

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## MAINTENANCE OF QUANTITATIVE IMPORT RESTRICTIONS

Request by the Government of Luxemburg

### Addendum

#### Structural subsidies for certain agricultural products provided for in the budget of the Grand-Duchy

##### A. PRINCIPLES

1. Within the framework of the agricultural policy of the Government of the Grand-Duchy, structural subsidies are allocated within the State budget for certain agricultural products to make up the difference between the official selling price and the cost price agreed between the Government and the Chamber of Agriculture.
2. Structural subsidies are presently allocated for the following products: wheat, rye, milk for consumption, butter, beef and pork. In 1945 and 1946 subsidies were also granted for eating potatoes.
3. Structural subsidies are limited to the amount of the product absorbed by the internal market.
4. The method of payment of structural subsidies is fixed either by decree or by an order from the Ministry of Agriculture and/or the Ministry of Economic Affairs. The subsidies are administered by the Ministry of Economic Affairs.
5. Withholding of payments from the subsidies can be operated either for the benefit of the State in case the standard of quality fixed for the products (for example, the amount of water in butter) are exceeded, or for compensation or investment purposes agreed between the Ministry of Agriculture and the Chamber of Agriculture.

##### B. METHOD OF PAYMENT

Structural subsidies are paid by the Subsidies Service of the Ministry of Economic Affairs in accordance with certain formalities.

In principle, the subsidies are paid to the intermediaries between the agricultural producer and the retailer. The intermediary pays the full officially-fixed price (producer's price) to the producer, and resells the product at a lower official price (commercial price). The difference of price is refunded by the

State upon the presentation of documents properly checked by the technical services of the Ministry of Agriculture or the Ministry of Economic Affairs.

The procedures presently in force are the following:

Bread grains:

(a) Wheat and rye: the subsidies are paid to grain dealers upon presentation of duly signed certificates of origin at the time of delivery of the grains by the producer-seller and the purchaser-grain dealer, and are regulated by the Wheat Office on the basis of the quantities of wheat and rye supplied to the mills by the grain dealer. Stocking compensation is paid to the milling trade and the grain trade according to the monthly statements drawn up by the Wheat Office.

(b) Flour: subsidies for flour are paid to the millers and bakers upon presentation of bills and invoices duly checked by the Subsidies Service.

Milk and butter: subsidies are paid to the dairies according to the monthly balances presented by them and duly checked by the Agricultural Services Administration.

Meat: subsidies are paid to the livestock commissioners upon presentation of receipts of sales duly signed by them and checked by the Meat and Livestock Service and the Subsidies Service.

