

SUBJECT OF EXTENSIVE NEGOTIATIONS ON A NEW INTERNATIONAL WHEAT AGREEMENT AND DISCUSSIONS IN OTHER FORA. UNFORTUNATELY THESE EFFORTS BROKE DOWN IN 1979 OVER DIFFERENCES ON MAXIMUM AND MINIMUM PRICES, STOCK LEVELS AND THE AMOUNT OF SPECIAL ASSISTANCE TO DEVELOPING COUNTRIES. ALTHOUGH THESE EFFORTS DID NOT SUCCEED, WE HAVE CONTINUED TO PARTICIPATE ACTIVELY IN FURTHER DISCUSSIONS ON A POSSIBLE IWA AND SOME PROGRESS ON FOOD SECURITY HAS BEEN ACHIEVED. A NEW FOOD AID CONVENTION WITH HIGHER MINIMUM GUARANTEED LEVELS CAME INTO EFFECT IN 1980 AND DISCUSSIONS HAVE CONTINUED ON DEVELOPING AN INTERNATIONAL RESERVE STOCK THAT COULD BE USED TO MODERATE EXTREME PRICE FLUCTUATIONS WHILE REMAINING COMMERCIALY SOUND AND NOT HAVE A DEPRESSING EFFECT ON INCENTIVE RETURNS FOR PRODUCERS. A NEW FOOD FINANCING FACILITY HAS BEEN SET UP IN THE IMF TO ASSIST COUNTRIES FACING BALANCE-OF-PAYMENTS DIFFICULTIES BECAUSE OF FOOD IMPORTS. THE INTERNATIONAL EMERGENCY FOOD RESERVE REACHED ITS TARGET FOR THE FIRST TIME IN 1981. WE ALSO INITIATED GRAIN EXPORTER MEETINGS AIMED AT EXCHANGING INFORMATION AND COORDINATING DOMESTIC POLICIES TO AVOID HAVING A DISRUPTIVE EFFECT ON INTERNATIONAL MARKETS.

OUR POLICY WILL BE TO CONTINUE TO SEEK A MULTILATERAL AGREEMENT THAT WORKS IN THE INTERESTS OF PRODUCERS AND CONSUMERS AND IN PARTICULAR WILL ENSURE ADEQUATE INCENTIVES TO EFFICIENT PRODUCERS AND A STABLE SUPPLY OF FOOD AT REASONABLE PRICES TO CONSUMERS. WHILE WE CONSIDER THAT AN AGREEMENT ON PRICE LEVELS, AS DISCUSSED PREVIOUSLY, IS PREMATURE, WE DO CONSIDER IT IMPORTANT IN THE LONGER TERM TO BROADEN THE EXISTING DEGREE OF EXPORTER COOPERATION BY INCLUDING IMPORTERS. WE STRONGLY BELIEVE THAT IT IS IN THE INTERESTS OF IMPORTING COUNTRIES AND THE WORLD'S GLOBAL