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PRESS RELEASE

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COMMON MARKET WEIGHS GRAIN STOCKPILING TO AID COMMUNITY-US TRADE RELATIONS

WASHINGTON, D.C., November 30, 1971 -- In an effort to improve Common Market-United States trade relations, the European Communities' Council of Ministers will soon consider a proposal for the stockpiling of surplus grain to help stabilize the world grain market.

Announced last Thursday in Brussels by the Commission of the European Communities, the proposal is seen as a step toward fulfilling the U.S. demand for "tangible progress" in improving trade relations, and reflects a Community desire to liberalize world trade. Its announcement came on the eve of the Group of Ten meeting being held today and tomorrow in Rome where financial leaders of the major trading nations are gathered to try to resolve the three-months old monetary crisis.

The idea of national stockpiling to limit exports on the world market is not new. During the Kennedy Round of trade negotiations, the European Commission proposed, without success, that a concerted policy of stockpiling be established to stabilize world grain markets.

The Commission stated that its recently renewed proposal for stockpiling surplus grain could be put into effect only if other major exporters agreed to do the same. Multilateral negotiations would, therefore, be necessary, the Commission said.

If approved by the Council of Ministers, Community stockpiling could begin as early as the 1972-73 season, with the volume dependent upon the level of exports between now and then, according to the Commission proposal. Part of the stored surplus could then be devoted to increasing the Community's food aid program.

Last year, the Community exported a total of \$391.6 million worth of cereals to third country markets, of which \$206.8 million was in wheat.

If the principle of stockpiling is approved, the Community should declare itself ready to continue the system beyond the 1972-73 season, the Commission said.

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