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Article — Digitized Version

## Resignation unjustified?

Intereconomics

*Suggested Citation:* Mayer, Otto Gustav (1970) : Resignation unjustified?, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 05, Iss. 1, pp. 3-, <https://doi.org/10.1007/BF02928246>

This Version is available at:

<https://hdl.handle.net/10419/138295>

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# Resignation Unjustified?

**F**ranc devaluation and DM revaluation together have torn the veil from a fact that had hitherto been hidden: the decision of 1964 to establish unified farm produce prices in the European Economic Community in terms of a unified accounting unit had been a timebomb ticking away under the currency structure of the EEC, the explosion of which went off in 1969. Crop surpluses, structural discrepancies, and quarrels over finance—none of them had been able to overthrow the edifice of farm prices, but the currency dilemma has now succeeded in pushing the Community's agricultural policies to the brink of the abyss. France has left the common agricultural market, whilst German farmers' associations wage a desperate struggle for a return to a purely national farming policy. They argue: as long as we do not have a common economic and currency policy, any further step towards full integration will implicitly run the risk of failure from the outset. Is it then true that what had been the trailblazer of further integration has now become an insuperable obstacle for further cooperation?

It need not, and it must not come to that, provided that there is a will to build the Common Market and European cooperation. Should the problems of currency policy be ever so grave, this is still no cogent reason for throwing in the towel and for resigning ourselves to an inscrutable fate. The decisions which were taken in The Hague give rise to the hope that this will indeed not be the case. Nobody ignores the difficulties in the path of an effective anticyclical and general economic policy. But the first step of a long and arduous journey has been taken. The agricultural impasse might thus become a blessing in disguise—responsible politicians have been forced to acknowledge that they have no other chance to preserve the Community, not to speak of strengthening and completing its structure. The risk which new currency fluctuations present for the agricultural markets is naturally not yet completely gone, but it would be foolish to stare fixedly at the exchange rates. As in so many cases, marking time, in this context, means beating a retreat, and currency difficulties will be a lesser burden for the agricultural market as soon as its own essential problems have been overcome.

That is one of the reasons why a new and firm arrangement about financing the Community's farming must be found as quickly as possible. The traditional habit of the Council of Ministers to let crucial problems hang fire by repeatedly adjourning the debate about them has not been a sound policy in the past, and it has now become positively suicidal. However, when financial problems are to be settled, it must be clear that they are not solved by simply dividing up the subsidies into quotas broken down among member countries. A true settlement can only be founded on a firm basis of policy decisions on pricing, surplus, and structural measures. As soon as firm targets have been fixed, it will be easier to determine the sum total and the breakdown of the funds needed to finance their attainment.

One of the major common aims must be the provision of cheaper farming produce to consumers with the aid of streamlining and modernising the structure of European farming. All the remaining demands are short-term and basically ineffective expedients, which will have an anti-social long-term effect because they lead to a hardening of inequitable income levels.

It would be a mistake to believe that the entry of Britain, which is the biggest food importer in the whole world, of Denmark, and of others, might give us a chance to make do with half-measures in the field of structural reorganisation. On the contrary, the structure of British and Danish farming and food economies is much sounder than in the EEC, and their price level is considerably lower. We cannot expect of these countries that they should contaminate themselves with the EEC's sickness, but it must be expected of the EEC that it heals itself.

*Otto Gustav Mayer*