European Communities
Commission

Press Release

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"Age of cheap world food over", says George Thomson

"The evidence is strong that the age of cheap food is over for good",
declared George Thomson, EEC Commissioner, in London on Friday April 26.
He was addressing the Royal Commonwealth Society.

"It is a modern myth to imagine there are great reservoirs of cheap
New Zealand dairy produce, of cheap Canadian wheat, of cheap Caribbean
sugar and Australian produce ready to flood into our supermarkets but blocked
by the dam of Community food taxes. The world price of wheat more than doubled
in 1973. 75 % of New Zealand dairy produce now goes to more profitable markets
elsewhere than Britain. New Zealand last year under-fulfilled its quota for
butter to Britain by 21 % and her cheese was about one third under quota. What-
ever the fluctuations in the future, Australia, Canada and New Zealand are not
going to bind themselves to artificially low prices if they can get more on a
world market."

"How do the Commonwealth aspects of Britain's membership of the
Community look after fifteen months of membership and on the eve of renegotiation?",
asked Mr. Thomson.

"The world background against which the Commonwealth issues of Britain's
entry were negotiated has undergone massive and dramatic changes. Soaring world
prices of basic foodstuffs and other commodities have turned upside down some of the
Commonwealth aspects of Britain's membership, so that Britain is at present
getting her wheat more cheaply from France than from Canada and the Common-
wealth sugar and butter quotas into Britain on which so many midnight hours were
spent in the negotiations are now underfulfilled. "

"Price levels will no doubt fluctuate in the future. But whatever ups and
downs there are the evidence is strong that the age of cheap food is over for good .... "

'Britain's links with both the old and the new Commonwealth remain of
great value, but Britain should re-think them not in terms of cheap food but of
dear oil, not in terms of what the Commonwealth can do for Britain but what Britain
can do for the Commonwealth in a changing world. "

"We live in a world today where the fear of economic disaster has replaced the fear of war as the main nightmare. The most pathetic victims of these new developments are the developing countries poor in the exportable resources which the industrialized world needs. "

"Far from being inward-looking, the Commission has sought to give a lead at the present conference by proposing a Community contribution of $ 500 million , to a world-wide fund of $ 3,000 million for the countries hardest hit by the increases in the cost not only of oil but also of grains and fertilizers. "

"For Britain and the European Community the challenge is as stark as it is simple. There never was a time when the case was stronger for being part of a Community with the economic power to contribute to a constructive solution to the present crisis. Yet the immediate impact of the Community's problems tempts governments short-sightedly to engage in go-it-alone policies, blinded by the shorter-term concepts of self-interest. "

"For Britain the Commonwealth is not an alternative to the Community. Both are important in different ways. The best service Britain can perform for the old Commonwealth of New Zealand, Australia and Canada is to make a success of its membership of the Community and ensure a strengthened European partnership in the Western alliance. The best service Britain can perform for the new developing Commonwealth is to make a success of the Community's present negotiations for a new form of partnership with forty-three African, Caribbean and Pacific countries.

"If Britain in the approaching dialogue can reconcile its problems with its partners in the Common Market, the Community and the Commonwealth can together provide a model for a healthier relationship between a united Europe and a united group of third world countries. "

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