Britain's War vs. the de Gaulle-Adenauer Common Agricultural Policy

by Karel Vereycken

After a four-year period of instability, on June 1, 1958, Gen. Charles de Gaulle was elected by the French Parliament as President of the Council. Four months later, on Sept. 28, French citizens approved, by 79.2% of the vote, de Gaulle's proposed Constitution for the Fifth Republic; he was elected President of the Republic, and inaugurated on Jan. 8, 1959.

During the seven months between his election in June, until his inauguration in January, de Gaulle crafted the crux of his policy: Besides giving France a new constitution and reorganizing its finances, he explored a new European perspective in a historic meeting with German Chancellor Konrad Adenauer on Sept. 14, and formulated France's full independence, in a memorandum sent to his good friend, Gen. Dwight Eisenhower, who was President of the United States.

On March 25, 1957, six European countries (France, Germany, Italy, Belgium, The Netherlands, and Luxembourg) signed the Treaty of Rome, which added both the treaty creating a Common Market and the European Community for Atomic Energy (Euratom) to the 1951 European Coal and Steel Community (ECSC). The executive of these three structures would later merge into the European Economic Community's (EEC's) executive: the European Commission.

While Article 3(e) of the 1957 Rome Treaty calls for a "common policy in the domain of agriculture and fisheries," its objectives are elaborated in Article 39:

"Article 39.1. The objectives of the common agricultural policy shall be:

(a) to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;

(b) thus to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings of persons engaged in agriculture;

(c) to stabilise markets;

(d) to assure the availability of supplies;

(e) to ensure that supplies reach consumers at reasonable prices."

The main features of the Common Agricultural Policy (CAP) were worked out in June 1960, at the Stresa conference, which began in July 1958. The Report of the European Commissioner on Agriculture, Sicco Mansholt (before he joined the Malthusian NATO outfit called the Club of Rome) introduced the concept of creating three indispensable pillars to make these principles a reality: first, the creation of a single united market; second, a policy of community preference; and third, total financial solidarity.

At the top, to make that integration possible, a common policy was adopted for the "regulation of prices, aids for the production and marketing of the various products, storage and carry-over arrangements and common machinery for stabilising imports or exports," and "any common price policy shall be based on common criteria and uniform methods of calculation."

Franklin D. Roosevelt-style central "intervention mechanisms" were put into place. In Article 39.4, it is specified that, "to attain its objectives, one or more agricultural guidance and guarantee funds may be set up."

Besides an agreement on principles, it was said that "the Commission shall, immediately this Treaty enters into force, convene a conference of the Member States with a view to making a comparison of their agricultural policies, in particular by producing a statement of their resources and needs."

A de Gaulle-Adenauer 'Wedding Contract'

Michel Jacquot, a former head of the European Agricultural Guidance and Guarantee Fund (EAGF) who was one of the French negotiators of the CAP, admitted the CAP was "a real wedding contract between Germany and France as wanted by de Gaulle and Adenauer,"[1] who knew that hunger and the lack of food security were totally incompatible with the need to reconcile the two nations after World War II.

Prime Minister Harold Macmillan

As soon as the CAP was under consideration, the British Empire went bananas. Even before the CAP was born, on July 31, 1961, Prime Minister Harold Macmillan announced Britain's sudden desire to join the EEC—but only under the condition that the EEC would abort its baby, the CAP.

1. Michel Jacquot, during a debate, on June 6, 2007.

DaD/Bundesbildstelle

French President Charles de Gaulle (left) and German Chancellor Konrad Adenauer, recognizing that hunger and the lack of food security were incompatible with the need to reconcile the two nations after World War II, joined forces to create the EU's Common Agricultural Policy (CAP), in 1962.

"One can hardly imagine what European agriculture would have become if the United Kingdom had integrated the European Community as soon as 1962 or 1963," wrote a French Senator, in a report on the CAP published in 2003. He added, "In the context of an economy of [imperial] trading posts entirely dependent on the outside for deliveries (with grain, butter, sugar, and meat imported from the Commonwealth) and attached to free trade, the British producers, in essence, get their income from 'deficiency payments' (a mechanism of direct aid given when market prices are higher than production costs). British consumers benefitted from low prices, but it was the taxpayer that secured a decent income to farmers. This system, acceptable in a country where only 5% of the workforce were farmers, would have ruined the Europe of the Six in the early 1960s, where one worker out of four or five, derived his income from agriculture."

"However," wrote the Senator, "most partners of France—and even the Commission—were ready to drop the agriculture program," in order to get Britain to join the EEC. Only France—it has to be recognized—showed itself inflexible by avoiding the likely dissolution of European agriculture into a great world market."

But de Gaulle and Adenauer went ahead, and the CAP was born on Jan. 14, 1962. One year later, on Jan. 14, 1963, at a press conference in Paris, de Gaulle, while expressing his respect and admiration for the courage of the English people, bluntly declared that the British system was incompatible with the philosophy and substance of the EEC:

"Britain, in reality, is insular, maritime, and connected by its exchanges, its markets, its deliveries, to countries as diverse as they are far away. In essence, Britain's activity is industrial and commercial and hardly agricultural. It has, in all of its work, very particular and typified traditions that are quite original. In short, the nature, the structure and the conjuncture that are proper to Britain, are profoundly different to those on the Continent. . . .

"For example, the means by which the people of Great Britain feed themselves, i.e., by the import of foodstuffs bought cheap on the markets of the two Americas, or in former dominions: While simultaneously giving considerable subventions to British farmers, that system is, of course, incompatible with the system the Six have naturally established for themselves. . . .

"The system of the Six consists of making a whole of all the agricultural products of the entire Community, to rigorously fix their price, and to outlaw subventions [from individual member countries], to organize their consumption among member countries and to oblige all of them to transfer to the Community any profit obtained by the imports coming from the outside rather than eating those products offered by the Common Market."

The United States joined the British in the offensive against the CAP, claiming it was a violation of the rules defined by the General Agreement on Tariffs and Trade (GATT), and imposed special conditions for the export of U.S. soy to the EEC.

When at last, with the help of French President Georges Pompidou, the British, together with Denmark and Ireland, joined the EEC on Jan. 1, 1973, their immediate request was an "in-depth reform" of the CAP. Consequently, at the 1979 European Council meeting in Dublin, Britain uniquely obtained the lowering of its contribution to the EEC budget, whose prime purpose is the financing of the only real common EEC policy: the CAP.

Nonetheless, despite many obstacles and shortcomings, the CAP rapidly achieved its main objectives: Europe's cereal, milk, and beef production grew by 5% per year, meaning it doubled in 15 years, while productivity skyrocketed. While efficiency was only 30 quintals (100 kg/220 lbs.) per hectare in the early '60s, within 20 years, efficiency attained 65 quintals/hectare. It also achieved its number one objective, which was neither money nor trade, but modernization and food self-sufficiency. As the current French Agriculture Minister, Michel Barnier, outlined in a rebuke of those willing to scrap the CAP today, the prices of agricultural goods (not the price of food in the store) were reduced in real terms by 50% in 30 years, and for wheat, by 66% over the same period.

'Victim of Its Own Success'

The main charge against the CAP was "overproduction." Not explaining that inventory permitted the EU to keep the prices low, media outlets concentrated on "mountains of butter" and "lakes of milk," while nothing was said about the underproduction of other products which the EEC kept importing from the rest of the world.

From there on, by mobilizing the Club of Rome, the GATT and, later the World Trade Organization (WTO), the British were at the center of a decades-long campaign to kill the CAP, which was accused of being too expensive, anti-environmentalist, elitist, privileging just a few landowners instead of small farmers, killing the poor in Africa, and more.

Since the death of de Gaulle (1890-1970) and Adenauer (1876-1967), governments have been capitulating to the British Empire's drive to install an imperial free-trade dictatorship, and most of the CAP's "reforms" have been uniquely oriented towards lowering production.

Here are some examples:

1972: Club of Rome

Sicco Mansholt, the Dutch EU Commissioner on Agriculture (1958-72), joined NATO's Malthusian Club of Rome, whose 1972 "Mansholt Plan" took 5 million hectares of useful farmland out of production, and "convinced" 5 million farmers to get out of agriculture.

1984: Quotas

Milk quotas were imposed to lower production and the principle of "reducing spending" was adopted.

1986: Blackmail by the Cairns Group

Coming out of the 1986 GATT Punta del Este "Uruguay Round," a group of 19 agro-industrial "emerging" powers (Brazil, Argentina, Indonesia, etc., but also, such British Commonwealth giants as Canada, Australia, and New Zealand) met in Cairns, Australia; they denounced the CAP and claimed their right to export cheap food into the EU.

1988: Set-Aside of Farmland

In 2008, the total farmland of the EU that was victimized by a policy of mandatory "set-aside" is 3.8 million hectares. If the rate of set-aside is brought to zero now, which seems to be the EU's plan, between 1.6 and 2.9 million hectares could be rapidly used again for productive agriculture. With a medium level of productivity, the estimated extra production is 10 to 17 million tons of cereals, if farmers decide to grow cereals rather than oilseed crops (for food or agrofuels).

1992: MacSharry Reforms

The Uruguay Round pressured the EU to open up to the world market, and to "decouple" subsidies from production. British EU agriculture commissioner Ray MacSharry imposed a lowering of the guaranteed prices of agricultural products "compensated" by "direct" financial aid to producers. The guaranteed price of cereals was lowered by 35%, and beef by 15%. Psychologically, this was the killer, since it got farmers to accept the "decoupling" of subsidies from production, and to live from permanent aid, converting subsidies into handouts. Meanwhile, with the GATT Blairhouse agreements, the EU accepted that it would produce less than 30% of its own oilseed and high-protein food needs, vital for feeding cattle. Consequently, the EU remains totally dependent on the good will of a handful of giant, mainly U.S., food cartels, such as Cargill, Archer Daniels Midland, and Monsanto.

1995: Unbridled Free Trade

At the Uruguay Round, the newly created WTO imposed

European Commission

In 1992, the Uruguay Round pressured the EU to open up to the world market, and "decouple" subsidies from production. This cleared the way for the takeover by the giant food cartels. Here, a member of the EC visits a farm in the Austrian Tyrol.

the Agreement on Agriculture (AoA). The new WTO code aimed to increase unbridled free trade, classifying subsidies into three categories:

1. a green box (meaning green light, i.e., authorized) that subsidized programs that didn't "distort" international trade; this includes, for example, environmental programs, training of farmers, and research;

2. an orange box, allowing some (decreasing) domestic support;

3. a blue box, aimed at taking down protectionism, through the reduction of export subsidies of developed nations, by at least 35% (21% of volume), between 1995 and 2000.

1999: Reduce Spending on Agriculture

The Agenda 2000 set out to limit spending for the CAP, diverting funds into environment schemes. The CAP represented 81% of the EU's budget in 1985; 65% in 1995; 44% in 2005; and is planned to represent only 37% in 2013. While the absolute amount increased, the percentage it represents of national income of member-states declined.

2003: Decoupling Aid from Production

The EU adopted the decoupling demanded by MacSharry and the WTO, and decoupling of aid was scheduled to go into effect in 2006. French opposition led to partial decoupling and sector-by-sector, even case-by-case arrangements; farmers were reduced to being mere gardeners of the natural landscape, giving pedagogical tours for kids visiting from the city.

The Riemannian 'Food Shock'

Since early 2008, the prices of basic foodstuffs (rice, wheat, milk, etc.) have soared as the result of a "Riemannian" shock front, a chain of causalities fueled by the current disintegration of the international financial and monetary system:

1. The blowout of the financial speculative bubbles (subprimes, CDOs, ABS, and other derivatives), and the large U.S. deficits are provoking the unending fall of the dollar.

2. According to estimates, if the dollar falls 1 cent, the price of every barrel of oil increases by $4.

3. The rise of costs of energy drives up prices of vital basic commodities such as steel, fertilizer, irrigation, and seed production, affecting prices of agricultural and food products.

4. The sharp rise of oil prices makes useless biofuels financially profitable, attracting investment into burning valuable food.

5. Rising food prices move speculative capital flows into food, as speculators flee the collapsing real estate and other financial markets.

This dramatic crisis transformed the "financial crash" into a "food crash" for many. Food riots and the falling buying power in dozens of nations caused some limit, and even halt, to food exports, in order to manage and satisfy domestic needs.

The Party Is Over; War Is On

In reality, this means the party is over, since "unbridled competition," the current name for British free trade, which

How Does the EU's Common Agricultural Policy Work?

Brutal empirical facts have taught mankind that food production is not an "instant" exchange of pre-existing objects created by magic, but the fruit of the transformative process of interaction between man and nature, operating over long time periods. Therefore, imposing free trade "supply and demand" ideology is the surest road to failure.

Competent economists, such as Franklin Roosevelt's farm policy advisor Mordechai Ezekiel, who wrote *From Scarcity to Abundance,* argued that agriculture should be given the status of an "exception" to the free market. Market and price regulations should not be left to the "invisible hand"; instead, they should be organized by government, as with FDR's New Deal policies. As early as 1936, these policies gained support in France, with the creation of the Office du Blé (Wheat Office). The CAP was another outcome of this Trans-Atlantic dialogue.

With the CAP established in 1962, the European Economic Community set up a complex mechanism of publicly managed market and price regulations to protect the complementary interest of producers (who need a stable income), and consumers (who need a reasonable price). Here are some of the basic principles:

1. The EEC defined a "single market" among six sovereign nations for selected agricultural products, abolishing tariffs among them, and harmonizing prices for these specific products.

2. "Community preference" was the rule. Member states committed themselves to satisfying their domestic needs only with supplies from other member states, unless goods were unavailable. Trade barriers and tariffs regulated imports and exports with nations outside the common market.

3. A common facility, the European Agricultural Guidance and Guarantee Fund (EAGGF), guaranteed a parity price for a given product. If the product could not find a buyer on the market, the fund would automatically buy up surplus, using its "intervention funds." In that way, prices were prevented from falling, and farmers secured a decent income. If prices rose too high (due to drought, etc.), the EU could sell its inventory, and drive prices down. Parity prices obviously created a massive incentive to expand production.

4. In practice, the parity prices were adjusted permanently (according to rising productivity, among other factors) by Common Market Organizations (CMOs) run by the EEC. Similar to the European Coal and Steel Community, each CMO implied a permanent dialogue among member-states to steer a distinct agricultural sector: cereals, pork, poultry, fruits and vegetables, wine, dairy products, etc.

This approach can serve as a model for other regions (notably Africa or Ibero-America), insofar as their economies have some similarity and potential for regional integration.

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was supposed to be the road to prosperity and wealth, revealed its true nature: hunger, on the "road to serfdom."

As a reaction, the financial media outlets such as London's *Financial Times* and the *Economist*, and the French *Les Echos*, began charging that "protectionism" in agriculture was the cause of famine, while pleading for more free trade and deregulation since, they lied, "higher prices" were a "golden opportunity" for the poor to get rich, a credo that even affects Jacques Diouf, the current head of the UN Food and Agriculture Organization (FAO).

But today, the British are playing endgame. For them, killing the CAP is a must, to build the global new "liberal" empire, dreamed of by the EU's Robert Cooper, and imposed through the EU-NATO-Lisbon militarization of Europe. A NATO-EU merger is considered vital to stop flows of migration provoked by food shortages, lack of energy resources, together with terrorism and climate change, in a world of increasingly limited resources. For the British, the CAP is the heritage of an order of sovereign nation-states guaranteed by food self-sufficiency and a bad memory of the headaches that de Gaulle and Adenauer gave them.

In 2005, one month before one of these deadly "rounds" of the WTO in Hong Kong, Tony Blair threw a fit against the CAP. Applauding Blair's ravings, the London *Guardian* wrote on Nov. 15 that, "The single thing rich countries could do that would most help developing ones would be to dismantle subsidies for agriculture. Such countries would allow poor countries to compete fairly in areas they are good at while releasing well over $380 bn a year, currently wasted on subsidies, for the west to spend on other things."

The *Guardian* revealed the real imperial program behind the reforms when it added that, "Many people find the subject tedious and complex. They should not. The issue is simple: it is immoral, and economic madness, to give (as the U.S. does) huge subsidies to farmers to grow cotton, a labor-intensive activity that could generate millions of jobs in Africa; also to grow sugar beet in Europe rather than in more favorable climates; and for Europe to subsidize cows by over $2 a day—a larger sum than half the world's human population lives on."

WFP/Peter Smerdon

Already in 2003, according to the FAO, close to 2 billion people lacked either basic food security—and not only in "poor" countries—among them: 35.1 million Americans, of whom 12.4 million are children. Shown, a Somalian woman with her three malnourished children.

In clear terms: Our new liberal empire should produce cheap food for the master race.

Kill the CAP To Kill the People

Things got even worse when Her Majesty's Treasury Department published a report, in December 2005, "A Vision for the Common Agricultural Policy." While applauding the long list of measures that have been gradually taking down the CAP, the report stated that, "the CAP is still not right for Europe, because it is not sustainable. Its roots are still in the mid-twentieth century [meaning FDR—ed.], where protection rather then enterprise was at the centre of policy making." The CAP, which remains the EU's "most visible and expensive common policy … significantly distorts the overall EU economy, … damages the environment, … distorts international trade, and inhibits economic development in some of the world's poorest countries," while it also "costs EU consumers and taxpayers some 100 billion euros each year."

In fact, reliable estimates are that the real cost of food security in Europe is only Eu100 per person per year! (The CAP costs Eu50 billion per year, and feeds 500 million persons.)

After the whining, the report spills the beans: While "normal" free traders generally pretend that globalization and free trade will increase world trade and supplies, it bluntly states that, "it will not be an objective of the new CAP to maintain existing or specific levels of patterns of production, whether within individual member-states or across the EU as a whole. Rather, production should be allowed to find a more sustainable level, reflecting natural advantages (in terms of climate and terrain), competitive advantages (in terms of food quality and safety) and rational trading relationships in a more open market."

Therefore, "the challenge for the EU is to remove current distortions so that by the second half of the decade EU agriculture is treated no differently from other sectors of the economy. Over the next 10 to 15 years, EU farmers should be moving towards a situation in which they make their business decisions on the basis of market judgements and consumer requirements alone, rather than in response to subsidy signals. This would be an environment in which the production-linked support and the Single Farm Payment had effectively disappeared."

Responding to the British war against nation-states, and today's crisis, institutional resistance seems to be finally awakening in France, as well as elsewhere in Europe, opposing both the scam of biofuels and the British/WTO-led attacks against the CAP.

For this resistance, feeding 9 billion people in 2050 remains a prime objective that stands way above any considerations of trade and tariffs. The doubling of food production is the bare minimum. Rejecting the perspective of total chaos, it appears clear that if food supplies collapse, the entire economy will follow, since food security is national security.

Beyond the official figures of "world demand for food" (determined by people's income rather than the real physical needs of individuals), stands a dark picture. Already in 2003, according to FAO, close to 2 billion people lacked either permanent, or steady, basic food security—and not only in "poor" countries. Among them, one finds 35.1 million Americans, of whom 12.4 million are children. Note also the 40% rise of elderly people stealing food in Italian supermarkets, since their pensions can't support them. Elsewhere on the planet, and in a far worse condition, are those 852 million people reduced to chronic hunger by extreme poverty.

Historically, mankind knows perfectly well how to feed itself, and there is no "objective" reason for this useless suffering. Food insecurity, hunger, and starvation are not regrettable accidents or misfortune, but a deliberate policy promoted by an Aristotelian financial oligarchy out to reduce the world's population. For them, as for all Aristotelians, man is nothing but a smart beast, incapable of making new resources available and a mere prisoner of what they mistakenly conceive as a fixed, dying universe. Therefore, there is no debate between "free trade" and "protectionism," but a fight for the very survival of a growing mankind.