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COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 61 final

Brussels, 22 February 1979

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Recommendation for a
COUNCIL DECISION

authorizing the Commission to participate on behalf of the
Community in the negotiations for the renewal of the
International Olive Oil Agreement

(submitted to the Commission to the Council)

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Explanatory Memorandum

1. The Community as such has been a provisional member of the International Olive Oil Agreement since 1 January 1978.
2. Since the Agreement, as last prolonged by the Protocol of 7 April 1978, expires on 31 December 1979, a United Nations Conference is to be held in Geneva under the auspices of UNCTAD during the period from 20 March to 6 April 1979 to negotiate a new agreement.
3. A Special Committee for the preparation of the new agreement to enter into force on 1 January 1980 was set up under a Resolution adopted in Madrid on 8 May 1978 on the occasion of the 38th meeting of the International Olive Oil Council and following the Final Resolution adopted on 7 April 1978 by the United Nations Conference on Olive Oil.
4. The Community participated¹ in the work of the Special Committee, which met in Madrid from 19 to 25 October and from 11 to 13 December 1978 and produced a draft negotiating text. This has been forwarded by the International Olive Oil Council to the Director General of UNCTAD for use as the basis of the negotiations.
A copy is annexed for information.

Recommendation

1. The Commission recommends that the Council authorize it, pursuant to Article 113 of the EEC Treaty, to participate on behalf of the Community in the United Nations Conference to negotiate a new International Olive Oil Agreement.
2. The Commission will conduct the negotiations in consultation with the committee provided for in Article 113 of the Treaty, on the basis of the guidelines set out in paragraph 3 below.

¹ On the basis of S/1690/78

- 3. (a) In the light of the existing market surplus situation, the expansion of production should cease to be an objective of the Agreement.
- (b) The Community considers that the setting up of a buffer stock of olive oil would not resolve the problems of the existing market surplus situation. It therefore opposes this proposal.
- (c) The Community proposes to participate as such in the Publicity Fund set up under the Agreement.
The internal rules relating to its financial contribution to this Fund will at the appropriate time be decided by the Council.
- (d) The Community supports the proposal to promote technical improvements in olive-growing through the introduction into the administrative budget of the Olive Oil Council of a special chapter for this purpose of up to \$ 100 000, it being understood that such technical improvements should be directed to quality improvement and cost reduction and should not contribute to increased production.
- (e) The Community accepts the widening of the scope of the Agreement to include table olives, provided that additional expenditure does not result therefrom.
- (f) Questions of a technical administrative or drafting nature and other questions which may arise will be dealt with on the basis of Community co-ordination in loco.