

'The green pool', from Corriere della Sera (11 August 1952)

Caption: On 11 August 1952, the Italian daily newspaper Corriere della Sera considers the economic implications of the green pool plan for the agricultural sector of Western Europe.

Source: Corriere della Sera. 11.08.1952, n° 190; anno 77. Milano: Corriere della Sera. "Il "pool" verde", auteur:Negro, Silvio , p. 1.

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The green pool

Rome 11 August, evening.

If the coal and steel pool that came into operation yesterday works as its proponents intend, there is no doubt that the green pool, for agricultural products, will also become a reality. Even those most directly affected, the farmers, who have not concealed all their misgivings and reservations about this issue, are of this opinion and are therefore anxious to make their point of view clear. At present, the green pool is being examined by international study groups reporting to Paris, but in the autumn it will be considered by a Conference of Ministers and, notwithstanding Britain's customary indecision, the impression being given is that a step forward will be taken.

There have been various initiatives in this regard, because it is a fairly obvious idea to lift European agriculture out of the all-pervasive crisis that has been its permanent feature since the First World War by creating a single market in which resources are pooled, a measure of price stability is guaranteed and a preliminary distribution of specific tasks is set in motion.

The most recent initiative, which is being studied and has already received general recognition both from Governments and from the Assembly in Strasbourg, bears the name of the former French Minister for Agriculture, Pierre Pflimlin, and is based on two fundamental policies: control of purchases outside the area of the pool and the formation of reserves in order to regulate the placing of domestic products on the market when there is a surplus. Today, any increase in production that cannot be sold immediately causes such price slumps that a surplus is regarded, in some circumstances, as more harmful to farmers than a relatively lean harvest. To pool efforts is the only route to take, according to the French, given that it is inconceivable to destroy production surpluses, since that would be a crime against humanity, or to sustain agriculture by State subsidies, since the budgets of individual States rely primarily on agricultural resources.

It is fairly evident that the primary objective of a pool of this kind is to defend producers and, in fact, the French initiative is based on the conviction that, in one way or another, a coordinated European economy will soon be a reality, that this will have far-reaching repercussions and that it is therefore better to play it safe and find the best possible way of proceeding from now on.

The obvious objections, in the name of consumer interests, from supporters of the free market are countered by the advocates of the pool, who argue that the stabilisation of prices will be under the control of everyone, that coverage of risks will certainly bring about the vast increase in production that has not occurred so far and that this will have an automatic influence on prices; also that the extension of trade, the market balance and the harmonisation of production conditions will work far more to the advantage of consumers than of individual producers, who may well suffer as a result.

It should be added that, according to their predictions, in the space of a few years Western Europe will need to turn to countries outside its area only for one major item, grain; even meat will be reduced to the same proportion as a few other minor items. In short, the balance of trade deficit, which, as has been mentioned, is now five thousand million as far as foodstuffs are concerned, would be reduced to one thousand million, and that would definitely be of immense benefit to Europe and a major advantage for all.

Each country, it can be said, has its own views on the organisational structure of the pool and the powers of the authority that should be at its head, on the gradual nature of its application and on the products to be included. France, for example, began by proposing four: cereals, sugar, wine and cheese, but it is clear that Italy could certainly not accept the exclusion of our principal agricultural export: horticultural produce. If there is to be a marketing guarantee, it is as essential for such produce as it is for wine, both as a result of ever keener competition from French Africa and because whenever a country wishes to reduce its imports for monetary reasons it begins with horticultural products, which are still regarded as non-essentials.

Only now has it been possible to have wine and horticultural products included among the items comprising the food budget of a family; until yesterday they were regarded as luxury goods and treated as such. In

Nordic countries, wine is subject to a monopoly, like tobacco in Italy.

The fate of a product on the international market is always unpredictable. Everyone is aware, for example, of the difficulties experienced by Italian rice, even in recent times; at present it is in demand even from the Far East, but no one can say what the future will hold. Our country therefore supports the principle of the broadest possible coverage of products in the pool and has included in its request olive oil, hemp, silk, cured meats, tobacco and vegetable fibre. It has also raised the problem of labour, so crucial to Italy, stressing that it cannot be disregarded, as well as the problem of capital resources for agriculture. If, for example, the price of grain is to be the same throughout Europe, it is inadmissible that some people in Europe should practise dual pricing for superphosphates.

A European agricultural union that also encompasses horticultural products and labour would certainly have favourable repercussions on our country. According to experts, some disadvantages could definitely be expected in the dairy products sector if Denmark participates, and perhaps in some other minor sectors, but these will certainly be compensated in other more important sectors.

These arguments apply to general interests. On the other hand, as far as repercussions on individual businesses are concerned, many would undoubtedly benefit; others would be forced to face radical changes or complete transformations, since no one can hide the fact that the pool will establish a new law of life and death. This is the greatest unknown and is the reason for the very understandable suspicion on the part of farmers. It should be added that in Italy alone there are more than four million agricultural holdings, large and small, and it will immediately become apparent that the problem is far greater here than it was for coal and steel.

Silvio Negro