

DENMARK



Treaty Series No. 2 (1965)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Kingdom of Denmark

regarding the Changes which the
Government of the United Kingdom
have introduced in their Production and
Trade Policies Relating to Cereals

London, September 16, 1964

*Presented to Parliament by the Secretary of State for Foreign Affairs
by Command of Her Majesty
January 1965*

LONDON

HER MAJESTY'S STATIONERY OFFICE

NINEPENCE NET

Cmnd. 2510

EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE KINGDOM OF DENMARK REGARDING THE CHANGES WHICH THE GOVERNMENT OF THE UNITED KINGDOM HAVE INTRODUCED IN THEIR PRODUCTION AND TRADE POLICIES RELATING TO CEREALS

No. 1

The Minister of State for Foreign Affairs to the Danish Ambassador

*Foreign Office, S.W. 1,
September 16, 1964.*

Your Excellency,

I should like to refer to previous exchanges between the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and the Government of the Kingdom of Denmark (hereinafter referred to as "the Government of Denmark") regarding the changes which the Government of the United Kingdom have introduced in their production and trade policies relating to cereals. In framing their proposals the Government of the United Kingdom have had in mind their responsibility for maintaining conditions under which a stable and efficient agricultural industry in the United Kingdom can develop its prosperity and also their responsibility as one of the major importers of cereals in the world towards their overseas cereals suppliers. The Government of the United Kingdom have also taken into account that they, and the Governments of other countries who are major importers and exporters of cereals, are at present taking part in discussions in the Cereals Group of the General Agreement on Tariffs and Trade convened for the negotiation of appropriate international arrangements for cereals under the terms of the resolution of Ministers at the Ministerial Meeting of the General Agreement on Tariffs and Trade, of the 21st of May, 1963.

2. Pending the conclusion of long-term international cereals arrangements, the Government of the United Kingdom have declared their intention of introducing adaptations into their existing cereals policy with the objectives of promoting greater stability in the United Kingdom cereals market, and of maintaining a fair and reasonable balance between home production and imports. This balance would be broadly based upon the present supplies to the United Kingdom market from domestic production on the one hand and cereals imports on the other, and as regards the future growth of the United Kingdom market would provide the opportunity for both domestic producers and overseas suppliers to share in this in a fair and reasonable way. The balance for subsequent years will be reconsidered in the light of supply and marketing conditions, including the relative efficiency of suppliers and changes therein. The measures which the Government of the United Kingdom have introduced for securing these objectives are: first, to restrain financial assistance so as to discourage the increase of domestic cereals production

above a level consistent with these objectives, and second, to operate, in co-operation with their overseas suppliers, a system of minimum import prices for the main cereals, cereal products and by-products.

3. As a result of exchanges between the Government of the United Kingdom and their four principal overseas suppliers of cereals, agreement has been reached on arrangements for co-operation in a system of minimum import prices. In addition the Government of the United Kingdom have given certain assurances to their four principal overseas suppliers relating to continued access into the United Kingdom market for cereals imports, the benefits of which will also accrue to other suppliers.

4. The Government of the United Kingdom, after consultation with the Government of Denmark and other co-operating Governments, have advised the Government of Denmark of the cereals, cereal products and by-products for which minimum import prices have been prescribed. These commodities are set out in the attached Annex and it is understood that the minimum import prices prescribed are acceptable to the Government of Denmark. Any subsequent changes shall be a matter for consultation between the Government of the United Kingdom and the co-operating Governments, and as regards any changes which affect the particular interests of the Government of Denmark; the Government of the United Kingdom shall seek the agreement of the Government of Denmark.

5. The Government of the United Kingdom shall take action to maintain the levels of the prescribed minimum import prices by such levies on imports as may be necessary for this purpose. Subject to your confirmation of the willingness of the Government of Denmark to co-operate in these arrangements, the Government of the United Kingdom shall exempt from levies all imports of products in the attached Annex which originated in and were consigned from Denmark to the United Kingdom except in the following circumstances:

- (i) When the general level of offering prices to the United Kingdom market from Denmark for any product in the attached Annex is (after taking into account any customs duty chargeable) below the appropriate prescribed minimum import price for that product, the Government of the United Kingdom may, after notifying the Government of Denmark, apply a levy generally equivalent to the difference between the two to that product for so long as such conditions make it necessary.
- (ii) When an individual parcel of any product in the Annex originated in and was consigned from Denmark to the United Kingdom and the price paid for that parcel, together with any customs duty chargeable and any levy applicable under sub-paragraph (i) above is less than the appropriate minimum price, a levy equal to the difference between the two may be applied.

In the circumstances described in sub-paragraphs (i) and (ii) above such levies may be applied by the Government of the United Kingdom notwithstanding their commitments to the Government of Denmark with respect to the products listed in the Annex, as specified in Schedule XIX annexed to the

General Agreement on Tariffs and Trade⁽¹⁾ and under the Agreement on Agriculture between the Government of the United Kingdom and the Government of Denmark signed at London on the 8th of April, 1960,⁽²⁾ and its Protocol of the 11th of May, 1963,⁽³⁾ as well as the Convention establishing the European Free Trade Association, done at Stockholm on the 4th of January, 1960.⁽⁴⁾ It is also the intention of the Government of the United Kingdom that in the implementation of these arrangements suitable provision shall be made to avoid prejudice to normal trade practices of forward contracting.

6. The Government of the United Kingdom shall review the minimum import price arrangements before the beginning of each crop year commencing on the 1st of July, or on request during a crop year, in consultation with the Government of Denmark and other co-operating Governments. If it is found as a result of such a review that the minimum import price arrangements have resulted in an appreciable distortion of the pattern of trade in the products covered by this Note between co-operating Governments supplying the United Kingdom and in consequence have damaged or threaten to damage the established trade interests of the Government of Denmark the Government of the United Kingdom shall take effective corrective action in consultation with the Government of Denmark and other co-operating Governments and in accordance with the procedures outlined in paragraph 4 above to remedy the situation.

7. Any arrangements contained in this Exchange of Notes shall be without prejudice to, and indeed are intended to facilitate the negotiation of, international cereals arrangements embodying more comprehensive commitments by all participating countries, whether importing or exporting.

8. It is the intention of the Government of the United Kingdom so to operate the minimum import price system that it shall not result in an impairment of the benefits enjoyed by preferential suppliers from their existing preferences in the United Kingdom market. If it is found that this intention is not fulfilled or threatens not to be fulfilled, the Government of the United Kingdom shall take effective corrective action after consultation with other co-operating Governments.

9. In the light of all these considerations it is the understanding of the Government of the United Kingdom that the Government of Denmark will co-operate so far as practicable in the operation and observance of minimum import prices prescribed for the products covered in the Annex to this Note subject to the understandings set out herein.

10. This Agreement may be terminated by either Government giving not less than four months' notice in writing. It is also understood that any measures taken as a result of this Exchange of Notes shall be terminated in so far as it is mutually agreed that they may be inconsistent with, or superseded by, the provisions of any international arrangements to which both the

(1) Cmd. 9413.

(2) "Treaty Series No. 31 (1960)", Cmnd. 1071.

(3) "Treaty Series No. 35 (1963)", Cmnd. 2036.

(4) "Treaty Series No. 30 (1960)", Cmnd. 1026.

Government of the United Kingdom and the Government of Denmark later become parties. Consultations regarding the operation of this Agreement may be held at any time at the request of either Government.

11. If the foregoing is acceptable to the Government of Denmark I have the honour to suggest that this Note, together with its Annex, and Your Excellency's reply to that effect, shall be regarded as constituting an Agreement between the two Governments, which shall enter into force on this day's date.

I have the honour to be, with the highest consideration,

Your Excellency's obedient Servant,

DUNDEE.

ANNEX

COMMODITIES TO BE SPECIFIED

Tariff Heading	Description
B.N. 10.01 	Wheat and meslin
B.N. 10.03 	Barley
B.N. 10.04 	Oats
Ex. B.N. 10.05 ...	Maize other than sweet corn on the cob
Ex. B.N. 10.07 ...	Grain sorghum
Ex. B.N. 11.01 ...	Cereal flours other than rice flour
Ex. B.N. 11.02 ...	Cereal groats, cereal meals, other worked cereals and germs of cereals other than:— (a) rice groats, rice meal, germ of rice and other worked rice; (b) blocked, pot and pearled barley
Ex. B.N. 23.02 ...	Bran, sharps and other residues derived from the sifting, milling or working of cereals other than of rice, and excluding the residues of leguminous vegetables

No. 2

The Danish Ambassador to the Minister of State for Foreign Affairs

London, September 16, 1964.

My Lord,

I have the honour to acknowledge the receipt of Your Lordship's Note of 16th September, 1964, which reads as follows:

[As in No. 1]

2. In reply, I have the honour to inform you that the foregoing is acceptable to the Government of the Kingdom of Denmark, who therefore regard Your Lordship's Note, together with its Annex, and this reply as constituting an Agreement between the two Governments in this matter which shall enter into force on this day's date.

I have the honour to be,

with the highest regard,

My Lord,

Your obedient Servant,

ERLING KRISTIANSEN.

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