

Contracting Parties

Third Session

NON-DISCRIMINATORY MEASURES NOTIFIED UNDER  
PARAGRAPH 11 OF ARTICLE XVIII BY ACCEDING GOVERNMENTS

ANNEX TO ADDENDUM

Notification by the Government of Denmark

The following letter, dated 4 August 1949, has been received from the head of the Danish Delegation in Annecy by the Executive Secretary:

"With reference to my letter of June 15, 1949, I hereby have the honour to forward to you translations into English of the three laws, which Denmark have notified under paragraph 11 of Article XVIII of the "General Agreement", as well as short notes regarding the basic conditions which have made and still make the said law necessary."

The following documents, attached to the letter, are circulated herewith:

1. Basis for Act. No. 110 of March 23rd, 1948 on Temporary Measures Concerning a Sugar Scheme.
2. Act No. 110 of March 23rd, 1948 on Temporary Measures Concerning a Sugar Scheme.
3. Act No. 84 of March 10th, 1949 on Prolongation of Act No. 110 of March 23rd, 1948, on Temporary Measures Concerning a Sugar Scheme.
4. Basis for Act on Potato Flour Scheme and Measures to Promote Cultivation and Use of Potatoes for Industrial Purposes.
5. Act on Potato Flour Scheme and Measures to Promote Cultivation and Use of Potatoes for Industrial Purposes. Amalienborg Palace, May 15th 1933.
6. Basis for Act on Liquor and Yeast.
7. Act on Liquor and Yeast. Amalienborg Palace, March 15th 1934.

(1) Basis for Act No. 110 of March 23rd, 1948 on  
Temporary Measures Concerning a Sugar Scheme.

The Sugar Scheme was first introduced by Act No. 64 of March 23, 1932. This act has been prolonged every year on unaltered principles. The object of the Sugar Scheme was to render it possible for sugar production to continue in this country and also to ensure that farmers in the sugar-beet-growing districts were paid enough to render sugar beet growing remunerative, thereby sustaining the considerable employment in these areas. These considerations still apply.

(2) Act No. 110 - March 23rd, 1948 on Temporary Measures  
Concerning a Sugar Scheme.

We, Frederik the Ninth, by the Grace of God, King of Denmark, the Wends and the Goths, Duke of Slesvig, Stormarn, Ditmarsk, Laucnberg and Oldenburg,

Hereby make known: That the Rigsdag have passed the following Act, to which we have given Our Royal Assent:

§ 1.

For the purposes of this Act, sugar shall be interpreted to comprise beet and cane sugar in any form, whether refined or unrefined; syrup shall be interpreted as any solution of beet or cane sugar, also containing other descriptions of sugar.

§ 2.

As long as this Act remains in force, production and refinement of sugar shall be subject to licence granted by the Minister of Commerce, Industry and Shipping. Such licences shall be granted to existing factories and refineries only.

Production of beet juice shall be subject to licence granted by the Minister of Commerce, Industry and Shipping.

§ 3.

Importation and exportation of sugar and syrup shall be subject to licence granted by the Minister of Commerce, Industry and Shipping.

§ 4.

Factories shall pay beet growers a price of 505 øre per 100 kilos. In the case of rising costs of labour, the Minister of Commerce, Industry and Shipping may direct that the aforementioned price shall be correspondingly increased. If the contract areas exceed 35,000 hectares, an additional price of 10 øre per 100 kilos shall be paid; if the contract areas exceed 37,000 hectares, the addition to the price shall be increased to 20 øre per 100 kilos; if the contract areas exceed 39,000 hectares, the addition to the price shall be increased to 25 øre per 100 kilos. Each additional increase of 1000 hectares of contract area exceeding 39,000 hectares shall involve an additional price of 50 øre per 100 kilos for a contract area exceeding 44,000 hectares. In addition, factories shall pay growers 35 øre extra per 100 kilos as a contribution towards freight expenses.

The Minister may fix the extent of the areas which, by arrangement between beet growers and the factories, are to be used for cultivation of industrial sugar beets.

§ 5.

The price to be charged by factories for refined sugar shall be 41 øre per kilo until amended by the Minister of Commerce, Industry and Shipping who may raise the aforementioned price if and when the operation of factories and yields of beet areas (per unit of area) render an increase justifiable. The Minister may also direct that the price shall be lowered if circumstances warrant a price reduction.

The profits realized by the factories on their sales of sugar under agreements made with the factories in pursuance of § 2, shall be shared by beet growers, factories and the State Sugar Fund in accordance with rules to be laid down by the Minister of Commerce, Industry and Shipping. Sugar factories operating under this scheme as a corporation shall only be permitted to increase their share capital by legislation passed by the Rigsdag.

§ 6.

The Minister of Commerce, Industry and Shipping shall be empowered to fix the wholesale price of imported sugar, and, if necessary, also the terms on which domestic beet sugar shall be surrendered for refining, and also the retail selling price of sugar.

§ 7

The Minister of Commerce, Industry and Shipping may direct that export industries using sugar as a raw material for their production to such an extent that the price of sugar may influence their export possibilities, may be permitted to buy sugar for their export articles at a price lower than that fixed by § 5, s.1; but not lower than the price at which foreign sugar may be imported c.i.f. Danish port. This provision shall also apply to industries producing goods for domestic consumption, if sugar is used as a raw material to such an extent that the sugar price may be of importance in their competition with imported goods of the same or a similar description, cf. the provisions of § 3.

The Minister of Commerce, Industry and Shipping shall decide finally to what industries the provisions of this section shall apply.

§ 8.

The Minister of Commerce, Industry and Shipping shall lay down rules for enforcement of this Act, in consultation with the parties concerned.

The Minister shall also supervise enforcement and effects of the measures introduced under this Act.

§ 9.

The Minister of Commerce, Industry and Shipping shall be empowered to defray the expenses of enforcement and administration of this Act, such expenses to be charged to the Sugar Fund, cf. § 5.

§ 10.

Any person committing an offence under provisions of this Act or directions issued or agreement made in pursuance of this Act, shall be liable to a fine, or, in aggravating circumstances, by imprisonment, either in a house of detention or in a convict establishment,

for a period not exceeding 6 months. Offences committed inadvertently shall be punishable by fines or, in aggravating circumstances, by imprisonment in a house of detention. The fines shall be paid into the Treasury.

Profits by contravention of the provisions of this Act or of directions issued or agreements made in pursuance of this Act, or amounts estimated to equal such profits, and goods etc. which have been the subject of attempts to contravene the provisions, directions or agreements, or the sales amount of such goods, may be confiscated and appropriated to the Treasury by judgement; offenders convicted of such contraventions may have their trade licences suspended for a certain period or permanently revoked.

§ 11.

This Act, which does not apply to the Faroe Islands, shall enter into force on January 1st, 1949, and shall remain in force until December 31st, 1949. The provisions of § 4 shall however enter into force as from May 1st, 1948 and remain in force only to April 30th, 1949.

A bill proposing a possible prolongation of the Sugar Scheme shall be submitted to the Rigsdag not later than February 15th, 1949.

All and everybody to comply with the provisions given above.

Given at Christiansborg, March 23rd, 1948.

Under our Royal Hand and Seal.

FREDERIK R.  
(L.S.)

---

J.O. Krago.

(3) Act No. 84 of March 10, 1949

on

Prolongation of Act No. 110 of March 23, 1948, on  
Temporary Measures Concerning a Sugar Scheme.

We, Frederik the Ninth, by the Grace of God King of Denmark, the Wends and the Goths, Duke of Slesvig, Holstein, Stormarn, Ditmarsk, Lauenburg and Oldenburg.

Hereby make known: The Rigsdag have passed the following Act to which We have given Our Royal Assent:

§ 1.

The first period of § 4, section 1, of Act No. 110 of March 23, 1948, on a Temporary Sugar Scheme shall be amended to read:

"The price to be paid by the factories to the beet growers shall be fixed at 536 øre per 100 kilos of sugar beets supplied" and the last period shall be amended as follows:

"In addition the factories shall pay the growers 30 øre extra per 100 kilos as a contribution towards freight expenses."

§ 2.

§ 11 of Act No. 110 of March 23, 1948, on a Temporary Sugar Scheme shall be amended to read: "This Act shall remain in force until December 31, 1950. The provisions of § 4 shall, however, remain in force only to April 30, 1950."

A bill proposing a possible prolongation of the Sugar Scheme shall be submitted to the Rigsdag not later than February 15, 1950."

All and everybody to comply with the provisions of this Act.

Given at Amalienborg Palace, March 10, 1949

Under Our Royal Hand and Seal

Fredrik R

(L.S.)

---

J. O. Krag.

(4) Basis for Act on Potato Flour Scheme and Measures to Promote Cultivation and Use of Potatoes for Industrial Purposes.

The Potato Flour Scheme was introduced for reasons similar to those which apply to the Sugar Scheme. One of the main objects, however, was to extend support to farmers, especially in districts with subnormal fertility where farmers depend largely on potato growing.

(5) Act on Potato Flour Scheme  
and  
Measures to Promote Cultivation  
and Use of Potatoes for Industrial  
Purposes.

Amalienborg Palace, May 15th, 1933.

We, Christian the Tenth, by the Grace of God King of Denmark and Iceland, the Vandals and the Goths, Duke of Slesvig, Holstein, Stormarn, Lauenburg and Oldenburg Hereby make known: The Rigsdag have passed the following Act to which we have given Our Royal Assent:

§ 1.

As long as this Act is in force, production of potato flour, all descriptions of starch, spirit and baker's yeast, shall be subject to a licence issued by and on conditions to be laid down by the Minister of Commerce and Industry.

§ 2.

Contracts for delivery of potatoes, etc., to be made for each harvest year between potato suppliers and concerns licensed under § 1, shall be approved by the Minister of Commerce and Industry, who shall also fix the price ex factory of potato flour, starch, spirit and baker's yeast; he may also fix a maximum retail selling price for the products mentioned.

Potatoes containing 17 per cent starch at the delivery shall be paid with not less than 300 øre per 100 kilos, this price to be increased or reduced proportionately with the starch contents.

§ 3.

Importation and exportation of potato flour of all descriptions, sago, glucose and starch sugar and starch syrup, dextrin, paste, sizings and dressings and similar products of flour or starch and spirit and baker's yeast, shall be subject to licence to be granted by the Minister of Commerce and Industry. He shall also control that the Scheme introduced by this Act is properly enforced.

§ 4.

Applications for licences to produce potato flour and starch shall be considered by a committee to be set up by the Minister of Commerce and Industry; to this committee shall be appointed the necessary experts and representatives of the parties concerned. The Committee shall also give assistance to the Ministry in regard to questions connected with administration of the Potato Flour and Starch Scheme.

Before giving his final decision on the locations of the potato flour factories, the Minister shall consult a committee of 4 members appointed by the Rigsdag in conformity with § 45 of the Act of Constitution.

§ 5.

Any person committing an offence under the provisions of this Act or under agreements made and directions issued in pursuance of this Act, shall be liable to a fine. Fines shall be paid into the Treasury Account. Profits made on activities in contravention of the provisions of this Act and of agreements made or decisions issued in pursuance of this Act, may be confiscated by judgment and appropriated to the Treasury Account. Anyone convicted of such an offence may have his trade licence revoked by judgment.

§ 6.

The Minister of Commerce and Industry shall be empowered to defray such expenses needed to enforce and administer this Act as are to be allocated by the Finance Act unless the expenses are not borne by the corporations concerned.

This act shall enter into force immediately. The provisions which concern production, sale, importation and exportation of spirit and baker's yeast shall cease to operate after December 31st, 1933.



This Act does not apply to the Faroe Islands.  
All and everybody to comply with the provisions  
of this Act.

Given at Amalienborg Palace,

May 15, 1933.

Under Our Royal Hand and Seal

Christian R

(L.S.)

---

C. N. Hauge

(6) Basis for Act On Liquor and Yeast.

The Liquor and Yeast Scheme introduced in 1934 was largely based on the legislation from 1922 concerning Distillation of Liquor in this country. The Act of 1934 was amended to give the greatest possible preference to the use of Danish raw materials - notably potatoes - for production of liquor and yeast. This Act is therefore in certain respects complementary to the Act of May 15, 1933, on the Potato Flour Scheme. The considerations on which these two Acts were based, still apply.

(7) Act on Liquor and Yeast.

Given at Amalienborg Palace

March 15th, 1934.

WE, CHRISTIAN THE TENTH, by the Grace of God King of Denmark and Iceland, the Vandals and the Goths, Duke of Slesvig, Holstein, Stormarn, Ditmarsk, Lauenburg and Oldenburg,

HEREBY MAKE KNOWN: that the Rigsdag have passed the following Act to which We have given Our Royal Assent:

§ 1.

Manufacturing of yeast and spirit, aquavit in this country shall be subject to licence and regulations to be laid down by the Minister of Commerce and Industry. Licence shall also be required for inward and outward clearance of yeast and liquor, including alcoholic beverages and liquor in any other form, with the modification, that the quality of alcoholic liquors for which import licence has been granted cannot be reduced in pursuance of this act.

Licences shall not be required for subsequent treatment of yeast which has been or will be produced or imported under a proper licence.

This act shall apply only to spirit and liquor manufactured by distillation, and to fresh and dried baker's and seed yeast used for yeast and spirit manufacturing.

§ 2.

Licences to produce yeast, spirit and aquavit shall only be granted to corporations. Licences shall be granted for periods not exceeding 10 years. A licence shall contain the following stipulations:

- (a) the members of the board shall be citizens of Denmark,
- (b) the Minister shall at any time decide the quantities of alcoholic beverages which may be offered for sale in this country,
- (c) a licence shall include regulations for the corporation's annual expenses on managements, repairs, replacement, depreciation, reserves, etc. and also fix the maximum dividend which may be paid each year to the shareholders of the corporation.
- (d) When the above regulations have been complied with, any profits left in the annual accounts of the corporation, may be claimed as a revenue by the Treasurer.
- (e) the prices of the corporation's products shall be as low as circumstances permit; the prices shall be subject to approval by the Minister who may direct the corporation to revise its prices if circumstances justify such directions.
- (f) the corporation shall use Danish products in its production of yeast and spirit to the widest extent warrantable.
- (g) the corporation's contracts for delivery of potatoes for its production shall be subject to the Minister's approval. The Minister shall fix a minimum price of 3 kroner per 100 kilos of supplied

potatoes having a minimum of 17 per cent starch contents, and the price shall be lowered or raised proportionately with starch contents. The prices shall be fixed in such a way as to leave potato growers who supply potatoes to spirit distilleries in a position which is not inferior to that of growers who supply potatoes to potato flour factories. Potato growers shall never receive a lower payment for potatoes supplied to spirit distilleries than that to which the growers are entitled under the existing regulations stipulating payment in proportion with the price of maize.

- (h) the corporation shall not, without the Minister's approval, amend its byelaws, increase its share-capital or raise loans.
- (i) the corporation shall submit to government control in regard to the regulations in force. The corporation shall defray the expenses incidental to such control.
- (j) At the end of a period, the government shall be entitled to take over the corporation's assets subject to one year's notice and subject to certain rules to be laid down.

Decisions on the government's exercise of its right to take over the corporation's assets in pursuance of s.s.(j), shall be made by Act of the Rigsdag.

During the period specified in s.s.1 of this section, the Minister may, subject to unanimous recommendation by the Committee mentioned in s.6, where special circumstances render it advisable, permit the corporation to carry on or participate in activities related to the objects of the corporation.

### § 3.

The Minister of Commerce and Industry shall be empowered to grant exemptions from the stipulations laid down in § 2 in such special cases where spirit is obtained as a by-product of or connected with production of other goods. Such exemption shall be subject to a control being exercised on production and uses of the spirit obtained.

§ 4.

Any dealer in the goods mentioned in § 1 of this Act shall be under obligation to prove to the authorities, upon request, from whom the goods in question have been bought.

§ 5.

The Minister of Commerce and Industry may fix a maximum retail selling price for goods mentioned in this Act and produced in this country, the production of which takes place under a monopoly. The Minister may also stipulate that liquors, both unripped and with addition of e.g. aquavit, may be offered for sale only with a fixed alcoholic strength under defined descriptions and in specially marked packing.

A committee of 5 members shall be set up. The Chairman of the committee shall be appointed by the Minister of Commerce and Industry; 4 members and deputies for them shall be appointed for 5 year-periods by the Rigsdag, in conformity with the rules laid down by § 45 of the Act of Constitution.

Regulations to be imposed and measures to be introduced under this Act shall be instituted by the Minister of Commerce and Industry after recommendation by the committee. The committee shall supervise the observance of regulations imposed and agreements made in pursuance of this Act.

Contraventions of licences granted and regulations imposed by or in pursuance of this Act shall be punishable by fines. Fines shall be paid into the Treasury. Profits made on activities violating provisions of this Act or licences granted and regulations imposed in pursuance of this Act may be confiscated by judgment and appropriated for the Treasury Account. Offenders may have their business licences withdrawn by judgment.

§ 8.

This Act, which does not apply to the Faroe Islands, shall come into force as from April 1, 1934. Up to that date, the regulations concerning production of spirit and baker's yeast, imposed by Act No. 170 dated May 15th, 1933, on a Potato Flour Scheme and Measures to Promote Growing and

Use of Potatoes for Industrial Purposes, shall remain in force. Order No. 180 issued by the Minister of the Interior on April 28th, 1923, concerning production of and trade in liquor, and Order No. 437 issued by the Minister of the Interior on July 26th, 1919, concerning importation of liquor, cf. Order No. 321 issued on July 1, 1920, concerning importation of liquor into the South Jutland Provinces, shall be repealed from this date.

All and everybody to comply with the above provisions.

Given at Amalienborg Palace, March 15, 1934.

Under Our Royal Hand and Seal.

Christian R.

---

C.N. Hauge.

