

'It is not definite that prices will increase' from L'Intransigeant (18 January 1962)

Caption: On 18 January 1962, François Donati comments on the raft of decisions relating to agriculture adopted by the Council of Ministers of the European Economic Community (EEC) and warns readers of L'Intransigeant against overenthusiasm.

Source: L'Intransigeant. 18.01.1962. [s.l.]. "Il n'est pas sûr que les prix augmentent ", auteur:Donati, François.

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It is not definite that prices will increase

It is only in just over a year's time, in spring 1963, that decisions concerning price levels are to be seriously discussed.

At present, there is a huge gap between the high prices paid to German farmers and the much lower prices paid to French farmers.

In principle, the agreement of 14 January provides that, by 1970, prices will have a uniform base throughout the whole of Europe. Henceforth, national governments will no longer have the right to set their prices lower than the existing lowest price (French prices) or higher than the existing highest price (German prices).

However, it is not definite that French prices will have significantly increased between now and 1970.

It is also highly likely that the German Government will be allowed to subsidise its agricultural sector heavily so as to avoid a fall in farmers' income.

A sudden fixing of prices at the European average will cause some difficulties to the governments concerned.

In France, there will be an unavoidable general rise in prices. In Germany there will be a farmers' revolt.

Overly high prices in France would cause agricultural production, which is already in surplus, to increase beyond all proportion. If French surpluses become too great, all the delicate mechanisms finalised in Brussels on 14 January in order to get rid of European surpluses will grind to a halt.

National governments should have formulated and discussed their political views in the period between now and spring 1963; it is likely that new, highly sensitive negotiations will then begin, and the majority of governments will apply a lot of pressure to ensure that European farm prices are set very little higher than the lowest existing prices.

François Donati