

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES  
Sixteenth Session

## The European Free Trade Association

### Replies from the Member States to the questions submitted by contracting parties

#### Addendum

#### Agricultural Agreements between Denmark and Austria and Denmark and the United Kingdom

A consolidated list of questions which were forwarded to the Executive Secretary by contracting parties and transmitted by him to the Member States of the European Free Trade Association, together with the replies to the questions received from the Member States, were contained in document L/1167. In their reply to question 74 the Member States stated that the texts of the agricultural agreements between Denmark and Austria and between Denmark and the United Kingdom would be submitted at a later date. The texts of these agreements have now been received from the Member States and are reproduced below.

#### Protocol of the Danish-Austrian discussions in respect of Agriculture in connexion with the establishment of the European Free Trade Association

#### I.

With a view to Denmark's and Austria's participation in the European Free Trade Association, which is in course of establishment, negotiations took place between a Danish and an Austrian delegation in Vienna in the period 8-10 October and 11-14 November 1959 with the following results:

1. General Provisions

The Austrian authorities will inform all competent bodies about the provisions contained in the EFTA Convention in respect of policies and objectives in the field of Agriculture (Chapter V of the EFTA Convention).

In the administration of imports of Danish agricultural products (invitation for tenders, allocation of import licences, etc.) the Austrian authorities will endeavour to act in the spirit of the relevant provisions of the EFTA Convention to the extent possible under existing legislation and international obligations in order to take account, to the widest possible extent, of the agricultural export interests of Denmark.

2. Dumping

It is agreed that the economies of both Contracting Parties may suffer damage by imports of agricultural products which have previously been supplied by either Contracting Party to the area of the other, and might be supplied in future by a third country at dumping prices or at subsidized prices to the area of either Contracting Party. Provided that it has been established by consultation between the two parties that such damage has already occurred or is threatening, the competent authorities of either country will therefore recommend to their Governments that appropriate counter-measures be taken in accordance with national legislation and to such extent as may be possible under existing international obligations.

3. Joint Committee

It is agreed to set up a Joint Committee consisting of representatives of the two Contracting Parties.

This Committee will deal with all questions relating to the operation of this agreement. It will also be within its competence to deal with common export problems in respect of Agriculture and cases of alleged or feared discrimination in this field.

In each case, the Committee will submit to the Governments of the two Contracting Parties such proposals as it considers appropriate.

4. Pigs

Denmark requested Austria to resume her imports of slaughtered pigs. On the part of Austria, it was pointed out that pork is at present only imported in the form of live pigs, mainly for reasons of employment. Austria will take note of the Danish wish to supply slaughtered pigs; should she admit such imports subsequently, Austria would see to it that Denmark was given an opportunity to have a share in such imports.

5. Eggs

In the importation of hens' eggs under Customs Tariff No. 04.05 A from Denmark within and above the allocation fixed for storage, the Austrian authorities will grant exemptions from Customs duties as far as possible; they will also recommend importers to increase their imports from Denmark.

6. Cheese

The Austrian authorities will recommend the "Milchwirtschaftsfonds" to refrain from increasing the present import equalization levy of 15 per cent ad valorem on fine table cheese of Danish origin under Tariff No. 04.04 A; should an increase in the import equalization levy prove necessary in the future, the Danish authorities will be advised accordingly with a view to mutual consultation.

7. Chickens

In the importation of chickens for slaughter and "poulards" under Tariff No. 02.02 A 2, the Austrian authorities will reduce the duty as far as possible and recommend importers to pay increased attention to sources of supply in Denmark.

8. Goodwill

The Austrian authorities declare themselves willing, to the extent allowed by law, to see that no measures be taken which restrain or hinder the compliance with the above arrangements.

II.

The two delegations will submit the above results of their negotiations to their Governments for approval.

DONE in Vienna, in two copies in German on 14 November 1959.

The Chairman of the Danish Delegation:

(signed) Jens Christensen

The Chairman of the Austrian Delegation:

(signed) Willfort.

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The Government of the Kingdom of Denmark and the Government of the United Kingdom of Great Britain and Northern Ireland;

Having regard to the provisions of Article 23 of the Convention of 4 January 1960 establishing the European Free Trade Association (hereinafter referred to as "the Convention");

Desiring to give effect to the conclusions reached at a meeting held at London in July 1959 between representatives of the Governments of Denmark and of the United Kingdom;

Have agreed as follows:

Article 1

(1) The Government of the United Kingdom shall reduce and eliminate the customs duty imposed under and by virtue of the Import Duties Act, 1958, on the import into the United Kingdom of the goods listed below consigned from Denmark in accordance with the following timetable:

Ex: 02.06

Bacon, not canned or bottled

To be reduced by 50 per cent  
on 1 July 1960

To be eliminated on 1 July 1961

Ex: 16.02

Canned meat consisting wholly of  
ground or chopped pork with or  
without curing or seasoning  
ingredients or farinaceous fillers

To be reduced by 50 per cent  
on 1 July 1960

To be eliminated on 1 July 1961

Ex: 04.04

Blue veined cheese

To be eliminated on 1 July 1960

Ex: 04.02

Canned cream

To be eliminated on 1 July 1960.

(2) The above-mentioned reductions and eliminations of duties shall apply only to goods which are of Area origin in accordance with Article 4 of the Convention and shall be subject to the provisions in Article 7 of the Convention relating to drawback.

Article 2

The Government of the United Kingdom, whilst reserving the right to carry out their obligations to producers in the United Kingdom, and in particular those arising from existing legislation in the United Kingdom, recognize the traditional nature of trade relations between Denmark and the

United Kingdom and declare their intention not to adopt policies likely to deny Danish producers the opportunity to maintain their market in the United Kingdom for commodities of concern to them or to share in any increase in the United Kingdom market for these products.

#### Article 3

The Government of the United Kingdom, whilst reserving the right to determine annually the guaranteed prices for pigs, with due regard inter alia to changes in costs, undertake not to adopt a policy in relation to subsidies, which would render nugatory the opportunity given to Danish producers in the United Kingdom as the result of the removal of the bacon tariff as provided under this Agreement.

#### Article 4

The Contracting Governments recognize that industries in each country engaged in trade with the other may be materially injured by the competition of dumped or subsidized exports from third countries. If after consultation it is established that such injury is caused or threatened, the Contracting Governments should consider taking action consistent with their own legislation and with their international obligations to remedy the injury or prevent the threatened injury; any matters arising in this connexion should be dealt with as expeditiously as possible.

#### Article 5

The present Agreement is concluded under the terms of paragraph 1 of Article 23 of the Convention. It shall be understood to give full effect to the intention of the Agreed Statement by the United Kingdom and Danish Ministers issued at London on 8 July 1959, the text of which is annexed to the present Agreement.

#### Article 6

The operation of this Agreement shall be the subject of periodic examinations. The Contracting Governments shall consult on any particular difficulties which may arise out of its implementation.

#### Article 7

For the purposes of the present Agreement the term "United Kingdom" means Great Britain and Northern Ireland, the Channel Islands and the Isle of Man.

Article 8

The present Agreement shall enter into force on the date on which the Convention enters into force, and shall continue in force as long as the Convention applies both to Denmark and to the United Kingdom.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

DONE in duplicate at London the Eighth day of April 1960 in the English language.

For the Government of the  
Kingdom of Denmark:

(signed) Steensen Leth

For the Government of the  
United Kingdom of Great Britain  
and Northern Ireland:

(signed) Selwyn Lloyd

Agreed Statement by Danish and United Kingdom Ministers Issued  
at London on 8 July 1959

In preparation for the meeting on 20 July when the Ministers of the seven countries of the Stockholm Group will consider whether to establish free trading arrangements within the Group, Danish and United Kingdom Ministers met in London on 6, 7 and 8 July. The Danish Ministers were Mr. Krag, Minister for Foreign Affairs, and Mr. Skytte, Minister of Agriculture. The United Kingdom Ministers were Mr. Maudling, Paymaster-General, and Mr. Hare, Minister of Agriculture. The Ministers discussed the problem of trade in agricultural products bearing in mind the need for reasonable reciprocity for agricultural exporters within the Group. Similar discussions were taking place between Denmark and other members of the Stockholm Group.

The Danish Ministers asked that the United Kingdom Government should give undertakings about their import and support policy in respect of those agricultural products in which Denmark has an export interest. These undertakings should provide safeguards against frustration of the objectives of any agreement concluded between Denmark and the United Kingdom including any specific tariff concessions contained therein. Furthermore they asked that any agreement between the two countries should facilitate freer and increased trade in agricultural products by opening to Danish producers increased opportunities in the United Kingdom market.

The United Kingdom Ministers referred to their obligations to home producers and particularly to those arising from the 1947 and 1957 Agriculture Acts, by which they are bound. The United Kingdom Government recognizing the traditional nature of the trade relations between Denmark and the United Kingdom, did not intend to adopt policies likely to deny Danish producers the opportunity to maintain their market in the United Kingdom for commodities of concern to them or to share in any increase in the United Kingdom market for those products.

Further the United Kingdom Ministers undertook to recommend to their colleagues that, as part of the proposed arrangements within the Stockholm Group, the United Kingdom tariff on imports of the following products from Denmark and the other members of the Group should be abolished according to the following time-table<sup>1</sup>:

Bacon and canned pork luncheon meat<sup>2</sup>

Reduction of 50% on 1 July 1960  
50% on 1 July 1961

Blue veined cheese)  
Canned cream ) To be abolished on 1 July 1960

Danish Ministers asked for a statement of the United Kingdom Government's policy regarding the production of pigmeat, eggs and milk. United Kingdom Ministers replied that on eggs, milk and pigmeat it is the Government's objective that production should be more economic. On the volume of the output of eggs,

<sup>1</sup> For planning purposes it is assumed that the first tariff reductions under any free trade arrangements agreed between the Stockholm Group countries will take place on 1 July 1960.

<sup>2</sup> Definition of canned pork luncheon meat; Tariff Sub-headings 16.02 (c) (1) (b) (i) and (iii): Canned meat consisting wholly of ground or chopped pork with or without curing or seasoning ingredients or farinaceous fillers.

the Government's policy continues to be that less eggs should be produced, as was stated in the White Paper Cmnd. 696 of March 1959. On milk the United Kingdom Ministers recalled that both in 1958 and 1959, at the time of the annual price reviews, the policy had been that less milk than was then in prospect should be produced. The Government's policy continues to be that producers of milk in the United Kingdom should not in general be encouraged to produce more milk than is required for the liquid milk market, after allowing for a sufficient reserve to ensure that the market is adequately supplied throughout the year. It is also the Government's policy that increased consumption of liquid milk should be encouraged. On pigmeat the Government's policy continues to be as stated in the 1958 and 1959 White Papers.

Danish Ministers also asked for an undertaking that the removal of the United Kingdom tariff on bacon would not be frustrated by subsidies. United Kingdom Ministers reserved their right to determine annually the guaranteed prices for pigs, with due regard inter alia to changes in costs. But they agreed to recommend that subsidy policy should not be used in such a way as to render nugatory the opportunity given to Danish producers in the United Kingdom market under this agreement.

The United Kingdom and Danish Ministers recognized that industries in each country engaged in trade with the other may be materially injured by the competition of dumped or subsidized exports from third countries. The United Kingdom Government has powers under the Customs Duties (Dumping and Subsidies) Act, 1957, to impose, consistently with its international obligations, anti-dumping or countervailing duties where such material injury is caused or threatened. Ministers agreed to recommend that, if after consultation it is established that such injury is caused or threatened, their Governments should consider taking action consistent with their own legislation and with their international obligations to remedy the injury or prevent the threatened injury; any matters arising in this connexion should be dealt with as expeditiously as possible.

Ministers agreed to recommend that provision should be made within any agreement between the two Governments covering the matters dealt with in this statement for the periodic examination of its operation and of any particular difficulties that may arise.

The Ministers agreed that if it is decided to establish free trading arrangements among members of the Stockholm Group, the agricultural content, so far as the United Kingdom and Denmark are concerned, will be as set out in this joint statement.