

## Airy promises

Senegal and the EEC's Common Agricultural Policy in the 1960s

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What was the difference between the Common Agricultural Policy (CAP) of the European Economic Community (EEC) and its development policy as regards the associated African countries' agriculture in the sixties? On the one hand, the CAP was based on a protectionist, income-centered approach focusing on high prices and marketing guarantees, which came along with a modernization process and an immense increase in production. On the other hand, the EEC's development policy aimed at liberalization of the economies of the African countries and their integration into the world market, which was to be achieved by modernizing their conditions of agricultural production. In other words, low world market prices and income losses caused by the abolition of French subsidies were supposed to be compensated by a vast extension of production. But this modernization failed due to internal as well as external reasons; on the contrary, production dropped, at least as regards the Senegalese groundnut economy. How and why did these different political strategies for relatively similar problems emerge from one and the same institution? Answering this question will reveal the CAP's effects on third states on the one hand and should lead to a better understanding of what development policy actually was about.

Following a multifaceted perspective, this chapter will focus firstly on the expectations and conditions in Senegal and in Europe in the early sixties. The second part will deal with the question of why and how the Common Agricultural Policy became a central issue for Senegal after the conclusion of the first Yaoundé Convention in 1963. Finally, it will be explained why, in contrast to the Council's promises, Senegal's interests were practically ignored within the CAP framework. To begin with, Senegal's economic situation and its relations to the EEC will be sketched.

When the European Economic Community was founded in March 1957, the colonial era had not ended yet. France still possessed a vast colonial Empire, mainly located south of the Sahara in Africa. Economically the metropole and its territories formed a great preferential trade area. This caused major problems for the French government in relation to future European common market integration and led to tenacious negotiations. In particular, the German delegation was reluctant to subsidize France's colonies without gaining some return services. However in the end, the overseas possessions of all prospective member states were associated with the EEC. These territories gained preferential access to the European markets and bene-

fited from a European Development Fund (EDF), which financed infrastructure and agricultural projects in the colonies. By means of the association France managed to conciliate the two economic areas, at least for a transition period.<sup>1</sup>

One of the associated countries was Senegal. The West-African territory with its three million inhabitants was economically deeply dependent on its groundnut production, which the French colonial administration together with influential Muslim brotherhoods had fostered since the second half of the 19<sup>th</sup> century. Indeed by 1900, the Senegalese peasantry produced 125,000 tons for export to the motherland; in the beginning of the sixties, production peaked to one million tons. At that time, the crop covered half of the cultivated surfaces and secured 75 percent of total earnings in the agrarian sector. The groundnut crop accounted for one quarter of the Senegalese gross national product, and the crop manufacturing industries were responsible for more than two fifths of all Senegalese industrial activities. Last but not least, nearly 90 percent of the active population was directly or indirectly employed in the groundnut sector. Keeping these data in mind, Senegal was a classical case of a monoculture economy that had emerged from colonial rule.<sup>2</sup>

Until 1954, this monoculture economy was based on a system called "économie de traite". It was characterized by a simple but unequal exchange relationship: the French wholesale houses took the earnings of the groundnut peasants and supplied them in return with aliments and finished goods from the metropole. Dubious brokers and very high interest rates led to a general indebtedness of the Senegalese peasantry and strengthened the position of the French traders. In 1954, the French government fundamentally changed this system and introduced a market organization for oil plants in its entire empire. This market system was very similar to that one later conceived by the EEC's Common Agriculture Policy: prices were fixed every year, normally above world market prices, and quotas guaranteed. By 1956,

1 For the negotiations about the association, see in general Guia Migani, *La France et l'Afrique sub-saharienne, 1957-1963. Histoire d'une décolonisation entre idéaux eurafricains et politique de puissance* (Brussels 2008); Thomas Moser, *Europäische Integration, Dekolonisation, Eurafrika: Eine historische Analyse über Entstehungsbedingungen der Eurafrikanischen Gemeinschaft von der Weltwirtschaftskrise bis zum Jaunde-Vertrag 1929-1963* (Baden-Baden 2000); Carol Cosgrove-Twitchett, *Europe and Africa. From Association to Partnership* (Farnborough 1978); for the German position Ulf Engel, *Die Afrikapolitik der Bundesrepublik Deutschland 1949-1999. Rollen und Identitäten* (Hamburg 2000): 225-230; Guido Thiemeyer, "West German Perceptions of Africa and the Association of the Overseas Territories with the Common Market 1967/1957", in: Marie-Thérèse Bitsch and Gérard Bossuat (eds.), *L'Europe Unie et l'Afrique. De l'Idée d'Eurafrique à la Convention de Lomé I* (Brussels 2005): 269-286.

2 Figures taken from Paul Pélissier, *Les paysans du Sénégal. Les civilisations agraires du Cayor à la Casamance* (Saint-Yrieix 1966): 30-31; Valy Charles Diarassouba, *L'évolution des structures agricoles du Sénégal. Déstructuration et restructuration de l'économie rurale* (Paris 1968): 69-70; Claude Freund (ed.), *L'arachide au Sénégal. Un moteur en panne* (Paris 1997): 9.

mountains of groundnut surplus had accumulated in Marseille, Bordeaux and elsewhere in France – Senegal produced more peanuts than the French could consume.<sup>3</sup>

## I. Great expectations

At first this system was continued even after the foundation of the Common Market. However, after the conference of Stresa in July 1958, the officials in Brussels as well as in Dakar became aware of the possible negative effects the Stresa results could have on the French overprice system and with it on the Senegalese groundnut economy. Already in the fall of 1958, the Directorate General (DG) VIII for the overseas countries together with the DG VI for Agriculture began to compile a report about the relevance of the associated countries' oil plant production for the EEC member states. The final version from May 1960 in particular emphasized Senegal's economic situation. According to the report, trade with the groundnut crop was considered the key access to a modern money economy for the Sahel state, and the prerequisite for any development. Furthermore, the report came to the conclusion that all of West Africa would fall to the East, if this monoculture zone were exposed to a long-term crisis. Finally, the question of oil plant supply was raised by EEC officials. West Africa was responsible for one third of the groundnut and palm oil world production. It furnished at least one fifth of the entire fat demand in the EEC. Bearing in mind these considerations, the report opposed the Stresa proposal, which pleaded for the annulment of customs on oilseeds and oleaginous fruits. It rather advocated the establishment of a market organization that would handle the African oil crops. The survey also called for broad modernization measures, in particular in Senegal, targeting a reduction of producer prices by considerably increasing production. Nevertheless, the officials in Brussels remained skeptical, because "eine Bauernbevölkerung lässt sich stets nur sehr langsam umerziehen". Nonetheless, it was generally realized

dass der Bauer in Senegal [...] genauso wie der Rapserzeuger in einem Departement des französischen Mutterlandes einer 'nationalen landwirtschaftlichen Marktordnung' angehört und dass sich für ihn das Problem der europäischen Integration in genau derselben Form stellt wie für irgendeinen europäischen Rüben- oder Getreidebauern.<sup>4</sup>

In conclusion, the report recommended that the European organization should continue the French overprice system but lower the amount in reaction to changing conditions.

3 See Diarassouba, *L'évolution*: 65-71; Yves Péhaut, *Les oléagineux dans les pays d'Afrique occidentale, associés au marché commun. La production, le commerce et la transformation des produits* (Bordeaux 1974): 769-778.

4 Historical Archives of the European Union (HAEU) 17/1969-67, COM DG VIII, "Der Markt für die Ölfrüchte der assoziierten überseeischen Länder und Gebiete", 11 May 1960.

Not only Brussels was concerned with the prospective development of Senegal's monoculture economy and its difficult harmonization with future CAP regulations. In the beginning of June 1960, that is, even before the official independence day of June 20<sup>th</sup>, the Senegalese Ministries of Economy and Planning deliberated on new strategies to embark on for the groundnut economy. They agreed that in the long run, the French market would be too small for Senegal's groundnut production, considering the 20 percent increase assumed to come about in the next years. So they took a closer look at the other EEC member states. Two perspectives seemed promising in the eyes of the Senegalese officials. New markets could be developed either by changing the taste habits of Germans, Dutch, and Italians or by joining European margarine production. However, the chief objective was to secure similar price guarantees and higher marketing guarantees within the framework of the prospective CAP compared to the existing French regulations, which in spite of independence had remained unmodified.<sup>5</sup> In fact, it was not so much the development policy of the EEC, on which the Senegalese government pinned its hope, but the Common Agricultural Policy. Shortly after, the Senegalese Ministry of Commerce based its claim to be included in the CAP regulation on the Treaty of Rome itself – at least regarding the market organization of vegetable fats: "Il est [...] impensable et contraire aux stipulations mêmes du traité que l'accession du Sénégal à l'indépendance et l'éclatement au sein du marché commun du système économique de la zone franc, puissent avoir pour conséquence une dégradation des garanties que le paysan d'outre-mer avait obtenues."<sup>6</sup> Although only a few months in charge, the Senegalese government quickly became aware of what would determine the destiny of its groundnut economy.

In July 1961, Agriculture Commissioner Sicco Mansholt made a first proposal concerning the regulation of the fat market which, to a certain extent, took the situation of oil crops producing African countries into account. In his draft, he stated

dass einigen der überseeischen assoziierten Staaten und Gebieten von ihren früheren Mutterländern bedeutende Vorteile beim Absatz ihrer Überschüsse eingeräumt worden sind. [...] Der Aufbau eines gemeinsamen Marktes für Fette muss diesen Interessen [...] Rechnung tragen. Eine weitere Assoziierung würde für eine Reihe von Staaten nicht möglich sein, wenn es nicht gelänge, die ihnen bisher von den Mutterländern eingeräumten Vorteile durch entsprechende Maßnahmen der Gemeinschaft zu ersetzen.<sup>7</sup>

Accordingly, the stabilization of African oil crop production was listed as one aim alongside with classical CAP issues such as ensuring supply or adequate consumer prices. Mansholt called for stabilization banks which could balance price fluctuations and recommended direct subsidies to be spent for the modernization of countries with especially bad economic conditions. First and foremost, Senegal and its

5 See Centre des Archives Diplomatiques Nantes (CADN), Amb. Dakar 292, Letter Diagne to Secrétaire d'Etat aux relations avec les Etats de la Communauté, 1 June 1960.

6 Archives Nationales du Sénégal (ANS), VP 171, Note Fall to Senghor, 5 November 1960.

7 See HAEU 17/1969-58, COM DG VI, "Vorschläge für die gemeinsame Politik auf dem Fettmarkt (Mitteilung Mansholt)", 5 July 1961.

groundnut economy was supposed to benefit from direct European Development Fund subsidies.<sup>8</sup> According to the Mansholt proposal, the funding of the stabilization banks was to be ensured by a European fat fund; the Association Committee was to allocate the amounts annually. This plan would have included the African States in the mechanisms of the CAP's fat market organization. To put it in Mansholt's words:

Nach vorstehenden Vorschlägen werden für die Erzeuger von Ölsaaten und Ölen wie für die verarbeitende Industrie der assoziierten überseeischen Staaten und Gebiete die gleichen Grundsätze angewendet wie für die Erzeuger und die verarbeitende Industrie in den Mitgliedstaaten.<sup>9</sup>

However, Mansholt assumed that in the long run modernization efforts would make an engagement of the CAP dispensable and considered the participation of African states in the CAP as a temporary and transitory solution.

It is important to acknowledge that Mansholt's concept endeavored to achieve modernization of the African oil crop economies within a stable and well funded price system. The Agriculture Commissioner assumed that modernization would only succeed, if the latter was guaranteed. Nevertheless, the issue developed very differently from what Mansholt had assumed.

## II. The great depression: the Yaoundé Convention and its effects

It is probable that Senegal and the EEC's Commission would have come to an agreement rather quickly in this early period. Their positions were not so far away from each other. However, economic conditions in the member states were so different that a conflict seemed inevitable. Germany and the Benelux States had to import their entire supply of vegetable fats except for a marginal colza production. Therefore they had little interest in a market organization for oil crops, which they until then had bought at the cheapest prices possible on the world market. In contrast, Italy sought to secure some guarantees for its olive oil production, whereas France, as already mentioned, had established a veritable market organization for vegetable fats that covered her entire ancient colonial empire. In addition to that, fat prices differed considerably among the member states. Thus, it was difficult enough to reach an agreement on vegetable fats among the member states only. The victims turned out to be the associated African countries and in particular Senegal.<sup>10</sup>

This constellation accounted not only for the establishment of a common fat market organization, which will be examined later in this chapter. The game began with

8 See HAEU 17/1969-58, COM DG VI, "Vorschläge für die gemeinsame Politik auf dem Fettmarkt (Mitteilung Mansholt)", 5 July 1961.

9 Ibidem.

10 See HAEU 17/1969-67, COM DG VIII, "Résumé de l'étude sur l'écoulement des oléagineux des pays et territoires d'outre-mer", 27 February 1960.

the negotiations about the renewal of association. After most of the associated countries had become independent in 1960, the member states, not the least against the background of the Cold War, soon decided to offer these former colonies a continuation of the association, which was supposed to be renegotiated in "equal partnership". Expecting at least the same advantages as before, all associated states were willing to go along with this and confirm the association with the EEC. These long and complex negotiations have been already investigated and described in various ways.<sup>11</sup> Therefore, I will restrict myself to a general outline before dealing with the specific role of the CAP in this process.

The negotiations were shaped by two opposing European fractions, France and the EEC Commission on the one side, Germany and the Netherlands on the other side. The only thing they both agreed on from the very start was that nobody wanted to continue the French overprice system through the European Development Fund without adjustments. The French, though, favored price support and stabilization measures, marketing guarantees and the abolition of certain consumer taxes in the EEC in order to increase the trading volumes. Germany and the Netherlands, on the contrary, branded the existing overprice system as colonial and backward. They claimed that economic independence would have to follow political independence, and that could only be ensured by diversification efforts and quick integration of the African countries into the world market. Finally, a compromise was found with the commonly-named production and diversification aid, which granted certain associated states a total of 230 million units of account for a five year period. Senegal received about 46.7 million units of account and was obliged to spend it for price support, structural adjustment measures, and diversification projects in accordance with very complex and strict prescriptions. In return, the Senegalese government committed itself as of July 1, 1964, to commercialize its cash crops in a competitive way, that is to say, on the basis of world market prices. It was expected that after five years, in which price support was to progressively decline year by year and with the realization of modernization projects funded by the EEC, Senegal would no longer need any further protection. Tariff preferences were determined in accordance with the Stresa results: annulment of tariffs for oilseeds and 10 to 15 percent for vegetable oil.

Admittedly, this plan was just pure theory of some member states' officials, who simply did not care or even know anything about the economic situation of the small West-African country. According to the accounts of the Senegalese Ministry of Commerce, the losses Senegal had to cope with amounted to 12 billion Francs CFA

11 See for example Moser, *Europäische Integration*, and recently Migani, *Décolonisation*; as a starting point also Cosgrove Twitchett, *Europe*, and John Ravenhill, *Collective Clientelism. The Lomé Conventions and North-South Relations* (New York 1985).

(Communauté française d'Afrique) within the next five years. Similarly alarming figures circulated within DG VIII.<sup>12</sup>

One may ask why on earth, under these circumstances, Senegal signed such an unfavorable convention. First, it should not be taken for granted that the Senegalese officials knew exactly what they were signing – at least they themselves argued that point. This subject has to be seen against the background of the arrest of Prime Minister Mamadou Dia, suspected of conspiring to overthrow the government, only some days before the convention was supposed to be initiated in Brussels at the end of December 1962.<sup>13</sup> Thus at that time a new, responsible Senegalese government was only a few days in charge; attempts to initial "ad referendum" proved to be illusory given 23 other partners willing to conclude the negotiations.<sup>14</sup> Secondly, the Senegalese government regarded the association primarily as a political commitment, almost as a symbol of "Eurafrican" solidarity that seemed more important than some technical or judicial aspects which were considered subordinate and alterable. This is reflected by the vain attempts to renegotiate the division of the production aid. Senegal's ambassador in Brussels, Djeme Momar Gueye, regularly evoked the "spirit of the convention" in the meetings of the Association Committee, which in his eyes had priority over its letters.<sup>15</sup> However, the Senegalese government also sought to exert pressure on the EEC beyond the EEC's institutions in order to make the community change their development agenda. In a speech before the General Assembly of the United Nations in September 1963, Foreign Minister Doudou Thiam seized the opportunity to blame the Community and France for their non-engagement: "Le fait le plus significatif, c'est l'attitude de certains pays anciens colonisateurs, qui veulent se dégager de leurs responsabilités." This especially concerned their policy of abandoning price subsidies. Some regional federation, as Thiam followed, believed to be able to compensate these losses by a diversification aid, "comme si la monoculture pouvait disparaître par un coup de baguette magique."<sup>16</sup> But neither the diplomatic approach in Brussels nor Thiam's rumblings

12 See ANS 1R 669, Ministère du Commerce, de l'Industrie et de l'Artisanat, Note, 14 February 1964. 12 billions Francs CFA account for approximately 50 million units of account; HAEU 17/1969-60, Note Hendus to Rabot, 23 January 1963.

13 For the details of the Dia affair see François Zuccarelli, *La vie politique sénégalaise 1940-1988* (Paris 1988): 86-91 and, with a different interpretation, Abdou Latif Coulibaly, *Le Sénégal à l'épreuve de la démocratie. Enquête sur 50 ans de lutte et de complots au sein de l'élite socialiste* (Paris 1999): 59-67.

14 See Centre d'accueil et de Recherche des Archives Nationales (CARAN), FPU 63, Report Gueye to Dakar, 29 December 1962.

15 HAEU 19/1969-170, Erklärung des senegalesischen Botschafters Gueye auf der ersten Sitzung des Interimsausschusses, 19 November 1963.

16 Archives du ministère des Affaires étrangères français (AMAEF), CE 1961/66-1550, Telegram New York to Ministry, 27 September 1963; Senghor apologized to the French Ambassador for the performance of his foreign minister, but at the same time made clear that the content of his speech was quite justified, see AMAEF CE 1961/66-1550, Telegram Dakar to Ministry, 22 October 1963.

on the international scene led to success; in summer 1963, the convention was signed in the same form as it was initialed in December 1962.

Under these circumstances, the Senegalese officials strongly believed that a second chance would lie in the future regulation of the CAP's fat market. Already during the latest minister conference in December 1962, Senegal's Ambassador Gueye requested a clarification of Art. 11 of the Convention that stipulated the adequate consideration of the associated states' interests in the preparation and determination of the Common Agricultural Policy. On this occasion he declared: "Die Hoffnung auf Schaffung gemeinsamer Marktorganisationen, welche die Beseitigung der Preisschwankungen bei Rohstoffen ermöglichten, habe mehrere assoziierte Staaten darin bestärkt, ihre Assoziation mit der Gemeinschaft fortzusetzen."<sup>17</sup> Consequently, in the meetings of the Association Committee he repeatedly insisted on strict compliance with article 11, which also stipulated consultations between the Associates and the member states. But the article did not specify when and how often consultations should be held. Gueye sought to get the Associates involved in the determination process as early as possible, that is to say already on the expert's working level. That attempt also failed. Consultation was supposed to take place after the Council had already adopted its point of view. In addition to this formal consultation, the Commission had to instruct all the other African countries about every step the Council would take as regards the CAP.<sup>18</sup> Consequently, Senegal's possibilities to influence the policy making process between the member states shrank altogether. From now on, Senghor and his government had to rely on trust in the member states' rationality alone.

In effect, what happened during and shortly after the negotiation process concerning the renewal of the association with the African countries, was that development problems that could not be solved within the framework of the European Development Fund were shifted to the Common Agricultural Policy. In comparison to the Mansholt proposals from 1961, the results of the Yaoundé Convention actually combined the ideas of price support and modernization measures, packing them into production and diversification aid. But in contrast to what Mansholt had in mind, the means for price support were far too curtly limited. Thus, the logic of the new convention was quite the opposite of Mansholt's original ideas: instead of regarding stable prices as a favorable factor for modernization processes it advocated quick adjustment to world market conditions which forced the Senegalese government into modernization efforts. The implementation of this development strategy was facilitated by the fact that the CAP regulations had not yet been specified: European officials suggested and the Senegalese government expected that the future organization of the European fat market would offer much better conditions than granted at that moment by the Yaoundé Convention.

17 HAEU 17/1969-60, Council, note, 6 November 1963, Annex.

18 See HAEU 19/1969-169, COM, Report "activités du comité interimaire CEE/EAMA", not dated [1963].

Already one month after the end of negotiations about the renewal of the association, Director General of the DG VIII Heinrich Hendus became aware of the insufficiencies of the new convention. In a letter to his colleague of the DG Agriculture Louis Georges Rabot the German emphatically sided with the associated states and in particular with the groundnut producing countries. He stated that groundnut production had to be protected in the same way as European agriculture and argued that unlike the European member states, who were economically independent of agricultural production and had their own means of protecting their peasants, the African countries were completely dependent on their cash crops. He doubted whether the results of the Yaoundé Convention were in accordance with the Mansholt proposal of 1961 and called for a solution within the framework of the future CAP regulations. In particular, he criticized the prospective scenario that duties levied on the Associates' imports would put the European competitors at a sure advantage. Thus Hendus insisted on equal treatment of European and African peasants.<sup>19</sup>

However, the German Director's plea fell on deaf ears. Rabot completely disagreed with Hendus' argumentation and told his colleague that his directorate considered the Mansholt proposal of 1961 to be obsolete. Concerning the convention and the role of the CAP, Rabot stated his point of view clearly:

Ces aides sont suffisantes. Dans ces conditions, la prise en considération des intérêts des EAMA [Etats Africains et Malgache Associés, M.R.] dans le cadre de la politique commune doit seulement permettre l'écoulement des produits et assurer une certaine stabilité de prix.

He considered a guaranteed tariff preference on vegetable oil of about 10 to 15 percent, which the Yaoundé convention stipulated, as sufficient, and additionally suggested further settlement of hardship cases concerning oilseeds for which no preference had been granted. According to Rabot, this settlement could provide a fixed minimum world market price which was supposed to come into effect, when the real price fell beneath the fixed price.<sup>20</sup>

Hendus again was surprised about the new concept of the DG VI and regretted that his Directorate General had not been consulted in the discussion. Nevertheless, he approved Rabot's proposal concerning oil seeds but at the same time wanted this regulation to be extended to vegetable oils. Hendus feared that otherwise the community could be justifiably blamed with blocking development in the African countries in general as well as with curbing their industrial activities in particular. Actually, Senegal possessed a relatively well developed groundnut oil industry, which was, however, predominantly under French control.<sup>21</sup> Hendus' arguments finally convinced the DG VI. The proposal of the Commission about the "consideration of the associated states' interests in the fat market" from July 1963 being part of the "principles for the common fat market organization" called not only for quick aboli-

19 See HAEU 17/1969-60, Note Hendus to Rabot, 23 January 1963.

20 HAEU 17/1969-60, Note Rabot to Hendus, 26 April 1963.

21 See HAEU 17/1969-60, Note Hendus to Rabot, 21 May 1963; for the French predominance, see AMAEF Sénégal 98, Note Journiac, 30 June 1962.

tion of oil tariffs and special measures in favor of oil seeds with origin in the Associated African States and Madagascar (AASM). It also recommended subsidies for oil seeds and vegetable oils in case of world market price fluctuations. The introduction of a fat tax for the benefit of the EEC budget was supposed to secure the funding.<sup>22</sup> Still, this recommendation was in accordance with the reasoning of the Yaoundé Convention, since it assumed that the associated countries could adapt to the existing allowance mechanisms, if the world market remained stable. Thus it became already clear that subsidies from the CAP would amount to no more than a drop of water in a bucket.

When the Committee of Permanent Representatives (COREPER) discussed the Commission's proposal for the first time in October 1963, most delegations were rather unwilling to deal with these questions and asked for more detailed information to be delivered by the Commission Services. Generally they opposed any further financial engagement beyond their dues to the EDF. Only the French ambassador appreciated the Commission's suggestions and supported its opinion that the Yaoundé Convention would not be able to solve the problem of world market price fluctuations.<sup>23</sup> One month later, a DG VIII working paper tried to pitch the proposal to the skeptical delegations. It was demonstrated that the EEC could earn about 70 million deutschmarks annually by taxing imported African vegetable oils, whereas, given the present economic situation, the proposed allowances would only account for 20 million deutschmarks.<sup>24</sup> Moreover, the Commission specified the conditions of subsidy distribution and offered that the intervention price be reconsidered from time to time. Consequently, the DG VIII described the suggestions as "mesures temporaires de caractère limitatif soumis à un examen et à des décisions périodiques."<sup>25</sup> But the Commission's efforts to play down the envisaged regulations did not succeed. At the following meeting of the COREPER, Germany and Italy highly contested the fact that taxes on vegetable oil imports would bear claims for compensation. Additionally, the Belgian Ambassador Van der Meulen feared that these proposals would counteract the declining character of production aid and therefore contradict the EEC's development policy.<sup>26</sup>

Given the scale of resistance from all member states except France, it is astonishing that the Council eventually adopted the Commission's proposal without any amendments. In fact, it became part of the famous last minute package deal proposed by the Commission on the night of December 22, 1963, that also included three other principle decisions on beef, milk, and on the design of the future guid-

22 See HAEU 17/1969-61, COM, Note for the members of the commission, 9 December 1963.

23 See HAEU 17/1969-60, Council, view point of the permanent representatives, 11 November 1963.

24 These earnings were supposed to come from fixed prices for vegetable fat that were planned within the common market in order to protect the European oil production.

25 HAEU 17/1969-60, COM, Note, 25 November 1963.

26 See HAEU 17/1969-61, COM, Note for the members of the Commission, 9 December 1963.

ance and guarantee fund.<sup>27</sup> The "principles for the common fat market organization" charged the Commission to prepare concrete proposals until November 1964. Besides stating the principles concerning the associated states, the Council proposed direct subsidies for European oilseed growers and a tax to be imposed on imported as well as on European vegetable oils in favor of the EEC's agricultural fund.<sup>28</sup>

The Senegalese government was not really amused. Ambassador Gueye severely criticized the EEC's proceeding at the third meeting of the Association Committee in January 1964. He was very disappointed that his government was not included and wished to be closely involved in future decision making. As to the content of the principles he criticized that the Associates would receive no purchase guarantees although the EEC's vegetable fat production covered only 20 percent of EEC demand. Finally, he charged

dass die Gemeinschaft, die ihre Agrarerzeugung in aller Öffentlichkeit schütze, von den assoziierten Staaten im Namen des Wirtschaftsliberalismus fordere, dass diese ihre Produktionen liberalisieren, die doch unter Rentabilitätsbedingungen erfolgten, bei denen der Bevölkerung dieser Staaten keine angemessene Lebenshaltung gewährleistet werden könne.<sup>29</sup>

Gueyes' statement should not be discounted as boorish bashing of the Community. On the contrary, he made the crucial point about the long-term impact of the EEC's development policy, in combination with its Common Agricultural Policy, on Senegal's development.

Considering these circumstances, the Senegalese government appealed again to its former metropole to furnish Senegal with those guarantees, which the EEC was reluctant to concede. As already mentioned, due to the Yaoundé Convention Senegal was obliged to commercialize the groundnut world market prices by July 1, 1964. But as long as no European market organization for vegetable fats was in operation, it seemed theoretically possible to prolong the existing overprice system, provided that France was willing to pay and the EEC partners would not oppose. The idea of delaying competitive commercialization at least for one year arose in Dakar shortly after the conclusion of the association's convention in December 1962 – and at least in this point the Senegalese government succeeded. Only for this purpose, the Minister for Planning Habib Thiam came to Brussels in March 1964. He personally wanted to campaign for a prolongation and explain the difficult economic situation in Senegal to all delegations. However, he had great difficulties to meet the member states' ambassadors. At least he was assured that in general, the member states would not oppose Senegal's request. But France wanted the other partners to fund half of these price subsidies, which was immediately rejected. In the end, they reached a compromise: France bought the same amount of groundnuts as in the pre-

27 For the background see N. Piers Ludlow, *The European Community and the Crises of the 1960s* (London 2006): 32-36; see also Politisches Archiv des Auswärtigen Amts (PAAA), B 20/200-756, Telegram no. 2297, Representation Brussels to Ministry, 24 December 1963.

28 See HAEU 17/1969-61, "Entscheidung des Rates", 31 January 1964.

29 See HAEU 19/1969-172, "Bericht über die dritte Tagung des Interimsausschusses", 31 January 1964.

vicious year but for a slightly lowered price. The allowances were to be paid by France up to 75 percent; the rest was granted in the form of EEC production aid on the basis of the Yaoundé stipulations.<sup>30</sup> Meanwhile, the economic situation in Senegal had taken on an alarming character: in Senghor's keynote address to his party congress in April 1964, he declared that wages and salaries would possibly drop by 20 percent.<sup>31</sup>

The prolongation of the old system actually brought Senegal some relief compared to the envisaged fat market organization – at least for one year. It turned out, however, that the CAP was no longer a promising policy field but rather a Damocles sword for the Associates and in particular for Senegal. At this moment, though, its government had not yet realized the full extent of the impact that a fully functioning CAP would bear on the groundnut sector.

### III. Waiting for the CAP

In January 1964, the same debate recommenced between the two concerned Directorate Generals as one year before. And it was Heinrich Hendus again who in reinterpreting the Council's decision tried to settle better conditions for the associated countries. To his colleague Rabot he proposed a special, annual budget of 30 million deutschmarks outside of the European Agricultural Guidance and Guarantee Fund (EAGGF) to be spent on easing world market price fluctuation in the AASM. Moreover, the German favored a payment in advance, i.e. before the commercialization period was supposed to begin. Finally, he wanted the regulation to come into force no later than the beginning of the forthcoming campaign in November 1964, which de facto meant a separation of the Associates' concerns from the European dimensions of the fat market organization.<sup>32</sup> Thus Hendus' concept considerably differed from the principles laid down in December 1963. This was also Rabot's opinion. The French general director consented to the financial separation from the EAGGF but rejected the annual budgets as well as the payment in advance and a change of the timetable in favor of the African countries. Furthermore, he wanted some guarantees that the EEC's subventions would not be spent on supporting oil exports at the expense of crop exports, since he feared unfavorable effects on the European oil industry.<sup>33</sup>

Thus, nothing had changed; DG VI remained reluctant toward the concerns of the African States. This is the more noteworthy since it was a Frenchman who advocated by and large Germany's Council position whereas a German fought for the French one. It demonstrates the high degree of institutionalization within the differ-

ent Directorates General, that is a strong identification with their proper issues and tasks. However, one should not hastily conclude from this case that a similar "esprit de corps" developed within DG VIII as it did within DG VI.<sup>34</sup> Compared to their colleagues from the Agriculture Directorate it rather seems that DG VIII was more fragmented and divided.<sup>35</sup>

Nevertheless in the CAP question DG VIII argued with one voice. In the final stage of the Commission's draft settlement, the dispute between DG VI and DG VIII reached the highest level. Development Commissioner Henri Rochereau urgently appealed to Sicco Mansholt:

combien la poursuite de certains objectifs de la politique agricole commune pourrait être contradictoire avec les objectifs que se sont assignés les Etats membres par la Convention d'association, si une aide particulière aux EAMA n'était pas consentie par l'organisation de marché envisagée sur des bases efficaces.

Rochereau emphasized the necessity of conceding allowances as soon as possible stating that "laisser ses états pendant les dix-huit mois qui suivent le début de leur campagne agricole dans l'ignorance des conditions d'attribution de l'aide partielle de la CEE, aurait abouti dans certains cas à les secourir lorsque la faillite serait consommée."<sup>36</sup>

Despite good arguments, nearly all efforts of DG VIII turned out to be in vain. The Commission's regulation proposal from December 1964 stuck to the provision of subsequent payment of allowances. Advance payments were only allowed as an exception at the request of the Associates after the Council's approval. Furthermore, the regulation was supposed to come into force together with the European fat market organization. Finally, by limiting the period of validity of the price stabilization mechanism to the duration of the Yaoundé Convention the proposal exerted great pressure on the member states if they wanted the Associates to benefit from it. However, in spring 1965, first discussions in the Special Committee for Agriculture re-

30 See AMAEF CE 1961/66-1551, Telegram Dakar to Ministry, 8 August 1964; note Direction des Affaires Africains et Malgaches, 1 September 1964.

31 See AMAEF CE 1961/66-1551, Telegram Dakar to MAE, 27 April 1964.

32 See HAEU 17/1969-61, Note Hendus to Rabot, 5 March 1964.

33 See HAEU 17/1969-61, Note Rabot to Hendus, 14 April 1964.

34 See Katja Seidel's article in this volume.

35 Veronique Dimier has convincingly shown how French ex-colonial officials entered DG VIII and how the director of the EDF, Jacques Ferrandi, managed to form a strong and coherent crew to administrate the fund. However, in relying too strongly on Ferrandi's statement "DG VIII was the EDF, and I was the EDF", she overestimates Ferrandi's scope of influence. The "esprit de corps" that Dimier maintains for the whole DG VIII accounts only for Ferrandi's direct entourage. Quotation taken from Veronique Dimier, "Administration Reform as Political Control: Lessons from DG VIII, 1958-1975", in: Dyonissis G. Dimitrakopoulos (ed.), *The Changing European Commission* (Manchester 2004): 74-88, here 78; see also Veronique Dimier, "Bringing the Neo-Patrimonial State back to Europe. French Decolonization and the Making of the European Development Policy", in: *Archiv für Sozialgeschichte* 48 (2008): 433-457. A good example of frictions within DG VIII is the establishment of the stage program for African officials, see Martin Rempe, "Crashkurs zum europäischen Entwicklungsexperten? Das Praktikantenprogramm für Afrikanische Beamte in den 1960er Jahren", in: Lorraine Bluche, Veronika Lipphardt, and Kiran Klaus Patel (eds.), *Der Europäer – ein Konstrukt. Wissensbestände und Diskurse* (Göttingen 2009): 207-228.

36 HAEU 17/1969-61, Note Rochereau to Mansholt, 10 November 1964.

vealed that the Germans, who claimed that the principle decision of December 1963 precluded any new financial burdens, categorically objected to the Commission's proposal. Following a bizarre form of reasoning, they argued that if new funding were necessary, it would have to be limited to five million units of account and the decision would have to be submitted for national parliaments' approval. Additionally and completely in contradiction to the aim of the measure, the German delegation insisted on a continual reduction of price fluctuation allowances.<sup>37</sup>

Given these fundamental objections against the Commission's suggestions, progress was difficult to reach. In the first half of 1965, the atmosphere in Brussels deteriorated from meeting to meeting, as negotiations about the financial regulation of the CAP dominated the agenda, which finally contributed to the Empty Chair Crisis.<sup>38</sup> It was not the best moment for negotiating a question that in the eyes of the member states seemed second-rank if at all worthy of consideration. In May 1965, Hendus reported to his Commissioner about the fat negotiation proceedings:

Au point où l'on est actuellement, il semble que seul un coup de fouet politique puisse accélérer la procédure. Ce désir de faire vite n'apparaît en ce moment chez aucune délégation, en tous cas pas du côté de la présidence [française, MR]. Il est très difficile d'apprécier les conditions tactiques d'une réussite, qui serait évidemment favorisée par un nouveau 'package deal' dont on ne voit pas encore les contours, ni les échéances, et dont les perspectives échappent au niveau des exécutants.<sup>39</sup>

Before the EEC crisis broke out in July 1965, Senegal was not consulted at all, which again led to bitter complaints from Ambassador Gueye within the Association Committee. Apart from that he also was very disappointed about the procrastination that characterized the negotiations.<sup>40</sup> However, the Senegalese government had not yet abandoned its hopes for a reasonable solution within the CAP. President Senghor invited Agriculture Commissioner Mansholt to Dakar who accepted and finally visited Senegal in the first week of April 1965. According to a mission report of the French Embassy, Mansholt in the course of his stay at last became aware of Senegal's concerns. In particular, a visit to several peanut cooperatives in the Sine-Saloum allegedly opened his eyes. When Mansholt asked the cooperative's president which price he believed to get for the next crop, the president answered, "quand l'enfant fait ses premiers pas, il ne demande pas à qui lui tend la main dans quelle direction il l'emmène, mais il marche confiant à ses côtés."<sup>41</sup> Mansholt, who before this event had still stated that amity between men was more important than economic groundnut problems, afterwards called for a stronger representation and in-

37 See HAEU 17/1969-62, Note Hendus to Rochereau, 15 March 1965; *ibidem*, Note Hendus to Rochereau, 29 March 1965.

38 For the reasons leading to the Empty Chair Crisis, see in detail Ludlow, *European Community*: 40-70.

39 HAEU 17/1969-62, Note Hendus to Rochereau, 3 May 1965.

40 See HAEU 25/1980-311, Council, Note, 5 April 1965, Annex: "Entwurf eines Tätigkeitsbereichs des Assoziationsausschusses".

41 CADN Amb. Dakar 288, Note de Lagarde to Couve de Murville, 7 April 1965.

volvement of the associated states in Brussels. However, he avoided any concrete promises for future CAP regulation. Thus, Mansholt's journey to Dakar helped to improve the EEC's image, but not so much Senegal's prospects of beneficial CAP regulations.

Immediately after the Empty Chair Crisis had broken out, President Senghor worried about the proceedings in Brussels and at the same time demanded again a prolongation of the French-Senegalese Convention. The French Ambassador in Dakar, Jean Yves de Lagarde, backed Senghor's concerns, stating that a lowering of groundnut prices would considerably question the President's popularity in the bush where he traditionally enjoyed major support.<sup>42</sup> In October 1965, agreement about a new convention was reached, which was based on guaranteed but again slightly lowered prices and quotas.<sup>43</sup> Furthermore, in order to allay Senegalese worries about the EEC's further development, the Quai d'Orsay instructed the Embassy to spread the information that even though the representative was withdrawn from Brussels, the French would still participate in affairs in general and in the activities of the European Development Fund Committee in particular.<sup>44</sup> This news was not more than cold comfort for Senghor given the importance he still attached to a quick solution in the framework of the Common Agricultural Policy.

Still before the Luxembourg Compromise was settled, the French delegation informed the other member states that the convention with Senegal was prolonged. Ironically this was justified by the delays the French government itself had caused.<sup>45</sup> In return, when the negotiations concerning the European fat market organization recommenced in March 1966, the internal European regulation clearly took priority over the agreement concerning the Associates. Given the Council's schedule, according to which an agreement had to be settled obligatorily until July 1, 1966, the danger arose that a European regulation would come into force that would automatically mean abandonment of the French engagement without any compensation for Senegal.

The Senegalese government as well as Hendus and Rochereau were immediately alarmed. The Minister of Commerce, Daniel Cabou, came to Brussels in order to personally hand over a memorandum to all member states' agricultural ministers. The memorandum outlined again that Senegal had only agreed to give up the French overprice system in anticipation of a similar one to be settled within the CAP framework. Furthermore, Cabou insisted that

l'établissement de la politique agricole européenne et la définition de mesures particulières en faveur des Etats associés ainsi que l'adaptation des moyens nécessaires à leur mise en oeuvre

42 See AMAEF Sénégal 99, Note de Lagarde to Couve de Murville, 16 July 1965.

43 See AMAEF Sénégal 99, Letter Triboulet to Cabou, 2 October 1965.

44 See CADN Amb. Dakar 753, Telegram MAE to Dakar, 13 July 1965.

45 See HAEU 17/1969-64, Council, Note, 13 January 1966, Annex: Letter Ulrich to Venturini, 20 December 1965.

forment un tout, étroitement lié, qui ne saurait être dissocié, à moins du renoncer à l'esprit même de l'Association.<sup>46</sup>

In order to ensure a concomitant adoption of the regulations, Cabou called for consultations to be started as soon as possible. At first glance Cabou's mission seemed to be successful. At the meeting of May 10, 1966 the Council decided that both regulations would come into force simultaneously and declared this again one week later at the fifth Association Council in Tananarive (today Antananarivo). Moreover, Cabou concluded from his talks in Brussels that the prospective regulation would turn out to be more advantageous to Senegal than formerly expected. However, Cabou was obviously promised heaven and earth while new obstruction plans marked the preparation of the Council's meeting. Most member states stressed their fear of setting a precedent which could lead to claims from other associated countries with different commodity productions such as coffee, bananas, or cocoa.<sup>47</sup>

Indeed the process continued as it had started at the beginning of the year. In September 1966, the Council adopted a regulation concerning the European fat market,<sup>48</sup> whereas less progress was made for the special agreement. The part concerning oil seeds and vegetable oils was supposed to come into force on July 1, 1967. If the member states wanted to keep their promise given in Tananarive, they had no more time to lose. The regulation was supposed to only cover two crop years, since the Yaoundé Convention ended in July 1969. According to Hendus, the issue was no longer how to find a reasonable solution for the Senegalese groundnut sector but rather to experiment with various models of development policy in view of the association's future.<sup>49</sup>

Thus, DG VIII efforts to settle the issue continued. Hendus in advance asked his colleague Rabot to provide for a special entry in the budget of nearly 9 million units of account to be dedicated to the Associates in 1967. But Rabot informed the German that at the moment there was no sufficient legal basis for such a provision and rejected his proposal.<sup>50</sup> Hence it already became clear that in 1967, Senegal would again receive no allowances from the CAP. Worse, the date, on which the European regulation was supposed to come into force proved to be in the middle of Senegal's groundnut commercialization campaign. Groundnuts marketed after July 1, 1967, could not benefit anymore from the French subsidies. This would have caused considerable market disturbances even before the date in July, since the traders would wait for cheaper prices. Therefore, Senegal demanded from the EEC to either prolong the protection until March 1968 or to concede a one-time compensation of 25

46 CADN Amb. Dakar 753, Letter Cabou to the EEC's representatives, 2 May 1966.

47 See HAEU 25/1980-317, COM, "Bericht über die dritte Tagung des Assoziationsrates in Tananarive", 2 June 1966; CADN Amb. Dakar 288, Letter Moreau to MAE, 17 May 1966; AMAEF CE 1961/66-1551, Note, 9 May 1966.

48 See *Official Journal of the EC*, L no. 172, 30 September 1966: 3025.

49 See HAEU 17/1969-66, Note Hendus to Rochereau, 14 July 1966.

50 See HAEU 17/1969-66, Note Hendus to Rabot, 29 September 1966; *ibidem*, Note Rabot to Hendus, 17 October 1966.

million French Francs. Cabou's concerns were not only backed by the "Syndicat des Fabricants d'huile de l'Afrique occidentale" but also anticipated by the French. They wanted the European regulation to be delayed until December 31, 1967, at least for the French territory. The Council finally agreed to this transitional arrangement and France prolonged the Senegalese groundnut convention for a last time under the same conditions as before.<sup>51</sup>

Finally in December 1966, in order to break the deadlock, the Commission presented a modified proposal. The allowances were calculated as follows: the difference between the reference price fixed at 180 units of account per ton and the real world market price was considered to 90 percent and then multiplied with the European import quantities coming from the associated countries. The next two years were divided up into four periods of half of a year each. For every period a budget ceiling was supposed to be fixed.<sup>52</sup> Based on different prognoses, DG VIII and DG VI disputed over the amount of these budgets, thereby counting their chickens before they were hatched, since nobody could know the real world market prices of the forthcoming years.<sup>53</sup> Naturally DG VI prevailed; the Commission's final draft proposed 21.5 million units of account for the entire two crop years instead of 26 million which the Development Directorate had proposed. Funding was supposed to be secured by special contributions of the member states. The idea of a fat tax as a source of financing was hence obsolete.

After the proposal became public, the Senegalese government finally realized that the CAP allowances would in no way be an adequate alternative to the French subsidies. In fact, the average groundnut world market price over the last ten years had been about 190 units of account per ton, and to stick to this price within the framework of the EEC's production aid program was also the final aim of the Senegalese government. On top of that, the relation between the Commission's reference price for groundnut oil and that one for oilseeds was lower than it had been under the French regime. This fact distressed the Senegalese government, which felt somehow penalized for its efforts to strengthen its processing industry. The foreign ministry expressed these worries to the French Embassy in Dakar and demanded that they be directly presented by the French delegation at the next Council of Ministers.<sup>54</sup>

In Brussels, despite the modified draft of the Commission, the Germans in no way had given up their radical position. They actually wanted the reference price

51 See HAEU 17/1969-66, Letter Fall to Rochereau, 4 November 1966; *ibidem*, Letter Latscha to Martini, 8 November 1966; *ibidem*, Telegram Boegner to Mansholt, 25 October 1966; *ibidem*, Note Rochereau to Mansholt, 14 November 1966; AMAEF Sénégal 100, Note, 17 November 1966.

52 See HAEU 17/1969-66, COM, "proposition modifié de règlement du conseil", not dated [1966]; for more detailed information concerning the modifications, see HAEU 19/1969-69, Note Hendus to Rochereau, 28 September 1966. Hendus mentioned that the amendments were a step backward but, given the harsh opposition of some member states, this was the only possible way to succeed.

53 See HAEU 17/1969-69, Note Hendus to Rochereau, 20 December 1966.

54 See CADN Amb. Dakar 753, Letter MAE to Dakar, 9 March 1967.

and the degree of consideration to be calculated in accordance with a maximum ceiling of 10 million units of account for the entire period. All other representatives had similar opinions except for the French delegation. Additionally, the negotiations among the six were complicated by disagreement about the distribution key that was to be applied: that of the EDF, that of the EEC's general budget or that of the EAGGF. The German Ministry of Finance at first proposed a distribution key for the general budget with 28 percent German participation and, later on, insisted that the German contribution should not exceed its share in the agricultural fund (31.2 percent), because otherwise a precedent for further European agricultural regulations could be set.<sup>55</sup> Due to these conflicts, at the fifth meeting of the Association Council on June 7, 1967, the Europeans had to tell their African partners that an agreement was not yet reached. But they assured them that the part concerning the tariffs would in any case come into force in the beginning of July. They also promised that a solution would be found at the Council Meeting at the end of the month. If agreement were not secured, the regulation would come into force with retrospective effect. Finally they pointed out that the consultations according to Art. 11 of the Yaoundé Convention would take place in the Association Committee after the Council had adopted its position.<sup>56</sup>

The final countdown incited President Senghor for a last time. Already in May 1967 he had sent his Minister of Commerce Cabou on a round trip to all member states' capitals again in order to campaign for the Senegalese vital interests. However, in Bonn Cabou was only received by Ministerial Director Stalman from the Ministry of Agriculture, who did not say a word about the key position of the German government. Shortly before the crucial council meeting Senghor tried to bring the French delegation in line. In a letter, simultaneously addressed to the French Prime Minister Pompidou, Foreign Minister Couve de Murville, State Secretary for Development Bourges, Agricultural Minister Faure and, last not least, to Jacques Foccart, he stated:

J'estime pour ma part, absolument indispensable que les propositions pour un prix de référence de 190 unités de compte et un taux de prise en charge de 90 % soutenues énergiquement et de longue date par les représentants de la République française, puissent être enfin entérinées par leurs partenaires européens.

Regarding the budget Senghor advocated maintaining the amount proposed by the Commission of 21.5 million units of amount.<sup>57</sup> Senghor also asked the Germans for support again:

Je demeure néanmoins persuadé qu'au cours des débats décisifs du conseil des Ministres de la Communauté Economique Européenne du 26 juin prochain le ferme soutien des représentants

55 See PAAA, B 20/200-1202, Ministry of Finance, Note, 26 June 1967.

56 See HAEU 25/1980-322, Council, "Ergebnisse der Arbeit auf der 5. Tagung des Assoziationsrates", 16 June 1967.

57 CADN Amb. Dakar 753, Letter Senghor to Faure, 20 June 1967.

de la République fédérale d'Allemagne contribuera grandement à la sauvegarde de nos intérêts essentiels.<sup>58</sup>

Obviously Senghor did not know that due to the German radical position the COREPER had already for a long time discussed completely different figures.

Ultimately Germany's strategy turned out to be successful: from its radical position it was relatively easy to grant some concessions. At the end of June the Council reached general agreement to fix the reference price at 186 units of account, the degree of consideration at 80 percent and the total amount at 13 million units of account. In addition, a very complex stipulation was agreed on concerning a reduction of the allowances in case the difference between reference price and world market price would already be covered by production aid. The funding was based on the distribution key of the EAGGF but to be handled on the basis of a special budget. Due to disagreement on rather unimportant details the decision was officially adopted no sooner than July 25.<sup>59</sup> The famous consultations with the associated states took place in the Association's Committee one week before. Not surprisingly, Senegal was very disappointed, whereas the EEC's speaker was relatively tight-lipped. Nonetheless, the Germans were proud of their self-claimed willingness to compromise. State Secretary Lahr wrote to Ambassador Gueye:

Die von der Gemeinschaft vorgesehenen Maßnahmen tragen den Interessen der assoziierten Staaten und namentlich der Republik Senegal weitgehend Rechnung. Die deutsche Regierung hat sich für das Zustandekommen dieses Beschlusses, der auch erhebliche finanzielle Leistungen vorsieht, nachdrücklich eingesetzt.<sup>60</sup>

## Conclusion

Even after the agreement's conclusion the German government continued to fool the Senegalese officials. And even after the decision was adopted by the Council, waiting for the CAP continued, since with the exception of France, all member states considered the regulation as an international law treaty necessitating ratification on the part of their national parliaments. Ultimately only in July 1970, all member states had ratified the Council's decision. The allowances for the Associates were paid out in spring 1971, almost two years after the agreement had already expired.<sup>61</sup>

58 PAAA B 20/200-1202, Letter Senghor to Lübke, 19 June 1967.

59 See PAAA, B 20/200-1202, Telegram no. 1164, Representation Brussels to Ministry, 28 June 1967; *Official Journal of the EC*, L no. 173, 29 July 1967: 14. One extra million was supposed to be funded by accumulated EDF interest if there was a necessity.

60 PAAA, B 20/200-1202, Letter Lahr to Gueye, 28 July 1967.

61 See PAAA, B 20/200-1611, Council, "Haushaltsordnung für den Fonds zur Durchführung der Sondervorschriften für Ölsaaten und Saatenöle mit Ursprung in den AASM", 21 July 1970: Annex; HAEU CCO 49: EEC, "Bericht über die Rechnungslegung für das Haushaltsjahr 1972", second volume: 31-32; *ibidem*, Reply of the Commission: 32.

The evidence is overwhelming that after conclusion of the first Yaoundé Convention no one except for the somewhat courageous DG VIII considered the Senegalese peasants' needs equal to those of the European ones, as the Commission had claimed in its reports of the early sixties. Development policy in the sense of improving human living conditions took place first and foremost in Europe in the framework of the Common Agricultural Policy. In contrast, development policy in Senegal aimed, if at all, at maintaining a status quo. The production aid, best characterized with the slogan "fit for the world market within five years", turned out to be a disaster. To give one example, at the end of the sixties impoverished and indebted peasants sold their agrarian equipment funded by the EDF and returned to subsistence economy. There is no doubt that many internal developments contributed to the so-called *malaise paysanne* in the groundnut economy.<sup>62</sup> It is, however, worthy to note that all these hastily, haphazardly executed internal reforms must be seen in the context of the modernization pressure imposed by the first Yaoundé Convention.

In accordance with this dichotomy between agricultural policy for Europeans and agricultural policy for Africans, consideration of Senegalese interests in the framework of the CAP appears to be an accident which came about as part of the Commission's smart package deal in December 1963. After that, even the French lobbied only halfheartedly for their francophone brothers and sisters. They obviously did not want to weaken their own position in the CAP negotiations. Consequently, in the framework of the second Yaoundé Convention in July 1969, the issue of price stabilization measures returned to the exclusive responsibility of DG VIII. Art. 20 of the new agreement provided means for Associates who faced "special and extraordinary difficulties creating an exceptional situation, having serious repercussions on their economic potential, and resulting from a fall in world prices or from calamities such as famines or floods." However, the member states had obviously learned their lesson from the CAP experience and abstained from a price-based mechanism. The Council granted the new exceptional aid only on the Associates' demand and after verification and fulfillment of countless preconditions.<sup>63</sup> Ultimately, the "exceptional aid" colorfully reflects the amazingly sustained logic of the EEC's development policy which blithely ignored the Senegalese economic reality: as modernization and adaptation to the world market had already been secured by the first convention, the second one needed only to focus on emergencies. The reason why the Senegalese consented again to an agreement with rather marginal advantages is easily understood: there was simply no alternative.

62 See for the internal proceedings, Mark Gersovitz and John Waterbury (eds.), *The Political Economy of Risk and Choice in Senegal* (London 1987); Mohamed Mbodj, "La crise trentenaire de l'économie arachidière", in: Momar Coumba Diop (ed.), *Sénégal. Trajectoires d'un état* (Dakar 1992): 95-136.

63 See Archives of the EU-Delegation in Senegal, III. FED 31100911505, COM DG VIII, "Note d'information sur l'aide pour faire face à une situation exceptionnelle", June 1970.