



Treaty Series No. 22 (1972)

Exchange of Notes

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

concerning a Variable General Levy
Scheme for Cereals introduced
by the United Kingdom

London, 7 December 1971

[The Agreement entered into force on 7 December, 1971]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
March 1972*

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM
OF GREAT BRITAIN AND NORTHERN IRELAND AND THE
GOVERNMENT OF CANADA CONCERNING A VARIABLE
GENERAL LEVY SCHEME FOR CEREALS INTRODUCED
BY THE UNITED KINGDOM**

No. 1

*From the Secretary of State for Foreign and Commonwealth Affairs
to the High Commissioner for Canada*

*Foreign and Commonwealth Office,
London, S.W.1*

7 December 1971.

Your Excellency,

I have the honour to refer to the discussions which have taken place between representatives of the Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as "the Government of the United Kingdom") and of the Government of Canada concerning the introduction by the Government of the United Kingdom of a variable general levy scheme for cereals on 1 July 1971.

Having regard to the common objective of the two Governments that this policy should be implemented without disrupting established patterns of trade, including levels of trade, between the two countries, I have the honour to inform Your Excellency that the Government of the United Kingdom are prepared to conclude an agreement with the Government of Canada in the following terms:

- (a) The Government of the United Kingdom shall carry into effect the variable general levy scheme for cereals in close consultation with the Government of Canada, as well as with the Governments of the United Kingdom's other major suppliers. In particular, the Government of the United Kingdom shall keep under review the operation of the scheme and consult with the Government of Canada and the Governments of the United Kingdom's other major suppliers in good time before making any significant change. Either Government shall be free to require consultations at any time on the operation of the scheme having regard to the common objective set out above, in particular in the event of a relevant change or prospective change in circumstances, it being understood that consultations should cover all considerations relevant to the United Kingdom system of variable import levies.
- (b) Consultations about initial price levels have taken place and for the period 1 July 1971 to 31 December 1972 (and subject to any agreed variations on the individual items) minimum import prices under the scheme shall not exceed the levels set out in Annex I to this Note.

- (c) The Government of the United Kingdom agree to the categories proposed by the Government of Canada as set out in Annex II to this Note for the new Canadian wheat grades Canada Western Red Spring numbers 1, 2 and 3.
- (d) The Government of the United Kingdom agree to the establishment of separate categories and levies, where applicable, for feed flour not containing chalk, denatured wheat and barley having a high diastatic activity.
- (e) In consideration of the above, the Government of Canada shall not, while the agreement proposed in this Note remains in force, exercise, with respect to grains and cereal flours listed in Annex I and Annex II to this Note, the rights it has by virtue of the tariff bindings in Schedule XIX annexed to the General Agreement on Tariffs and Trade, it being understood that these GATT rights and the provisions of the Exchange of Letters of 30 October 1947⁽¹⁾ modifying the Trade Agreement between the two Governments signed at Ottawa on 23 February 1937⁽²⁾ remain unimpaired.

If the foregoing proposals are acceptable to the Government of Canada, I have the honour to propose that this Note and its Annexes, together with Your Excellency's reply in that sense, shall constitute an agreement between our two Governments which shall enter into force on the date of your reply and shall be subject to termination by either Government giving not less than three months' notice in writing to the other.

I have the honour to be

Your Excellency's obedient Servant

(for the Secretary of State)

H. B. C. KEEBLE.

⁽¹⁾ Cmd. 7258.

⁽²⁾ Cmd. 5382.

Minimum Import Price Levels for Cereals, Cereal Products and By-Products as Prescribed in the Price Stability of Imported Products (Minimum Import Price Levels (Cereals)) Order 1971

ANNEX I

1 Tariff heading	2 Description of Imports		3 Minimum Import Price Level (£ per ton)														
			1971				1972										
			July-Aug.-Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.-Sep.	Oct.	Nov.	Dec.
10.01	Wheat	A. Denatured wheat	24·65	24·95	25·25	25·55	25·85	26·15	26·45	26·75	27·05	27·35	27·65	26·75	27·05	27·35	27·65
		B. Other wheat:															
		1. EEC milling; Finnish milling; Greek milling; Spanish milling; Swedish milling; wheats of comparable quality	27·25	27·55	27·85	28·15	28·45	28·75	29·05	29·35	29·65	29·95	30·25	29·55	29·85	30·15	30·45
		2. Australian fair average quality; Canadian Soft Eastern White; United States Soft White No. 2; United States Soft Red Winter No. 2; United States Hard and Dark Hard Winters Nos. 1 and 2 with in each case less than 12 per cent by weight of protein at the prescribed standard moisture content; wheats of comparable quality	28·65	28·95	29·25	29·55	29·85	30·15	30·45	30·75	31·05	31·35	31·65	31·05	31·35	31·65	31·95
		3. United States Hard and Dark Hard Winters Nos. 1 and 2 with in each case less than 13 per cent but not less than 12 per cent by weight of protein at the prescribed standard moisture content; wheats of comparable quality	29·80	30·10	30·40	30·70	31·00	31·30	31·60	31·90	32·20	32·50	32·80	32·25	32·55	32·85	33·15
		4. Argentinian; Canadian Manitoba Northern No. 4; United States Hard and Dark Hard Winters Nos. 1 and 2 with in each case less than 14 per cent but not less than 13 per cent by weight of protein at the prescribed standard moisture content; wheats of comparable quality	30·90	31·20	31·50	31·80	32·10	32·40	32·70	33·00	33·30	33·60	33·90	33·50	33·80	34·10	34·40
		5. Canadian Manitoba Northern No. 3; United States Northern, Dark Northern and Red Springs Nos. 1 and 2 with in each case less than 14 per cent by weight of protein at the prescribed standard moisture content; United States Hard and Dark Hard Winters Nos. 1 and 2 with in each case 14 per cent or more by weight of protein at the prescribed standard moisture content; wheats of comparable quality	31·75	32·05	32·35	32·65	32·95	33·25	33·55	33·85	34·15	34·45	34·75	34·40	34·70	35·00	35·30
		6. Canadian Manitoba Northern Nos. 1 and 2; United States Northern, Dark Northern and Red Springs Nos. 1 and 2 with in each case 14 per cent or more by weight of protein at the prescribed standard moisture content; wheats of comparable quality	32·60	32·90	33·20	33·50	33·80	34·10	34·40	34·70	35·00	35·30	35·60	35·30	35·60	35·90	36·20

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Minimum Import Price Levels for Cereals, Cereal Products and By-Products as Prescribed in the Price Stability of Imported Products (Minimum Import Price Levels (Cereals)) Order 1971

ANNEX I

1 Tariff heading	2 Description of Imports		3 Minimum Import Price Level (£ per ton)															
			1971				1972											
			July-Aug.-Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.-Sep.	Oct.	Nov.	Dec.	
10.03	Barley	A. Barley having a potential diastatic activity of not less than 170 degrees	28.55	28.85	29.15	29.45	29.75	30.05	30.35	30.65	30.95	31.25	31.55	30.50	30.80	31.10	31.40	
		B. Other... ..	23.55	23.85	24.15	24.45	24.75	25.05	25.35	25.65	25.95	26.25	26.55	25.50	25.80	26.10	26.40	
10.04	Oats		23.55	23.85	24.15	24.45	24.75	25.05	25.35	25.65	25.95	26.25	26.55	25.50	25.80	26.10	26.40	
10.05	Maize (other than sweet corn on the cob)		24.65	24.95	25.25	25.55	25.85	26.15	26.45	26.75	27.05	27.35	27.65	26.75	27.05	27.35	27.65	
10.07	Grain sorghum		24.10	24.40	24.70	25.00	25.30	25.60	25.90	26.20	26.50	26.80	27.10	26.10	26.40	26.70	27.00	
11.01	Cereal flours (other than rice flour)	A. Wheat flours not containing chalk and containing not more than 1 per cent by weight of fibre at the prescribed standard moisture content:																
		1. Containing 1 per cent or more by weight of natural ash at the prescribed standard moisture content	31.75	32.05	32.35	32.65	32.95	33.25	33.55	33.85	34.15	34.45	34.75	34.40	34.70	35.00	35.30	
		2. Containing less than 1 per cent by weight of natural ash at the prescribed standard moisture content	39.35	39.65	39.95	40.25	40.55	40.85	41.15	41.45	41.75	42.05	42.35	42.60	42.90	43.20	43.50	
		B. Wheat flours containing chalk and not more than 1 per cent by weight of fibre at the prescribed standard moisture content:																
		1. Containing not less than 0.7 per cent by weight of natural ash at the prescribed standard moisture content	39.35	39.65	39.95	40.25	40.55	40.85	41.15	41.45	41.75	42.05	42.35	42.60	42.90	43.20	43.50	
		2. Containing less than 10 per cent by weight of protein at the prescribed standard moisture content	39.35	39.65	39.95	40.25	40.55	40.85	41.15	41.45	41.75	42.05	42.35	42.60	42.90	43.20	43.50	
		3. Containing 10 per cent or more but not more than 12 per cent by weight of protein at the prescribed standard moisture content	44.45	44.75	45.05	45.35	45.65	45.95	46.25	46.55	46.85	47.15	47.45	48.10	48.40	48.70	49.00	
		4. Containing more than 12 per cent by weight of protein at the prescribed standard moisture content	49.50	49.80	50.10	50.40	50.70	51.00	51.30	51.60	51.90	52.20	52.50	53.55	53.85	54.15	54.45	
		C. Other flours:																
		1. Of barley	27.20	27.50	27.80	28.10	28.40	28.70	29.00	29.30	29.60	29.90	30.20	29.45	29.75	30.05	30.35	
2. Of maize	28.30	28.60	28.90	29.20	29.50	29.80	30.10	30.40	30.70	31.00	31.30	30.70	31.00	31.30	31.60			
3. Of oats	27.20	27.50	27.80	28.10	28.40	28.70	29.00	29.30	29.60	29.90	30.20	29.45	29.75	30.05	30.35			
4. Other	27.20	27.50	27.80	28.10	28.40	28.70	29.00	29.30	29.60	29.90	30.20	29.45	20.75	30.05	30.35			

Minimum Import Price Levels for Cereals, Cereal Products and By-Products as Prescribed in the Price Stability of Imported Products (Minimum Import Price Levels (Cereals)) Order 1971

ANNEX I

1 Tariff heading	2 Description of Imports	3 Minimum Import Price Level (£ per ton)																
		1971				1972												
		July-Aug.-Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.-Sep.	Oct.	Nov.	Dec.		
11.02	Cereal groats, cereal meals, other worked cereal grains and germ of cereals (other than any products of rice and any blocked, pot and pearl barley):	A. Of wheat:																
		1. Groats, kibbled or cut	28·30	28·60	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	30·70	31·00	31·30	31·60	
		2. Meal:																
		(A) Denatured wheat meal	28·30	28·60	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	30·70	31·00	31·30	31·60	
		(B) Other:																
		(1) Containing less than 10 per cent by weight of protein at the prescribed standard moisture content	39·35	39·65	39·95	40·25	40·55	40·85	41·15	41·45	41·75	42·05	42·35	42·60	42·90	43·20	43·50	
		(2) Containing 10 per cent or more but not more than 12 per cent by weight of protein at the prescribed standard moisture content	44·45	44·75	45·05	45·35	45·65	45·95	46·25	46·55	46·85	47·15	47·45	48·10	48·40	48·70	49·00	
		(3) Containing more than 12 per cent by weight of protein at the prescribed standard moisture content	49·50	49·80	50·10	50·40	50·70	51·00	51·30	51·60	51·90	52·20	52·50	53·55	53·85	54·15	54·45	
		3. Rolled, flaked, crushed or bruised	30·00	30·30	30·60	30·90	31·20	31·50	31·80	32·10	32·40	32·70	33·00	32·50	32·80	33·10	33·40	
		4. Other processed	28·30	28·60	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	30·70	31·00	31·30	31·60	
		B. Of barley:																
		1. Groats, meals, kibbled or cut	27·20	27·50	27·80	28·10	28·40	28·70	29·00	29·30	29·60	29·90	30·20	29·45	29·75	30·05	30·35	
		2. Rolled, flaked, crushed or bruised	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	31·60	31·90	31·30	31·60	31·90	32·20	
		3. Other processed	27·20	27·50	27·80	28·10	28·40	28·70	29·00	29·30	29·60	29·90	30·20	29·45	29·75	30·05	30·35	
		C. Of maize:																
		1. Groats, kibbled or cut	28·30	28·60	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	30·70	31·00	31·30	31·60	
		2. Meal:																
		(A) Containing less than 9 per cent by weight of fibre at the prescribed standard moisture content	28·30	28·60	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	30·70	31·00	31·30	31·60	
		(B) Containing 9 per cent or more by weight of fibre at the prescribed standard moisture content	23·40	23·70	24·00	24·30	24·60	24·90	25·20	25·50	25·80	26·10	26·40	25·40	25·70	26·00	26·30	
		3. Rolled, flaked, crushed or bruised:																
		(A) Flaked	30·85	31·15	31·45	31·75	32·05	32·35	32·65	32·95	33·25	33·55	33·85	33·45	33·75	34·05	34·35	
		(B) Rolled, crushed or bruised	30·00	30·30	30·60	30·90	31·20	31·50	31·80	32·10	32·40	32·70	33·00	32·50	32·80	33·10	33·40	
		4. Other processed	28·30	28·60	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	30·70	31·00	31·30	31·60	

**Minimum Import Price Levels for Cereals, Cereal Products and By-Products as Prescribed in the Price
Stability of Imported Products (Minimum Import Price Levels (Cereals)) Order 1971**

ANNEX I

1 Tariff heading	2 Description of Imports	3 Minimum Import Price Level (£ per ton)															
		1971				1972											
		July- Aug.- Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.- Sep.	Oct.	Nov.	Dec.	
	D. Of oats:																
	1. Groats; meal; kibbled or cut ...	27·20	27·50	27·80	28·10	28·40	28·70	29·00	29·30	29·60	29·90	30·20	29·45	29·75	30·05	30·35	
	2. Rolled, flaked, crushed or bruised ...	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	31·60	31·90	31·30	31·60	31·90	32·20	
	3. Other processed ...	27·20	27·50	27·80	28·10	28·40	28·70	29·00	29·30	29·60	29·90	30·20	29·45	29·75	30·05	30·35	
	E. Other:																
	1. Groats, kibbled or cut cereals ...	27·20	27·50	27·80	28·10	28·40	28·70	29·00	29·30	29·60	29·90	30·20	29·45	29·75	30·05	30·35	
	2. Rolled, flaked, crushed or bruised cereals ...	28·90	29·20	29·50	29·80	30·10	30·40	30·70	31·00	31·30	31·60	31·90	31·30	31·60	31·90	32·20	
	3. Other processed ...	27·20	27·50	27·80	28·10	28·40	28·70	29·00	29·30	29·60	29·90	30·20	29·45	29·75	30·05	30·35	
23.02	Bran sharps and other residues derived from the sifting, milling or working of cereals other than of rice	Containing not more than 13 per cent by weight of fibre at the prescribed standard moisture content ...	22·20	22·50	22·80	23·10	23·40	23·70	24·00	24·30	24·60	24·90	25·20	24·05	24·35	24·65	24·95

ANNEX II

CLASSIFICATION OF CANADIAN WHEATS

In relation to the new classification of Canadian wheat grains the following groups are proposed for the purposes of the variable general levy system:

Canadian Western No. 3 Red Spring Wheat	Group 2
Canadian Western No. 2 Red Spring Wheat with less than 13 but not less than 12 per cent by weight of protein at the prescribed standard moisture content	Group 3
Canadian Western No. 1 Red Spring Wheat with less than 13 but not less than 12 per cent by weight of protein at the prescribed standard moisture content	Group 4
Canadian Western No. 2 Red Spring Wheat with less than 14 but not less than 13 per cent by weight of protein at the prescribed standard moisture content	Group 4
Canadian Western No. 1 Red Spring Wheat with less than 14 but not less than 13 per cent by weight of protein at the prescribed standard moisture content	Group 5
Canadian Western No. 2 Red Spring Wheat with 14 per cent or more by weight of protein at the prescribed standard moisture content	
Canadian Western No. 1 Red Spring Wheat with 14 per cent or more by weight of protein at the prescribed standard moisture content	Group 6

With regard to No. 1 Canadian Western Wheats this grouping will take effect from 1 July; with respect to No. 2 and No. 3 Canadian Western Wheats these will be incorporated into the operation of the levy scheme as set out above when the grades are offered for sale.

No. 2

*The High Commissioner for Canada to the Secretary of State
for Foreign and Commonwealth Affairs*

[English text]

*Office of the
High Commissioner for Canada,
Canada House,
London, December 7, 1971.*

Dear Secretary of State,

I acknowledge the receipt of your Letter of the 7th of December, 1971 which reads as follows:

[As in No. 1]

In reply, I have the honour to inform you that the foregoing is acceptable to the Government of Canada, who therefore regard your Letter, together with its Annexes, and this Reply as constituting an Agreement between the two Governments in this matter which shall enter into force on this day's date.

Yours sincerely,

J. H. WARREN.

[French text]

*Haut-Commissariat du Canada,
Maison du Canada,
Londres, S-O. 1.
Le 7 décembre 1971.*

Monsieur le Secrétaire d'Etat,

J'accuse réception de votre lettre du 7 décembre 1971 dont voici la teneur.

J'ai l'honneur de me référer aux entretiens qui ont eu lieu entre représentants du Gouvernement du Royaume-Uni de Grande-Bretagne et d'Irlande du Nord (appelé ci-après "le Gouvernement du Royaume-Uni") et du Gouvernement du Canada concernant l'application, par le Gouvernement du Royaume-Uni, d'un régime général d'impôts variables frappant les céréales, à compter du 1^{er} juillet 1971.

Eu égard à l'objectif commun des deux Gouvernements qui est d'assurer la mise en oeuvre de cette politique sans bouleverser la structure établie du commerce, y compris les niveaux des échanges entre les deux pays, j'ai l'honneur de vous faire savoir que le Gouvernement du Royaume-Uni est prêt à conclure un accord avec le Gouvernement du Canada aux conditions suivantes:

- (a) Le Gouvernement du Royaume-Uni mettra en vigueur le régime général d'impôts variables frappant les céréales en consultation étroite avec le Gouvernement du Canada ainsi que des autres grands fournisseurs du Royaume-Uni. En particulier la question de l'application du régime fera l'objet d'un examen constant de la

part du Gouvernement du Royaume-Uni, lequel consultera le Gouvernement du Canada et des autres grands fournisseurs du Royaume-Uni en temps opportun avant de procéder à une modification importante. L'un ou l'autre des Gouvernements pourra exiger en tout temps des consultations sur l'application du régime, eu égard à l'objectif commun énoncé ci-dessus, notamment en cas d'un changement pertinent ou d'un changement éventuel de circonstances, étant entendu que les consultations doivent englober toutes considérations se rattachant au régime d'impôts variables à l'importation appliqué par le Royaume-Uni.

- (b) Des consultations sur les niveaux initiaux des prix ont eu lieu et pour la période du 1^{er} juillet 1971 au 31 décembre 1972 (et sous réserve de toutes variations approuvées visant des articles particuliers), les prix minimums à l'importation applicables en conformité du régime ne dépasseront pas les niveaux fixés à l'Annexe I à la présente Note.
- (c) Le Gouvernement du Royaume-Uni approuve les catégories proposées par le Gouvernement du Canada, telles qu'elles sont énumérées dans l'Annexe II à la présente Note en ce qui concerne les nouvelles qualités de blé canadien *Western Red Spring* Nos 1, 2 et 3.
- (d) Le Gouvernement du Royaume-Uni accepte que l'on établisse des catégories et d'impôts distincts, s'il y a lieu, pour la farine fourragère ne renfermant pas de calcaire, le blé dénaturé et l'orge ayant une activité diastasique élevée.
- (e) Considérant ce qui précède, le Gouvernement du Canada n'exercera pas tant que l'accord proposé dans la présente Note restera en vigueur, à l'égard des grains et des farines céréalières énumérés à l'Annexe I et à l'Annexe II à la présente Note, les droits qu'il possède en vertu des engagements tarifaires énoncés à l'Appendice XIX de l'Accord général sur les tarifs douaniers et le commerce, étant entendu que ces droits du GATT et les dispositions de l'Echange de lettres du 30 octobre 1947 modifiant l'Accord de commerce signé à Ottawa entre les deux Gouvernements le 23 février 1937 restent inchangés.

Si les propositions qui précèdent agréent au Gouvernement du Canada, j'ai l'honneur de proposer que la présente Note et ses Annexes, ainsi que votre réponse à cet effet, constituent entre nos deux Gouvernements un accord qui entrera en vigueur à la date de votre réponse et auquel l'un ou l'autre des deux Gouvernements pourra mettre fin en donnant un préavis d'au moins trois mois, par écrit, à l'autre Gouvernement.

En réponse, j'ai l'honneur de vous faire connaître que le Gouvernement canadien agréé ce qui précède et, par suite, estime que votre Lettre et ses Annexes et la présente Réponse constituent à ce sujet entre nos deux Gouvernements un accord qui entrera en vigueur aujourd'hui.

Veuillez agréer, Monsieur le Secrétaire d'Etat, l'assurance de mes sentiments les meilleurs.

J. H. WARREN.

HER MAJESTY'S STATIONERY OFFICE

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