

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 126 final

Brussels, 14 march 1979

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL
CONCERNING THE FURTHER EXTENSION OF THE
INTERNATIONAL WHEAT AGREEMENT 1971

Introduction

1. The International Wheat Agreement, 1971 will expire on 30 June 1979 unless it is replaced by a new agreement or extended by protocol before that date.
2. The negotiations for a new agreement having been suspended sine die on 14 February 1979, the final negotiating conference resolution called for the extension of the existing Agreement for a further period by means of Protocols of Extension. The Community subscribed to this resolution, as did all other participants in the Conference, and it is now necessary to implement it.
3. The required procedure is for the texts of the
 - draft 1979 Protocol for the fifth extension of the Wheat Trade Convention 1971; and the
 - draft 1979 Protocol for the fifth extension of the Food Aid Convention, 1971to be considered respectively by the International Wheat Council and the Food Aid Committee at their sessions to be held in the week commencing 19 March 1979, and approved by a Conference to establish the texts, to be held on 21 March 1979.
4. The draft texts under consideration are in the same terms as the Protocols for the fourth extension of the Agreement, but two questions of substance remain to be decided : (a) the duration of the extension; and
 - (b) the quantitative obligations under the Food Aid Convention.

Duration

5. The main purpose of the extension is to permit sufficient time for the necessary political will to be generated to complete the negotiation of a new cereals agreement with economic provisions. This is not a process that can be hurried. It would therefore be imprudent to adopt only a one-year extension, since this might lead to the build-up of pressures to resume substantive negotiations before the time was ripe. The Community should therefore argue in favour of a two-year extension, but should be prepared to accept whatever period achieved consensus.
6. If it so happens that a new substantive agreement could be negotiated before the end of this period, the draft texts provide for the replacement of the

protocols by the new agreement without the necessity of waiting till the end of the period of extension.

Quantitative obligations under the Food Aid Convention

7. The draft text provides for the continuation of the same obligations as before, namely, in the case of the Community, a minimum annual contribution of 1,287,000 tonnes.
8. During the course of the negotiations for a new Food Aid Convention, which formed part of the overall cereals negotiations, all donor countries had put forward increased figures for their new obligations (1,650,000 tonnes in the case of the Community).
9. It is to be expected that, during the International Wheat Council meetings which precede the adoption of the texts of the protocols of extension, there will be strong pressure from developing countries for the donor countries to increase their obligations immediately to the higher levels proposed.
10. The Community should be ready to adopt a positive attitude and to declare its readiness to increase its contribution to 1,650,000 tonnes. It goes without saying that it should be left to those charged with the negotiations to decide on the most appropriate timing and context for any such declaration.
- "11. In this connection, the Commission will submit to the Budgetary Authority proposals for the appropriate budgetary measures to enable any increase in the cereals food aid programme to be put into effect at the appropriate moment."

Financial implications

12. There are no new financial implications in the present proposal other than the continuation of existing obligations for a further period beyond the expiry of the existing Agreement on 30 June 1979.

apart from those resulting from the position which the Community might take up regarding food aid for cereals (see paragraphs 7-10). This will depend both on the total amount agreed upon, and on the breakdown of this total between the Community as such and the Member States."

Recommendation

13. The Commission recommends that the Council authorise it to negotiate, on behalf of the Community, Protocols of Extension of the existing Wheat Trade Convention and Food Aid Convention without modification of their content.

Conclusion

14. After the establishment of the texts of the Protocols on 21 March 1979, the Commission will make the necessary procedural proposals to the Council for their implementation through signature and the deposit of declarations of provisional application, as on the occasion of earlier extensions.