farms. Because of the surplus problem, an investment in modern agricultural enterprises was fundamentally "anti-economical", had no advantage for society but only for individual farmers. It would be much easier and less costly to create profitable employment in other sectors.

Barre also called into question the "agricultural vocation" of the Community and asked whether it was not cynical to fund European farmers with a lot of money while dumping surpluses on people in the third world. Instead, he asked whether it would not be better to open the borders of the Community for products of third world coun-

47. See ECHA, BAC 38/1984, No. 395, Memorandum sur la réforme de l'agriculture, Communication de M. von der Groeben, SEC(69)4641, Brussels, 02.12.1969, pp.4-6, and Kommission der EG, Arbeitsdokument betreffend die Aufstellung von Vorausschätzungen der Ausgaben, die sich aus dem Memorandum zur Reform der Landwirtschaft in der Europäischen Wirtschaftsgemeinschaft ergeben, SEK(69)3682/2, Brussels, 12.11.1969, pp.320-351. On the link between regional and structural policy see also A. VARSORI, *Die europäische Regionalpolitik: Anfänge einer Solidarität*, in: M. DUMOULIN (ed.), *Die europäische Kommission 1958-1972. Geschichte und Erinnerungen einer Institution*, Amt für amtliche Veröffentlichungen der Europäischen Gemeinschaften, Luxembourg, 2007, pp.443-458, here pp.452-453.

48. NAUK, FCO 30/318, Raymond Barre, Note sur certains problèmes de caractère général ayant trait à la politique agricole dans le cadre de la politique à moyen terme, Brussels, 13.11.1968.

tries. Barre was also extremely sceptical towards the idea of rationalising agriculture and thought that the results were often unsatisfactory not least because standardisation of production often had a negative effect on the taste of the products. According to him, alongside rationalisation the “family farm” should remain as it produced sought-after high end products. These high quality products could be marketed to high earners in Europe and the United States. This would keep part of the agricultural population in place, especially in areas of natural beauty where tourism was an additional income source. In his conclusion Barre wrote that the memorandum should put more emphasis on factors external to agriculture, as the problem of agricultural structures could only be tackled by looking at the larger problem of the structure of economic development in the Community.

In spite of his criticism of the CAP in general, and the reform proposal in particular, Barre played an important and constructive role. He introduced arguments on why the measures on agricultural structure would stimulate economic growth in the member states and help develop the regions. This was important to make the proposal acceptable to the member state governments other than agricultural ministers. In his paper Barre underlined that the programme of the Commission was expensive but that the absence of a programme would lead to economic and social tensions which in the long run would be even more expensive than the reform.<sup>49</sup> Indeed, while the Commission did not fundamentally change the Memorandum after Barre’s presentation, it decided to emphasise more the benefits of the reform for the general economic development (§§43 and 88, MP). Further, in the Commission meeting of 18 December when the final discussion and vote on the Memorandum took place, Barre emphasised that through the creation of new jobs in more productive sectors than agriculture the costs of the programme would be offset in the medium-term.<sup>50</sup> The Commission agreed that Mansholt’s presentation to the Council should be based on this argument. It was also a last-minute effort to broaden the programme and to turn it into an overall programme for regional economic development with which CAP critics such as von der Groeben and Barre could identify. On the initiative of the Directors-General and Lionello Levi-Sandri, Commissioner for Social Affairs, the reform of the European Social Fund entered the Memorandum (§79, MP) and social measures were extended to people beyond the agricultural sector, to include measures for education, training and the creation of new jobs.<sup>51</sup> Generally, the Commission, possibly on the initiative of von der Groeben, emphasised more the diversity of the regions and therefore the different regional needs and conditions for creating jobs.

As the Memorandum was supposed to be linked to the decision on agricultural prices, Mansholt also submitted price proposals to his colleagues, proposing (slightly) lower prices for surplus commodities. It seems that the price proposals and measures to tackle surpluses were at least as controversial as the structural policy measures. Mansholt’s main critic was Fritz Hellwig, German vice-president of the Commission

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49. Ibid.

50. ECHA, PV 61<sup>e</sup> réunion de la Commission, 2<sup>e</sup> partie final, 18.12.1968.

51. ECHA, BAC 259.80 No.22, PV spécial 55<sup>e</sup> réunion de la Commission, 06.11.1968.

and responsible for Research and Technology. Hellwig came up with a number of counter-proposals to Mansholt's price proposals which he still deemed too high, thus showing his deep uneasiness about the rising costs of the CAP. Hellwig's main suggestions were linked to making producers contribute towards the costs of dairy surpluses and to fix a Community-wide quota for milk production. Making farmers participate in the costs did not yet find a majority in the Commission, however. When the Commission voted on the controversial points, Hellwig could not impose his views even though he was often backed by German Commissioners Wilhelm Haferkamp and von der Groeben and also the Dutch Emmanuel Sassen.<sup>52</sup>

When the Commission finally voted on the entire text, Hellwig voted against the Memorandum and von der Groeben abstained. Hellwig's rationale was revealing for the critical stance some in the Commission had adopted vis-à-vis the CAP and the problems and costs it had already caused:

“L'agriculture continue à être traitée de manière unilatérale, comme un secteur privilégié, les erreurs du système communautaire mis antérieurement en place étant largement entérinées, puisque le problème des excédents de production ne sera pas résolu”.<sup>53</sup>

While Sassen remained critical about the Memorandum, he voted in favour to show his support for the “restructuration de l'agriculture européenne ainsi qu'au principe fondamental des modifications à apporter au système du soutien des marchés agricoles”.<sup>54</sup>

The Memorandum was adopted on 18 December after a shaky consensus had been formed in the Commission over a short period of ten weeks. Several Commission members and President Jean Rey criticised that Mansholt had left it too late to inform them and that DG VI did not inform or cooperate with other interested Directorates-General. The fragmentation of the Commission's services was not conducive to such cooperation. As a consequence, the other Commissioners were only informed about the Memorandum in their weekly meetings, shortly before it was due to be launched. In the end, Mansholt's core ideas prevailed but they were slightly modified by emphasising regional policy more (von der Groeben), by underlining the advantages for regional economic development that could be expected by investing in the measures proposed by the Memorandum (Barre) and by proposing a reform of the European Social Fund (Levi-Sandri). The price policy and how to limit the surpluses had been the real point of contention, showing that many Commissioners were deeply dissatisfied with how the CAP had turned out. It is problematic that two Commission members could not identify with the initiative (Hellwig and von der Groeben). Yet, on the whole the Commission, in particular President Rey, still trusted Mansholt, who had played a major role in setting up the CAP, to make the necessary improvements to his policy.

52. ECHA, PV 61<sup>e</sup> réunion de la Commission, 2<sup>e</sup> partie final, 18.12.1968, for example pp.18-19.

53. Ibid., p.32.

54. Ibid., p.34.

## Conclusion

The Agricultural Ministers first discussed the Mansholt Plan in the Council meeting of 16 January 1969.<sup>55</sup> While the ministers' reactions were not entirely negative, most attention was given to the price proposals, which constituted the most pressing issue. In the following months the Council barely considered the long-term perspective of agriculture, the main aim of the Mansholt Plan, but focused instead on agricultural prices and on concluding a deal on the financing of the CAP. For the member states consolidating the old CAP system had priority. In April 1970 the Commission submitted to the Council five draft directives and one draft regulation – the so-called Mini-Mansholt Plan. In the course of the Council negotiations and consultations with farmers' groups, these proposals were reduced to three directives dealing with modernisation, early retirement and socio-economic guidance. It took until early 1972 for the Agricultural Ministers to adopt them. All controversial proposals of the Mansholt Plan such as land set-aside, minimum size for farms or direct aids for farmers had no chance of being adopted by the Council of Agricultural Ministers.

Moreover, the debate in the Council shows that structural policy continued to be seen as a national domain. The comment of Dutch Agricultural Minister Pierre Lardinois in the Council session of 16 January 1969 is telling and put the Commission in its place: “on pourrait se demander [...] si on ne se trouve pas en présence d'un adolescent qui est en train de soulever une pierre trop lourde pour lui”.<sup>56</sup> Not surprisingly the three directives, passed in April 1972, did not go much beyond what was available already at the national level.<sup>57</sup> During the 1970s and 1980s the dilemma resulting from not agreeing on structural policy at Community level was that “national structural and social policies came to be used by member states to ‘compensate domestic agriculture in the case of “insufficient” price decisions at the Community level’”.<sup>58</sup> The CAP thus remained asymmetrical and structural measures were an additional means for member states to distribute welfare to farmers.

Even though the Mansholt Plan was not implemented in all its aspects, it was part of and triggered an intensive debate in the member states and at Community level about modern agriculture and improvement of agricultural structures. The Commission's projection of future developments and the attempt to manage the changes on a large scale were characteristic of the late 1960s and the early 1970s' belief in modernisation through planning. Mansholt's plan epitomised more than any other policy proposal of this era the progressive development of Western European societies from agrarian to (post) industrial societies. In fact, Mansholt wanted to speed up this process of deagrarianisation and depeasantisation which “also implies the decline of the political power and the cultural hegemony of the landed elites as well as of the pre-

55. ECHA, BAC 38/1984, No.465, *Rapport sur la 58<sup>e</sup> session du Conseil (agriculture) tenue le jeudi 16 janvier 1969 à Bruxelles*, SEC(69)225, Brussels, 20.01.1969, pp.113-130.

56. *Ibid.*, p.123.

57. See e.g. E. NEVILLE-ROLFE, *op.cit.*, pp.88-89.

58. A. KAY, *op.cit.*, p.36.

valence of agrarian mentalities and values, the change of the patterns of production, living and settlement".<sup>59</sup>

The Mansholt Plan had been the result of intensive studies of agricultural experts, economists, and agronomists both in the Commission and in expert committees using statistics and data processing and punchcards. The Memorandum was thus part of the increasing use of science in policy-making in that period. For the late 1960s it is thus only partly justified to speak of a "dialogue of the deaf" between agricultural economists and CAP policy-makers on the subject of CAP reform which Kay diagnosed for the period up until the 1980s.<sup>60</sup>

Nevertheless, the manner in which the Mansholt Plan was drafted – in DG VI and expert committees – seems to indicate the future path of the CAP which made a reform increasingly difficult as the policy was managed in committees of national and Community experts and was thus removed from the broader political questions. This and the fragmented administration in the Commission were not conducive to CAP reform during the 1970s. It was precisely through discussions in the Commission since October 1968 that the Mansholt Plan was connected to broader economic questions and regional policy.

Although the European farming sector has experienced profound changes since the launch of the Mansholt Plan, the plan is an important document that introduced the notions of competitiveness and efficiency into the debate on the future of European agriculture. Even if it is impossible to prove a direct influence, some of the ideas contained in the Mansholt Plan were again addressed in the late 1980s and in the preparatory phase of the MacSharry reforms.<sup>61</sup> It is likely that Eve Fouilleux's explanation of a profound transformation of the "rapports de forces entre les acteurs en jeu et l'évolution de leurs objectifs politiques globaux depuis les années 60" and Chris Elton's argument of a paradigm change can account for the final acceptance of ideas similar to those put forward in the Mansholt Plan.<sup>62</sup>

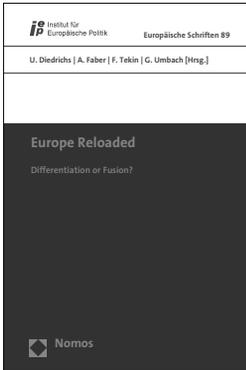
59. G. MAI, *Die Agrarische Transition. Agrarische Gesellschaften in Europa und die Herausforderungen der industriellen Moderne im 19. und 20. Jahrhundert*, in: *Geschichte und Gesellschaft* 4(2007), pp.471-514, here p.471.

60. *Ibid.*, p.29.

61. A.C.L. KNUDSEN, *op.cit.*, p.284, also emphasises the continuity.

62. E. FOUILLEUX, *La politique agricole commune et ses réformes. Une politique à l'épreuve de la globalisation*, L'Harmattan, Paris, 2003, pp.261-262; and Chris Elton's contribution in this volume.

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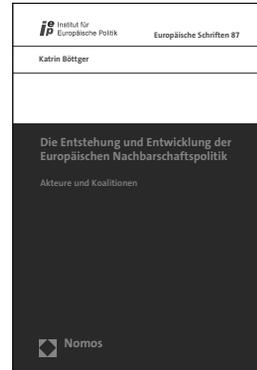
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## Paradigm Change within the CAP 1985-92: The European Commission's Construction of an Alternative Policy Narrative in the Late 1980s

*Chris ELTON*

Unlike other parts of the Treaty of Rome, the formal goals of the Common Agricultural Policy (CAP) set out in Article 39 have not been changed or modified. Yet, Isabelle Garzon suggests that “the founders of the CAP in 1958 [...] would [today] not recognise this policy, its objectives and its instruments”.<sup>1</sup> Consequently, there has been considerable academic debate about the nature of policy change, how such change has been brought about and what factors have determined the outcome and direction of change. While Adrian Kay and Robert Ackrill (in this volume) explore the processes of change in the principal programme of price and market support, this article examines change in the CAP as a composite whole and argues that the underlying rationale of the CAP was reviewed and amended during the 1985-1992 period.

Among political scientists, there has been an increasing turn towards the role of ideas as causal factors in explaining policy change.<sup>2</sup> This turn owes much to the seminal work of Peter Hall who introduced the concept of a ‘policy paradigm’<sup>3</sup> to capture the very framework of ideas and standards which underpin policy makers’ specification of their goals and their selection of policy instruments.<sup>4</sup> Further, policy paradigms encapsulate those ideas which enable policy makers to interpret policy issues, including cognitive ideas about how the world works and normative beliefs about what is legitimate and appropriate in the context of the culture and politics of the state. To explain how ideas came to influence the development of the CAP, it is necessary, as John L. Campbell proposes, to identify the causal mechanisms linking ideas to the outcomes of policy making, including the role of actors, the institutional context in which actors influence policy making and the processes by which policy discourse translates policy ideas into practice<sup>5</sup>. Marc Blyth argues that crises, by generating uncertainty about the adequacy of current ideas for resolving problems, create the opportunity for political contestation and the promotion of new ideas. His sequential model of institutional change emphasises how ideas help to interpret the

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1. I. GARZON, *Reforming the Common Agricultural Policy*, Palgrave Macmillan, Basingstoke, 2006, p.10.
  2. For example, V. SCHMIDT, *Institutionalism*, in: C. HAY, M. LISTER, D. MARSH, (eds.), *The State: Theories and Issues*, Palgrave, Basingstoke, 2006.
  3. While the use of the term ‘paradigm’ reflects Kuhn’s work on scientific paradigms, a policy paradigm cannot be equated with the scientific revolutions identified by Kuhn.
  4. P. HALL, *Policy paradigms, Social Learning and the State*, in: *Comparative Politics*, 3(1993), pp. 275-296.
  5. J.L. CAMPBELL, *Ideas, politics and public policy*, in: *Annual Review of Sociology*, 2002, pp.21-38.