

## Position of the Netherlands Agricultural Board (7 April 1971)

**Caption:** On 7 April 1971, the Chairman of the Netherlands Agricultural Board, C.S. Knottnerus, gives his point of view on the need for a reform of the common agricultural policy

**Source:** Internationaal Instituut voor Sociale Geschiedenis, Amsterdam. Sicco L. Mansholt (1908-1995), (1858-) 1945-1995. Landbouwbeleid in Nederland en in Europa. Artikelen in kranten en tijdschriften, persberichten en andere documentatie over het landbouwbeleid van Mansholt en over het 'Plan Mansholt'. Met enige correspondentie. 1950-1955, 1961, 1964, 1968-1973, 1975, 1984, 1986-1989, 474.

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### **Introductory speech by the chairman of the Agricultural Board, Mr C. S. Knottnerus, at the opening of the public Management Committee meeting held on Wednesday 7 April 1971**

Two weeks ago, over 80 000 Belgian farmers, supported by several thousand colleagues from other EEC countries, demonstrated their exasperation with the current agricultural policy. It is regrettable that this impressive demonstration degenerated into senseless violence and destruction which caused a number of casualties. However, I also regret that the normal consultations between the EEC authorities, the national governments and the agricultural organisations had not culminated in a positive result in time, because ministers and the European Commission reached agreement with one another within 36 hours after this demonstration in Brussels.

Last week the Management Committee of the Agricultural Board emphasised the positive aspect of the EEC decisions. The long-term price freeze has been lifted and a start has been made on the common structural policy. In the view of the Management Committee, this has averted an imminent impasse and even the break-up of the Community, and it also expressed the hope that the Council resolution would be implemented in a genuinely Community sense. I would also refer you to some other points in the management's observations, namely satisfaction at the fact that the price increases for the livestock sector are largely in line with the proposals put forward by the Agricultural Board and disappointment at the agricultural prices which are to rise on average by only 1.5 % to 2 %. The Management Committee stressed that no new period of price freezing should occur after these price adjustments. At least the general increase in costs arising from inflation should be offset in prices each year.

For the moment, I do not wish to review any further the substance of the decisions, on which you will soon be able to give your opinion. However, there is one aspect of this umpteenth EEC marathon about which I feel I must say something now, namely the decision-making process, the way in which the ministers of the EEC Council adopt their decisions. It looks very much as if decisions in the EEC which are necessary for farmers and market gardeners can be taken only after sustained political and extra-parliamentary pressure from the business sector. I wonder whether the various governments and even the Commission are aware that they are taking decisions which affect the welfare of millions of farmers, market gardeners and agricultural workers in Europe. Price-fixing generally degenerates into a tussle to secure advantages for national exchequers. Naturally, everyone has their own very sound reasons for doing so, but the gentlemen concerned clearly fail to realise that the farmers and market gardeners did not know what to expect in all the years in which no decisions were taken. And to make matters worse, Mr Mansholt claimed that the farmers had been given inadequate information. But what information can be provided if no decisions are taken, which means that incomes are not raised but costs continue to rise as a result of continuous inflation? After a three-year price freeze, and in spite of ongoing negotiations, farmers and market gardeners had no alternative but to make an extremely urgent appeal to the general public. Since there have again been calls to freeze current prices until Britain has also caught up with them, I considered it appropriate to clearly emphasise this situation once again. Such a price freeze is unacceptable.

A start is now being made on a common structural policy and on creating a level playing field as regards competition; or at least a resolution has been adopted from which specific decisions must soon follow. Luckily, in the Netherlands we have for some time had schemes for those who wish to quit farming. However, it will be some time before there is an EEC-wide alternative solution offering a clearly different route to those deriving increasingly insufficient income from their businesses. Until then it is not acceptable for us to allow these people, whose earnings are less than the minimum wage, to fall even further behind in terms of income. Prices will have to be adjusted, at least if earnings and price increases continue to diverge. It is essential that the agriculture ministers and the European Commission are fully aware of this.

It is necessary to develop as soon as possible a system whereby such price adjustments may be made without the commotion that was required for it to occur this time around. We must therefore find a procedure whereby cooperation with business organisations is secured and whereby the advice provided by these organisations is paid the attention that it deserves.

It is a wrong to believe that it would be much easier for the agricultural organisations of the six countries than for their governments to reach agreement on the agricultural policy to be pursued. It is said that the agriculture sector collectively always seeks the maximum amount just to satisfy the farmers. The COPA proposal this spring proves that this is not so. A call for an increase of between 5 % and 7 % after a long-term price freeze certainly does not constitute an inflated demand, bearing in mind also the position in which the organisations find themselves when scant attention is paid to their very reasonable proposals. We shall happily inform the farmers and market gardeners of the actual circumstances and tell them what they can reasonably expect in the future, but our primary task is to make the response of those members clear to the authorities. This can be in the form of regular consultation, to which we are accustomed in the Netherlands, but it can naturally also be in a different form which, in general, does not make matters easier.

Furthermore, these difficulties will persist in the future if the Council of Ministers does not move to majority voting. It is impossible to ask a Council of six to secure unanimity on every matter. When the EEC is enlarged to include ten Member States, this requirement for unanimity will lead to even greater stagnation.

We shall probably also have to move to majority voting in the COPA. We shall have to be aware that influence over decision-making is possible only if we venture to deliver opinions. Consequently, such opinions must be directed not only to the EEC Council of Ministers but also in the same form to individual ministers. My impression is that the present circumstances are leading national organisations to attach maximum importance to influencing their own minister. He can expect nothing but difficulties in his own country, and he therefore will do his best to secure a decision favourable to his farmers. Where there are conflicting interests at stake, no decision is taken.

If agriculture is to remain the driving force behind European integration, we must avoid a situation where advances in agricultural integration are frustrated by monetary manipulation, such as revaluation and devaluation. If we fail to bring about swift harmonisation in this field, I foresee great difficulties for cooperation between agricultural organisations in the EEC. This cooperation is already under great pressure as a result of the contrast between concerted action in Brussels and the advocacy of national policy at home which, as it were, makes up for the shortcomings of the EEC. For example, the day before yesterday the German Government earmarked DM 500 million to subsidise German agriculture in a number of areas. Given the economic and social developments in Germany, I fully appreciate why our German colleagues requested such measures. Luckily, in one respect they failed to persuade the Federal Government, namely as regards the requested manipulation of VAT on agricultural products. This would have been extremely prejudicial to our exports to Germany.

As you are aware, the Agricultural Board also takes the view that national policy has a very important role to play in improving the position of agriculture in structural, social and fiscal terms. Our wishes are set out in the Multiannual Programme and will cost a few hundred million guilders a year if implemented in full. I hope that the political parties, which are at present competing for the voters' favour, will realise that our requests are reasonable and feasible and also serve the interests of the national economy.