

30 June 1955

WORKING PARTY ON THE BELGIAN AND LUXEMBURG REQUESTS FOR WAIVERS

Benelux Agreement on Agricultural Policy

Attached hereto is the Agreement of 3 May 1955 together with the Agricultural Protocols of 9 May 1947 and 21 October 1950.

Spec/239/55

D E C I S I O N
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 agriculture, the latter shall continue to enjoy a special régime.

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.

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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,
MIRGUE.

P R O T O C O L

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 agriculturalists and agricultural workers in the three countries 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 therein 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 affected 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 liberalized 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 Luxemburg on
20 and 21 October 1950

PRODUCTS SUBJECT TO ARTICLE 4 OF THE PRESENT PROTOCOL

SCHEDULE A

Tariff
Item No.

3	Bovine cattle
6	Swine
13 a ¹	Fresh or chilled beef and veal
13 a ²	Frozen beef or veal (x)
13 c ¹	Fresh or chilled pork
13 c ²	Frozen pork (x)
17	Bacon
18	Meat, salted, dried and smoked
22	Milk
23	Milk cream
24 a ¹	Preserved milk and cream condensed without addition of sugar
25	Butter
27 a ¹	Eggs of poultry in the shell
27 b ¹	Eggs shelled for use as food
47	Tomatoes
48 ex	Onions
49 a	New potatoes imported from 1 January to 25 May inclusive
49 b ¹	Seed-potatoes (x)

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

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
Item No.

49 b ²	Potatoes from Malta and other areas in Southern Europe
49 b ³	Other potatoes
50 ex	Cauliflower, white and red cabbage, carrots, various salads, witloof, French beans and peas
57 a	Fresh grapes
59 a-b	Apples and pears
60 b	Cherries
60 c	Plums
61 a ex	Strawberries
85	Sugar beet

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.