

## 'EEC agriculture financing enters final round' from the Süddeutsche Zeitung (10 May 1966)

**Caption:** On 10 May 1966, the German daily newspaper Süddeutsche Zeitung examines the lengthy negotiations on financing the common agricultural policy (CAP) within the European Economic Community (EEC).

**Source:** Süddeutsche Zeitung. Münchner neueste Nachrichten aus Politik, Kultur, Wirtschaft und Sport. Hrsg. Dürrmeier, Hans ; Herausgeber Proebst, Hans. 10.05.1966, Nr. 111; 22. Jg. München: Süddeutscher Verlag. "EWG-Agrarfinanzierung in der letzten Runde", p. 9.

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## EEC agriculture financing enters final round

### Concessions are necessary from all parties if a decision is to be reached in Brussels

Brussels (report from our own correspondent) — *The Member States of the European Economic Community (EEC) are drawing near to reaching an agreement concerning the financing of the common agricultural policy. However, considerable concessions are still necessary from some participants if, as intended, the EEC Council of Ministers conference, which started on Monday afternoon, is to lead by Tuesday evening or Wednesday morning to the conclusion of the new financial regulation. With the exception of the Federal Foreign Minister, Gerhard Schröder, all other Foreign Ministers have announced that they will participate in the decisive financial negotiations.*

The Council conference is the continuation of the ministerial meeting of Wednesday and Thursday of last week. The governments have used the weekend in their respective capitals to clarify their final negotiating positions. As Vice-President Marjolin confirmed to the Council of Ministers, the EEC Commission has drafted an overall compromise that was handed to the Council just before the start on Monday afternoon. It concerns the sacrifices, weighed against each other and fairly allocated, that all Member States will have to make in one form or another if further essential progress is to be made in the establishment of the economic community.

### Bone of contention: one per cent

From the economically strong German Federal Republic, whose high agricultural imports still come to a large extent from countries outside the EEC, the partners primarily expect a significant financial contribution in the price support for and structural backing of European agriculture. Although in Brussels the Foreign Minister, Gerhard Schröder, had strongly warned against 'unreasonable demands' on the German treasury, the partners have so far maintained that the Federal Republic should contribute around 32 % of the resources of the EEC agricultural fund. The Federal Republic has offered a maximum contribution of 31 %.

As the EEC's largest agricultural producer, and therefore being the largest beneficiary of the agricultural fund, France is to consent to the speedy abolition of customs duties in the industrial field. The Federal Government takes the view that it can raise the extraordinarily high financial payment of DM 2 000 million per year for the agricultural market only if it is given the opportunity to earn the necessary cash from an increase in German industrial exports. It therefore demands the simultaneous introduction of the free movement of goods in both the agricultural and industrial sectors. While France has, to date, offered to abolish customs duties totally on 1 January 1969, and not before, the French Federation of Industry goes so far as to claim that it will not reach the requisite level of competitiveness until 1970. By way of a compromise, the Council Presidency, currently held by Luxembourg, has proposed 1 July 1968. As the competitiveness of a national industry is unlikely to undergo fundamental changes within one year, the partners will probably demand that France give in on this matter.

After all, concessions are also expected from Italy and Belgium. Belgium is to accept a sugar market regulation that deviates considerably from the EEC's present agricultural philosophy, because sugar beet cultivation in Germany and Italy would otherwise be rapidly destroyed. Italy is expected to agree to a limitation of the agricultural fund's structural expenditure in order to prevent the fund from swelling beyond all measure. It is further expected to renounce, for the time being, the funding of the wine and tobacco markets from the EEC's agricultural fund.

### Reservations until the end?

Based on previous experiences from Brussels, it may be expected that the partners will not abandon their final reservations until the closing stages of the conference, although actual agreement seems certain. This should be the case at the earliest on the night from Tuesday to Wednesday. The Council of Ministers has, however, reserved the right to hold another discussion on agricultural financing towards the end of this month. Sources close to the Council of Ministers suspect that, after its completion, the agricultural finance

regulation will first end up in some filing cabinet before being finally passed, together with the outstanding rules governing common prices for milk, beef and veal, sugar, rice and fats, due to be discussed over the coming weeks before the summer recess.