MAINTENANCE OF QUANTITATIVE IMPORT RESTRICTIONS

Request by the Government of Belgium

Addendum

Protocols, agreements, etc. submitted by the Government of Belgium:

<table>
<thead>
<tr>
<th>Page</th>
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</thead>
<tbody>
<tr>
<td>I    Protocol of 9 May 1947</td>
</tr>
<tr>
<td>II   Protocol of 21 October 1950</td>
</tr>
<tr>
<td>III  Pre-Union Agreement</td>
</tr>
<tr>
<td>IV   Decision of 3 May 1955</td>
</tr>
<tr>
<td>V    Law establishing an Agricultural Fund</td>
</tr>
</tbody>
</table>
Protocol of talks held in Brussels on 9 May 1947
between Belgian, Luxemburg and Dutch Ministers of Agriculture.

In accomplishment of their mission under paragraph 10
of the Protocol of 2 and 3 May 1947.

Article 10 - The Ministers of Agriculture of the three countries shall meet before 15 May 1947 to examine the agricultural policies pursued by their respective countries and to consider the best methods for co-ordinating them harmoniously. The outcome of their consultations shall be communicated to the Special Committee of Ministers of the three countries and possibly to the Council of the Economic Union.

* * *

The Ministers of Agriculture of The Netherlands, the Grand-Duchy of Luxemburg and Belgium meeting on 9 May 1947 at the Ministry of Agriculture in Brussels:

Having considered as a whole the problems of relations between the three countries in the agricultural field:

Being guided by the conclusions of the Commission on "Agriculture, Food Supplies and Fisheries":

Have agreed upon the following principles with a view to the progressive establishment of the Dutch-Belgian-Luxemburg Economic Union:

1. The three Ministers agree upon the principle of preferential treatment to be granted to the countries concerned.

2. They unanimously recognize the necessity for each of the countries to base its agricultural policy on a guarantee to ensure minimum prices to the producer of agricultural products, which would include, in addition to the cost price, a reasonable margin of profit.

3. Cost prices shall be established according to the schedule of the Tripartite Commission on Agricultural Contacts. They shall be subject to previous discussion, but the right to fix them shall be reserved to each individual country.
4. With a view to guaranteeing a minimum price to the producer, each of the three countries is authorized to introduce all measures of valorization within its territory, and to safeguard its home market vis-à-vis third countries and partners. Should these measures be applied to partners, they shall also be valid a fortiori for third countries.

5. It may, notably, maintain imports under a licensing system, even if the market prices are higher than the minimum prices, it being understood that, in that event, the preferential régime shall be applied, and that the methods for granting licenses shall not hamper transactions.

6. When the state of supply of the market threatens the minimum price, and this fact is public knowledge, each of the three countries is authorized to introduce the necessary measures to safeguard minimum prices.

7. The Ministers have asked the Commission on "Agriculture, Food Supplies and Fisheries" to carry out the above directives, to follow closely the development of all questions relating to the problems concerning the three countries, and, in particular, to entrust a permanent sub-committee with the task of studying all questions relating to agricultural prices.

(Signed)
ORBAN,
MANSHOLT,
MARGUE.
II

PROTOCOL

drawn up by the Governments of the Grand-Duchy of Luxemburg,
Belgium and The Netherlands, on the discussions between Ministers,
held on 20 and 21 October 1950 in Luxemburg.

The Governments of the Grand-Duchy of Luxemburg, Belgium and
The Netherlands,

Convinced that in order to establish an Economic Union between their
three countries, they must first seek in the agricultural field to:

(a) increase productivity and reduce agricultural cost prices, with a view
to meeting home requirements to the greatest extent possible, and to
gaining as strong a position as possible on the foreign markets;

(b) ensure for agriculturists and agricultural workers in the three coun-
tries stable living conditions in undertakings which are soundly
operated and economically and socially justifiable;

(c) create the requisite conditions for as free a movement of agricultural
products as possible throughout the Union:

Have agreed upon the following provisions:

Article 1 - The import and export régime of agricultural products to and from
third countries shall be uniform, in accordance with the provisions of the
Ostend Protocol (Chapter II).

Article 2 - The measures applied by the governments shall ensure as wide and
regular markets as possible for agricultural products at reasonable prices
on home and foreign markets.

Article 3 - Complete liberalization of trade in agricultural products between
the three countries shall be progressively established by the systematic
pursuit of technical progress at the highest level in the three agricultural
economies, and by reducing and even gradually removing subsidies which are
granted unilaterally.

Article 4 - Pending complete liberalization, the products listed under
Schedule A annexed to this Protocol shall be allowed to circulate freely
between the three countries, on condition the régime of minimum prices fixed
between the parties is applied (Protocol of 9 May 1947 and Complementary
Agreements, provided no exception is introduced thereinto by the present
Protocol).

These prices shall be jointly established by the Commission on
"Agriculture, Food Supplies and Fisheries" of the Council of the Economic
Union. Should there fail to be agreement within that Commission, either in
regard to a minimum price or its application, the controversy shall at once be submitted to a meeting of Ministers of the three Governments, specially convened for the purpose, and which shall come to a decision within a time-limit of one week. That decision shall be applicable immediately.

Should it prove impossible to come to a unanimous decision at the said meeting, the Government of the importing country concerned shall be free to apply forthwith the measure it considers indispensable to the protection of its interests. In determining the measures it considers indispensable to the protection of its interests, the country concerned shall take account of the need to avoid unjustly impairing the interests of the exporting country. But should the injured country consider that the measure seriously affects its interests, it could appeal to the arbitration of a panel of three persons, appointed, the first, by the Government of the applicant country, the second, by the Government of the importing country concerned, and the third, by mutual agreement between the first two. The arbitrators shall act as intermediaries in a friendly settlement in the spirit of the agreements concluded between the partners. The decision of the arbitrators, which shall be given within a time-limit of two months, shall be applicable immediately. The procedure, as outlined above, shall be valid until such time as the Convention on Economic Union which is currently being drafted comes into force. When that Convention becomes applicable, the injured party shall comply with the clauses of that Convention referring to arbitration.

Article 5 - Agricultural and food products not specified in the appended Annex may be added to the said Schedules, should competitive conditions be appreciably modified by the introduction of new artificial factors.

The procedure applicable for the purpose shall be identical to the procedures stipulated under Article 4 above.

Article 6 - With a view to guaranteeing the minimum prices fixed in application of Articles 4 and 5, levies shall be charged by the exporting country, equal to the difference between the minimum price fixed, and the internal market price of the exporting country. The total of these levies shall be shared equally by The Netherlands and by the Belgian-Luxemburg Economic Union at the close of each quarter.

Article 7 - Consistent with the provisions of the Protocol of 9 May 1947, and with the Pre-Union Agreement of 15 October 1949 (Annex 4 - Chapter I), the parties agree to grant each other preferential treatment for imports of agricultural products which are subject to the minimum price régime. Preferential treatment shall likewise be applied to licensing fees which may be charged on importing these products. These fees are applicable only on imports of goods originating from third countries.
The products on the appended Schedule cannot be liberalised vis-à-vis third countries.

Article 8 - The above provisions modify and complete those in Chapter II of the Protocol, Annex IV of the Pre-Union Agreement of 15 October 1949.

In applying the above provisions, the contracting parties shall have consideration for the special production conditions of Luxemburg's agriculture.

Article 9 - This Protocol shall come into force on 1 January 1951.

Done in three copies at Luxemburg, 21 October 1950.

Initialled: P.Z. (Paul Van Zeeland)
P.D. (P. Dupong)
D.S. (D. Stikker)
Annex to the Protocol of Talks between Ministers held at Luxembourg on 20 and 21 October 1950

**PRODUCTS SUBJECT TO ARTICLE 4 OF THE PRESENT PROTOCOL**

**SCHEDULE A**

<table>
<thead>
<tr>
<th>Tariff Item No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Bovine cattle</td>
</tr>
<tr>
<td>6</td>
<td>Swine</td>
</tr>
<tr>
<td>13 a¹</td>
<td>Fresh or chilled beef and veal</td>
</tr>
<tr>
<td>13 a²</td>
<td>Frozen beef or veal (x)</td>
</tr>
<tr>
<td>13 c¹</td>
<td>Fresh or chilled pork</td>
</tr>
<tr>
<td>13 c²</td>
<td>Frozen pork (x)</td>
</tr>
<tr>
<td>17</td>
<td>Bacon</td>
</tr>
<tr>
<td>18</td>
<td>Meat, salted, dried and smoked</td>
</tr>
<tr>
<td>22</td>
<td>Milk</td>
</tr>
<tr>
<td>23</td>
<td>Milk cream</td>
</tr>
<tr>
<td>24 a¹</td>
<td>Preserved milk and cream condensed without addition of sugar</td>
</tr>
<tr>
<td>25</td>
<td>Butter</td>
</tr>
<tr>
<td>27 a¹</td>
<td>Eggs of poultry in the shell</td>
</tr>
<tr>
<td>27 b¹</td>
<td>Eggs shelled for use as food</td>
</tr>
<tr>
<td>47</td>
<td>Tomatoes</td>
</tr>
<tr>
<td>48 ex</td>
<td>Onions</td>
</tr>
<tr>
<td>49 a</td>
<td>New potatoes imported from 1 January to 25 May inclusive</td>
</tr>
<tr>
<td>49 b¹</td>
<td>Seed-potatoes (x)</td>
</tr>
</tbody>
</table>

(x) Applicable only to the Grand-Duchy of Luxembourg.

**N.B.** Fresh cut flowers (Item 43) are liberalized in so far as no duty is charged on exports of bulbs and corms to the Belgian-Luxemburg Economic Union.
### Tariff

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>49 b²</td>
<td>Potatoes from Malta and other areas in Southern Europe</td>
</tr>
<tr>
<td>49 b³</td>
<td>Other potatoes</td>
</tr>
<tr>
<td>50 ex</td>
<td>Cauliflower, white and red cabbage, carrots, various salads, witloof, French beans and peas</td>
</tr>
<tr>
<td>57 a</td>
<td>Fresh grapes</td>
</tr>
<tr>
<td>59 a-b</td>
<td>Apples and pears</td>
</tr>
<tr>
<td>60 b</td>
<td>Cherries</td>
</tr>
<tr>
<td>60 c</td>
<td>Plums</td>
</tr>
<tr>
<td>61 a ex</td>
<td>Strawberries</td>
</tr>
<tr>
<td>85</td>
<td>Sugar beet</td>
</tr>
</tbody>
</table>

**N.B.** The products subject to a special régime are those contained in a Schedule drawn up by the Commission on Agriculture, Food Supplies and Fisheries.
III
PRE-UNION AGREEMENT
between the Kingdom of the Netherlands and
the Belgium-Luxemburg Economic Union* - (15 October 1949)

The Government of the Netherlands on the one hand

and the Governments of Belgium and Luxemburg on the other,

desirous of giving full and complete effect to Article 8 of the Customs
Convention signed in London on 5 September 1944, and to the Resolutions con­
tained in the Protocol of 8 June 1948 of the Château d'Ardennne, and the
Protocol of 15 March of The Hague;

confirming that in their view the Pre-Union period should be characterized
by progressive liberalization of trade in goods between their territories,
systematic co-ordination of the trade and monetary policy of the partners
vis-à-vis third countries, and the preparation of a single contractual régime
vis-à-vis the latter;

reaffirming their resolve to achieve co-ordination with all possible
speed, as above indicated;

have agreed as follows in respect of liberalization of trade.

Article I - As of 1 October, trade between the Netherlands and the Belgium-
Luxemburg Economic Union shall in principle be carried out under a free
régime, save for the exceptions as below. The modalities of that régime
are specified in Annex I of this Agreement.

Article II - To avoid disequilibrium in the balance of payments between the
Netherlands and the BLEU, however, that régime shall be applied only by
stages, taking into account the means of payment in Belgian francs which
the Netherlands Government have available.

Belgian and Luxemburg products imported into the Netherlands shall
benefit, as of 1 October 1949, by the treatment specified in the Schedules
included in Annex II, and established taking into account the estimations
contained in the balance-sheet reproduced in Annex III.

A Joint Committee shall be set up to keep under review the evolution of
the balance of payments and to propose modifications in quotas and further
liberalization.

* The annexes to this Agreement may be consulted in the secretariat files.
In principle, trade between the Netherlands and the BLEU shall be placed under the free régime on 1 July 1950, in so far, however, as co-ordination of the monetary and trade policy, and the establishment of a single contractual régime vis-à-vis third countries have been accomplished.

**Article III** - The following may provisionally be excluded from the régime of the licence-declaration upon importation into the BLEU:

(a) agricultural products falling under application of the Protocol of 9 May 1947, in relation to which an agreement is to be signed between the three countries;
    live animals, seeds and seed plants which will be subject to a specific agreement;
(b) coal and coke.

**Article IV** - The following may provisionally be excluded from the free régime upon importation into the Netherlands:

(a) steel products and mechanical construction products which will benefit - in so far as the payment conditions prescribed in Article II are carried out - by the régime of the licence-declaration as soon as an agreement has been concluded on equalization of the Belgian price for exports to the Netherlands and of the Belgian domestic price for iron and steel;
(b) textile industry products in regard to which an agreement is to be concluded between the parties;
(c) agricultural products falling under application of the Protocol of 9 May 1947, in regard to which an agreement is to be concluded between the three countries;
    live animals, seeds and seed plants which will come under a special agreement;
(d) products which do not fall under any of the three above categories and for which a quota is provisionally provided for in Annex II.

**Article V** - The contracting parties, desirous, when the Pre-Union Agreement comes into operation, of obviating that any settlements outstanding be made in gold or dollars, are agreed to relax, in favour of the latter, the clause included in that connexion in the payments agreement which at present regulates relations between the Netherlands and the BLEU.

Consequently, they jointly declare that after application of the drawing rights and credits stipulated in the inter-European payments agreement of 7 September 1949, and exhaustion of the normal means of compensation (currency of third countries, invisible transactions, transfer of capital, etc.), any possible surplus shall be paid in gold and dollars only in the case of, and in so far as, the surplus is a liability of the debtor party.
This would occur if the debtor party had voluntarily defaulted in its deliveries to the other party of certain goods prescribed under the Agreement, or if it had made exceptional purchases in excess of the quotas contained in Annex II.

Article VI - Consistent with the Gentlemen's Agreement of 25 January 1949 drawn up by the Sub-Committee for Economic Activity of Aliens, which is under the Industry and Trade Commission of the Council of the Economic Union, the enterprises and contractors of each of the three countries shall benefit, in the field of public contracts on the territory of the others, by the treatment applied to domestic firms and contractors.

Likewise, no discrimination shall be applied by any of the three countries in respect of origin; in the matter of supply of materials and recruitment of managerial staff and foremen employed, whether it be for official authorities or private clients, benefiting by an official subsidy, no discrimination as to origin shall be authorized in the three countries.

Article VII - Each of the contracting parties shall reserve the benefit of the above provisions for the products of the others.

Consequently, each contracting party shall reserve the right to control the origin of the goods when export permits are applied for.

Article VIII - The above provisions shall be applied until such time as the three Governments have concluded an Economic Union Agreement.
DECISION
BY THE COMMITTEE OF MINISTERS OF BENELUX,
adopted at its meeting on 3 May 1955
on harmonization of agricultural policies

The Committee of Ministers, convinced that the solution of the agricultural question is an indispensable condition for the establishment of the Economic Union, adopted the following decisions at its meeting on 3 May 1955:

A. INITIATING FACTORS OF THE NEW POLICY

1. Ratification by Belgium of the Agricultural Protocols, with a view, notably, to permitting application of the arbitration procedure stipulated under Article 4 of the Luxemburg Protocol of 21 October 1950.

2. Adoption of a procedure enabling speedy arbitration, in particular, by nominating arbitrators previous to any litigation.

3. Establishment of an agricultural fund in Belgium and Luxemburg, with a view to facilitating harmonization of the agricultural policies.

4. Establishment of a Study Commission on agricultural cost prices, the terms of reference of which are given in document R.d.P./GT-IEA (55) 1. That Commission shall submit a report within three months.

5. (a) Liberalization by Belgium within the OEEC of imports of oxen.
       (b) Removal of a second product from Schedule A appended to the Luxemburg Protocol of 21 October 1950.

6. Each year, a meeting of a ministerial group shall be held in the autumn, to consider the progress made in harmonizing agricultural policies, and to establish the programme for the following year, bearing in mind the need for harmonizing the policies within a time-limit of seven years, and for expediting harmonization as far as possible during each yearly period.

A Commission on Agricultural Harmonization shall be established for the purpose. This Commission shall be subject to the Ministerial Group and shall report regularly to the meeting of Presidents of the Councils.

B. TIME-LIMIT FOR EXECUTION

1. The harmonization of policies shall be carried out within a period of seven years.

2. This period shall comprise, at the start, a probationary period of one year, to enable the Belgian Minister of Agriculture to adjust in detail the new policy, in collaboration with trade organizations, and to adopt the appropriate legal measures.
3. With reference to Points 1 and 3 of A., the Belgian Government undertakes to adopt appropriate measures to enable the necessary legal provisions to be passed by the end of the probationary year.

4. The new arbitration procedure may come into force immediately, the Arbitration Commissions acting in the capacity of Conciliation Commissions. They may function as Arbitration Commissions as soon as the Protocols are ratified by Parliament.

5. Liberalization of imports of oxen within the OEEC shall be carried out by 31 December 1955.

6. The removal of a new product from Schedule A shall be carried out within the probationary year.

C. POSITION AFTER EXPIRY OF THE TIME-LIMIT OF SEVEN YEARS

During the seven-year period, or at the expiry of the latter, should a partner note that the situation in an agricultural sector is developing in such a way as to give rise to fears of a grave crisis, the parties shall jointly adopt measures to avoid such a state of crisis or to remedy it.

D. SPECIAL CASE OF THE GRAND-DUCHY OF LUXEMBURG

As long as harmonization of the agricultural policies of the three countries is unable to compensate for the natural and structural inferiority of Luxembourg's agriculture, the latter shall continue to enjoy a special régime.
LAW

of 29 July 1955 instituting an Agricultural Fund

Article 1 - There is hereby instituted with the Ministry of Agriculture an "Agricultural Fund" for the benefit of agriculture and horticulture.

This Fund may grant subsidies, either on a reimbursable or non-reimbursable basis, may grant credits, or issue guarantees, or apply any other means of financing as regards, in particular:

1. Agricultural and horticultural production for the purpose of securing, in particular, minimum prices for producers;

2. The supplies of raw materials to agricultural and horticultural undertakings;

3. The stock-piling, distribution and processing of agricultural and horticultural products;

4. The marketing of agricultural and horticultural products;

5. The orderly organization and expansion of markets for agricultural or horticultural products.

Article 2 - Notwithstanding the rules applicable to government accounting, the income and expenditure of the Fund shall appear ad memoriam in the budget.

Article 3 - The Fund is financed from:

1. Special duties levied on the occasion of the issuance of import and export licences for agricultural and horticultural products, and the Belgian share in such duties when levied by the joint Belgium-Luxemburg administrative committee;

2. The monies accruing to the Belgian Treasury as from 1 January 1955, either directly, or through action taken by the joint Belgium-Luxemburg administrative committee and originating from the amounts levied by the Netherlands authorities on Netherlands exports of agricultural and horticultural products to the Belgium-Luxemburg Economic Union, or on Netherlands imports of such items from the Union;

1 1954/1955 Session,
3. The monies accruing to the Belgian Treasury as from 1 January 1955, either directly or through action taken by the joint Belgium-Luxemburg administrative committee, and originating from amounts levied by the Luxemburg authorities on Luxemburg exports of agricultural and horticultural products to Belgium or on Luxemburg imports of such items from Belgium;

4. Allowances levied under Royal Decree on appropriations under the budget for the Ministry of Agriculture for the purpose of granting economic subsidies, while conforming to the use of such appropriations as prescribed under the budget;

5. One-fourth of the yield of the fixed tax levied on slaughter of animals;

6. Reimbursements, amortization, interests and profits referred to under Article 4.

Article 4 - Special regulations relating to the management of the Fund shall be established by the King on the proposal of the Minister of Agriculture and the Minister of Finance.

These regulations may deviate from the provisions applicable to government accounting in respect of commitments, settlements, payments and vouchers for expenditure. They regulate the modalities by which refund of subsidies granted by the Fund, amortization and interest on loans granted through the Fund, and any profits accruing as the result of its interventions, may be applied to the purposes of the Fund.

Article 5 - The King shall fix the amount of and conditions under which such interventions shall be undertaken by the Fund. He may delegate all or part of that authority to the Minister of Agriculture.

With a view to the decisions to be adopted under paragraph 1, the Minister of Agriculture shall be assisted by a council, entitled "Supreme Council of the Agricultural Fund", the members of which shall be appointed by the King on the proposal of the Minister.

It shall be composed as follows:

1. Three senior officials from the Ministry of Agriculture, one of whom shall undertake the chairmanship;

2. Three senior officials from the Ministry of Economic Affairs, Ministry of Foreign Trade, and Ministry of Finance, respectively;

3. Four members representing the large agricultural organizations, selected from dual lists submitted by them;
4. Two members selected from the Supreme Agricultural Council and Supreme Horticultural Council, respectively;

5. Five members designated by reason of their particular qualifications in matters concerning the Agricultural Fund.

The term of office of members shall be three years. Members shall be eligible for re-election. The office shall be honorary. However, members who are not government officials shall be entitled to receive travel and subsistence indemnities chargeable to the Fund, according to the regulations in force for senior government officials.

The secretariat of the Council shall be ensured by the Ministry of Agriculture.

The Council shall submit proposals to the Ministry of Agriculture in respect of interventions by the Fund. With the exception of emergency cases, it shall be consulted by the Minister prior to all decisions to be taken in application of paragraph 1.

Before 31 March of each year, the Council shall report on the activities of the Fund. That report shall be communicated to both Houses of Parliament.

Article 6 - The Royal Decree of 31 May 1933 on declarations to be made in respect of subsidies, indemnities and allowances of all kinds, which are either wholly or in part the liability of the State, shall be applicable to the declarations prescribed for the granting of subsidies provided for under this Act.

The Minister of Agriculture may bar, finally or temporarily, from the advantages of the Agricultural Fund persons sentenced under the regulations of paragraph 1.

Article 7 - Application of the provisions drawn up under Articles 1 and 5 shall be entrusted, wholly or in part, according to their respective competence, to the National Agricultural and Horticultural Marketing Board, the National Board for Milk and its Derivatives, the National Agricultural Credit Institute, the Commercial Supplies Board, and public administrations and establishments.

These duties may be entrusted to private individuals.

Costs entailed by the performances of these duties shall be chargeable to the Fund.