

UNITED STATES
OF AMERICA



Treaty Series No. 73 (1971)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the United States of America
concerning a Variable General Levy
Scheme for Cereals introduced
by the United Kingdom

London, 1 July 1971

[The Agreement entered into force on 1 July 1971]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
October 1971*

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

No. 1

*The Parliamentary Under-Secretary of State, Foreign and Commonwealth Office,
to the Ambassador of the United States of America*

MC 1/304/3

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

Your Excellency,

1 July, 1971.

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 and representatives of the Government of the United States of America concerning the declared intention of the Government of the United Kingdom to introduce a variable general levy scheme for cereals from 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 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 the United States, 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 the United States, 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 the United States 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 objective set out in paragraph 2 of this Note, in particular in the event of a relevant change or prospective change in circumstances.
- (b) Consultations about initial price levels have taken place, and for the crop year 1971-72 and during the remainder of the calendar year 1972 (subject to any agreed variations on individual items), minimum import prices under the scheme shall not exceed the levels set out in the Annex to this Note.

- (c) The Government of the United Kingdom shall exempt from levy under the scheme imports of maize for the manufacture of starch, glucose and spirituous beverages when accompanied by a certificate provided by the Ministry of Agriculture, Fisheries and Food against a declaration that the imports are to be used for the specified purpose.
- (d) Having consulted the other Governments principally concerned and having obtained their concurrence the Government of the United Kingdom shall eliminate from 1 July 1971 the most-favoured-nation tariff of 10 per cent *ad valorem* on grain sorghums, including milo (ex tariff heading BTN 10.07) for the period of this agreement.
- (e) In consideration of the above, the Government of the United States shall not, while the Agreement proposed in this Note remains in force, exercise, with respect to the grains and cereal flours listed in the Annex to this Note, the rights they have by virtue of the tariff bindings in Schedule XIX annexed to the General Agreement on Tariffs and Trade, it being understood that these rights remain unimpaired.

If the foregoing proposals are acceptable to the Government of the United States, I have the honour to propose that this Note and its Annex, together with Your Excellency's reply in that sense, shall constitute an Agreement between the 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,
with the highest consideration,
Your Excellency's obedient Servant,

ANTHONY KERSHAW

ANNEX
SCHEDULE

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

(1) Tariff Heading	(2) Description of Imports	(3) Minimum Import Price Level (£ per ton)															
		1971				1972											
		July- Aug.- Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.- Sept.	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

ANNEX (continued)

(1) Tariff Heading	(2) Description of Imports		(3) Minimum Import Price Level (£ per ton)														
			1971				1972										
			July- Aug.- Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.- Sept.	Oct.	Nov.	Dec.
10.03	Barley	A. Barley having a potential diastatic activity of not less than 170° ...	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	29·75	30·05	30·35

ANNEX (continued)

(1) Tariff Heading	(2) Description of Imports	(3) Minimum Import Price Level (£ per ton)															
		1971				1972											
		July- Aug.- Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.- Sept.	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		

No. 2

*The Ambassador of the United States of America to the Parliamentary
Under-Secretary of State, Foreign and Commonwealth Office*

No. 18

*Embassy of the United States of America,
London.*

Sir,

July 1, 1971

I have the honor to acknowledge the receipt of your Note No. MC1/304/3 of the 1st of July 1971, together with its Annex, proposing an agreement between our two Governments regarding the importation into the United Kingdom of certain grains and cereal flours.

In reply, I have the honor to inform you that the proposals made in your Note are acceptable to the Government of the United States of America and that my Government considers your Note, together with its Annex, and this reply as constituting an agreement between our two Governments with effect beginning on this day's date.

Accept, Sir, the assurances of my high consideration.

WALTER ANNENBERG
Ambassador

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