

Conclusions of the British National Farmers Union on joining the common market (London, November 1966)

Caption: In November 1966, the British National Farmers' Union weighs up the advantages and disadvantages for the British countryside of accession to the European Communities.

Source: THE NATIONAL FARMERS' UNION, National Farmers' Union of Scotland (Ed.). British Agriculture and the Common Market. London: The National Farmers' Union, November 1966. 35 p.

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http://www.cvce.eu/obj/conclusions_of_the_british_national_farmers_union_on_joining_the_common_market_london_november_1966-en-fb9857e7-f7c0-47a4-ad38-ce40f473dec0.html

Publication date: 24/10/2012

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[...]

Conclusion

The Unions' concern over acceptance of the present form of the common agricultural policy centers on such questions as whether there would be a prospect of improved farm income, whether the means to ensure the stability of prices would be adequate, whether there would be an increased demand for our agricultural products and whether the industry would have an effective voice in influencing farm policy. In this context, the question whether British agriculture is more or less competitive than the agricultural industries of the Six is not the crucial issue. The vital comparison is between the environment in which the industry would operate in an enlarged Community and that in which it operates today.

Although the Government's interpretation of the Agriculture Acts has frequently fallen short of the needs of the industry, this does not call in question the soundness of the Acts themselves. If the United Kingdom were to accept the EEC agricultural regulations as they stand, it would be substituting for a policy designed to meet the food and agricultural needs of this country one which represents the highest common factor of political agreement amongst the Six. Moreover, the United Kingdom would be abandoning its own policy and its established trade relationships for a policy which is as yet unproven even for the countries which have fashioned it. There is in fact as yet no basis for concluding that the common agricultural policy will be found in practice to be suitable and effective for the Community; far less can it be concluded that it would automatically fit the particular circumstances of the United Kingdom.

The Unions have therefore regarded it as necessary to make an appraisal of the EEC's agricultural regulations in order to ascertain, so far as information is available, what their advantages or disadvantages would be if they were applied to British agriculture.

The advantages for British agriculture of entry into the Common Market on the present basis would, of course, be fortuitous-the common agricultural policy has been designed for the Six and although some members of the Council of Ministers have stated that it could not be amended to meet British interests, none of them has stated that it would be likely to suit the United Kingdom. Even so, there would be at least temporary advantages for certain sectors of the industry from acceptance of the present common agricultural policy. These may be summarized as follows:

1. There would be a greater measure of import control from 'low cost' countries than at any time since the repeal of the Corn Laws in 1846.
2. Greater competition in the industrial sector might result in lower costs of some farm requisites as well as a fall in the prices of consumer goods and services.
3. Producers of grain and beef would be likely initially to earn higher net incomes.
4. For some products, e.g. cattle, lamb, grain and certain horticultural products, there might be possibilities for expanded exports.

The principal disadvantages would be:

1. The general stability provided by guaranteed prices together with long term assurances and a long term production policy would be abandoned. Greater fluctuations in prices, with no assurance that they would be

around higher levels, would be experienced by large sections of the industry, especially pigs and eggs for which an enlarged Community would normally be self-sufficient.

2. The termination of some of the direct production grants, e.g. the hill cow and hill sheep schemes, the calf subsidy and the beef cow subsidy, if they were deemed incompatible with the Common Market, would have serious consequences for a large number of producers.
3. There would be substantial increases in the cost of grain for animal feed which would be particularly harmful to producers of pig meat and eggs.
4. Higher grain feed costs would also more than offset the slight price advantage of the target price for milk compared with the pool price. Moreover the target price would be likely to be under pressure owing to the tendency to surplus milk production and the high consumer prices for milk products resulting from the application of the milk and milk products regulation.
5. Large sectors of the horticultural industry would be jeopardised. The risks to horticulture of unconditional entry have been specifically recognized by the Government.
6. There is as yet no regulation for potatoes. Growers of early potatoes would lose protection against imports from countries with earlier marketing seasons; the buying-up operations of the Potato Marketing Board would be likely to be incompatible with the Common Market.
7. For sheep and wool there are no regulations. Imports of lamb would be subject to tariffs but since it is not known what special arrangements might be made for New Zealand lamb, the outlook for sheep farmers is uncertain. Imports of wool would be free of restriction and the guaranteed price for wool would be abandoned.
8. The opportunity for the industry to influence the formulation and execution of agricultural policy would be greatly diminished.

After weighing all these factors, it is the Unions' view that acceptance of the present EEC regulations would have grave consequences for large sectors of British agriculture. It would be rash to assume that the problems are insoluble. It would be equally rash to deny their existence or to take it for granted that they would be satisfactorily dealt with after the United Kingdom became a member of an enlarged Community. The Unions would fail in their duty if they worked on this assumption. They therefore consider it essential that, before a decision is taken on United Kingdom membership, there should be an appraisal and an adjustment of the regulations to ensure that their application in a wider Community would be in the interests of and not detrimental to British agriculture and horticulture.