

N° 256.

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**BELGIQUE ET LUXEMBOURG**

Convention établissant une union  
économique entre les deux pays,  
signée à Bruxelles le 25 juillet  
1921.

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**BELGIUM AND LUXEMBURG**

Convention for the establishment of  
an Economic Union between the  
two countries, signed at Brussels,  
July 25, 1921.

<sup>1</sup> TRADUCTION. — TRANSLATION.

No. 256. — CONVENTION <sup>2</sup> BETWEEN BELGIUM AND THE GRAND-DUCHY OF LUXEMBURG FOR THE ESTABLISHMENT OF AN ECONOMIC UNION BETWEEN THE TWO COUNTRIES, SIGNED AT BRUSSELS, JULY 25, 1921.

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*French official text communicated by the Belgian Minister for Foreign Affairs. The registration of this Convention took place April 10, 1922.*

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His Majesty the King of the Belgians and Her Royal Highness the Grand-Duchess of Luxemburg, being desirous of strengthening the economic ties which unite BELGIUM and the GRAND-DUCHY OF LUXEMBURG, have for that purpose decided to conclude a Convention, and to this end have appointed as their plenipotentiaries :

HIS MAJESTY THE KING OF THE BELGIANS,

M. Henri JASPAR, Member of the Chamber of Representatives, Minister for Foreign Affairs ;

HER ROYAL HIGHNESS THE GRAND-DUCHESS OF LUXEMBURG :

M. Emile REUTER, Minister of State, Prime Minister ;

Who, having communicated their full powers, found in good and due form, have agreed on the following articles :

*Article 1.*

A customs union shall be concluded between the Kingdom of Belgium and the Grand-Duchy of Luxemburg.

*Article 2.*

From the coming into force of the present Convention the territories of the two contracting States shall be considered as forming one single territory as regards customs and common excise duties, and the customs boundaries between the two countries shall be abolished.

*Article 3.*

Except as otherwise provided in the present Treaty, commerce between the countries of the Union shall be entirely free and unrestricted and subject to no import, transit or export limitations or prohibitions nor to duties or charges of any kind.

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<sup>1</sup> Traduit par le Secrétariat de la Société des Nations.

<sup>1</sup> Translated by the Secretariat of the League of Nations.

<sup>2</sup> The exchange of ratifications took place at Brussels March 6, 1922.

The subjects of one of the States of the Union, who are settled or reside temporarily in the territory of the other State, or make use of the territory of that State or its land, water or air transport installations, may not be subjected in the latter State, either in respect of the produce of their agriculture, trade, industry, capital or labour, or in respect of the agricultural, commercial, industrial or financial operations, or of the trades and professions which they practise in that State, or in respect of the transport of their merchandise, persons or property, to methods of taxation, traffic regulations, duties, charges, tariffs, taxes or licences, under whatever name they may be described, other than those which may be applied to nationals; and the privileges, immunities or benefits of any description whatever which would be enjoyed by the nationals of one of the Contracting Parties as regards trade or industry shall be shared by the nationals of the other.

Nevertheless, for the purpose of safeguarding the interests of the national metallurgical industry in each of the two countries, a Joint Commission will endeavour to ensure equitable conditions as regards the supply of raw materials and the export of the manufactured product. In the event of any dispute arising, this adjustment shall be effected by means of tariff measures to be drawn up by the arbitral tribunal provided for in Article 28.

Permits to carry on trade in Belgium shall be valid in the Grand-Duchy of Luxemburg and *vice versa*.

As regards the supply of fuel and other raw materials the two countries shall be placed on a footing of absolute equality.

Merchants, manufacturers and their representatives who are established in one of the contracting States may make purchases in the other State to meet their commercial and industrial requirements and may obtain orders, with or without samples, but without actually introducing the goods for sale, and they shall not be liable in that State to any trade licence or tax if they furnish satisfactory proof that they themselves, or the firm which they represent, have complied with all the obligations imposed in this connection by the country in which they are established.

As regards supplies and work the contracts for which are given out by the State, provinces, communes and, generally speaking, by public administrations and administrations and establishments controlled by the public authorities, subjects of one of the contracting States may submit tenders in the other State under the same conditions as the subjects of the latter.

#### Article 4.

All legal provisions and regulations at present in force in the Grand-Duchy of Luxemburg as regards customs (import, export, transit and statistical duties and charges) and common excise duties shall be abolished on the date appointed in Article 21 and replaced by the provisions relating to customs and excise in force in Belgium at the date of the ratification of the present Convention.

Such modifications as Belgium may intend to introduce into these regulations after this date shall, in all cases, be submitted to the Superior Council of the Belgo-Luxemburg Union, provided for in Article 27, for their opinion.

#### Article 5.

From the coming into force of the present Convention the Belgian Government shall endeavour, at the request of the Grand-Ducal Government, to secure the extension to the Grand-Duchy of Luxemburg of the existing commercial treaties and economic agreements between Belgium and other countries.

Future commercial treaties and economic agreements shall be concluded by Belgium on behalf of the Customs Union.

No commercial treaty or economic agreement may be concluded or modified without the Luxemburg Government having been consulted.

Article 6.

To remove any impediment to the unrestricted movement of persons, merchandise and property between the two contracting countries the Grand-Ducal Government will, as far as possible, assimilate the laws of Luxemburg as regards excise duties not common to both countries to those of Belgium, and will in all cases impose an excise duty not less than the excise duty on products which are subject in Belgium to an excise duty at the date of ratification of the present Convention.

A drawback on the excise duty will be granted when goods are exported from the territory of the Union.

No excise duty may be imposed upon natural still wines of native origin manufactured from fresh grapes.

Artificial wines, *i.e.*, those which are not produced by the fermentation of the juice or must of fresh grapes, may not be transported or exposed for sale unless the vessels which contain them are clearly marked with a name leaving no doubt as to the nature of the product.

For the purpose of §§ 3 and 4, wines manufactured from the vintages of the Grand-Duchy and dealt with in accordance with the laws of Luxemburg shall be held to be natural wines of native origin.

Article 7.

Goods subject to excise duties, in regard to which it has been agreed to pool the receipts, may pass from the Grand-Duchy to Belgium and *vice versa* without payment of frontier dues and without repayment of duty.

Special conventions will be concluded laying down regulations for the circulation from one Contracting State to the other of goods subject to an excise duty in regard to which no provisions have been laid down for pooling the receipts.

Article 8.

No export bounty, direct or indirect, may be granted on produce and goods of any kind passing from one of the States of the Union to the other.

Should one of the High Contracting Parties deem it desirable to fix maximum prices for any product, the two States shall consult together for the purpose of introducing uniform regulations.

This provision, however, shall not apply to slag obtained from the Thomas process which is to be supplied, under mining concessions, for agricultural purposes in Luxemburg.

Article 9.

Each of the High Contracting Parties reserves the right to issue such decrees prohibiting traffic and movement as it may deem necessary in the interests of law and order or for sanitary reasons, more particularly to prevent the spread of epidemics and epizootic diseases or to protect agriculture from the introduction or propagation of noxious insects, provided always that such prohibitions do not affect traffic between the Contracting States in any other way, or affect it more injuriously than they affect the internal traffic of the State which has resorted to them.

Licences or permits for the transport of dangerous goods, such as explosives, which have been issued by the competent authorities in Belgium shall be valid for the Grand-Duchy of Luxemburg and *vice versa*.

The movement of goods which are consigned to one of the States of the Union and are in transit through the territory of the other may under no condition be subjected to any hindrance or prohibition.

Article 10.

Unless otherwise provided for by the Mixed Administrative Council, each of the two Governments will arrange for the administration and collection of customs and excise duties within its own territory in accordance with the laws and regulations of the Customs Union.

Article 11.

The proceeds of the following shall be regarded as common receipts :

- (a) Import, export, transit duties ;
- (b) Excise duties on foreign wines, sparkling wines, wines produced from dried fruits, beers, vinegar derived from beer and other sources, acetic acid, cane and beet sugar, glucoses and other non-crystallisable sugars, margarine, foreign tobaccos, native tobaccos, together with the proceeds of the *ad valorem* tax on the sale of tobaccos or of any other excise duties which may become common in the future ;
- (c) Extraordinary customs receipts (duties for the opening of bonded stores, fees for extra work in connection with the loading and unloading of vessels).

These common receipts, less repayments, bonuses, expenses of collection and administration (Article 12), shall be divided between the Contracting Parties in proportion to the population of their territories.

For this purpose, a census of the population shall be taken every ten years in the whole territory of the Customs Union on the same day and in accordance with the same principles. The agreement which will subsequently determine the procedure for taking this census shall at the same time fix the date of the first census.

The Mixed Administrative Council shall, at the end of each quarter, draw up provisional accounts of the receipts in question and of the expenses to be deducted and shall, in accordance with the method of distribution indicated above, determine the share due to each of the Contracting Parties, together with the sum to be repaid by the country whose receipts may exceed this share.

The same procedure shall be followed with regard to the detailed accounts to be taken immediately after the final close of each financial year.

Article 12.

The following shall be entered in the periodical accounts as common expenses to be deducted from the common receipts :

- (1) Salaries, allowances and other costs of the Superior Council of the Belgo-Luxemburg Union, together with the salaries, allowances and other costs of the Mixed Administrative Council which shall be advanced by the Belgian Government ;
- (2) The expenses of administration and of the collection of import duties (customs duties and excise on foreign products), including the expenses of the central administrations.

These expenses shall include :

- (a) Salaries, allowances and other emoluments of the staff of the Customs Administration in the Belgian Provinces and of the Grand-Ducal Administration of the Customs assimilated thereto ; if the rate of salaries and allowances for the high cost of living of the Luxemburg staff should be higher than that of the Belgian staff, this expense may only be charged to the Union to an amount equal to the average corresponding expense of the Belgian Administration fixed yearly for each class of employee ;
- (b) A lump sum for the hire, up-keep, furnishing, heating and lighting of premises, or portions of premises, set apart for the use of the Administration, for office supplies

and the equipment of the staff ; such sum will be determined by the Superior Council of the Union on the advice of the Mixed Administrative Council ;

(c) The cost of up-keep and operation of customs vessels ;

(d) A lump sum of 15 % of the salaries and high-cost-of-living indemnities of the staff specified under (a), for pensions to be paid to this staff by each of the Contracting Parties.

(3) The expenses of administration and those connected with the collection of the common excise, except as regards excise duties on foreign products. These latter expenses shall be determined by the Superior Council of the Union on the advice of the Mixed Administrative Council.

#### Article 13.

Whenever it is shown at the end of a year that, for one or more periods of such year, the average sale prices of bread cereals in the Customs Union have fallen below the average prices of cereals in Lorraine, a sum to be fixed as follows shall be levied on the common receipts :

The number of metric quintals representing the home production during the period or periods for which such a difference of price has been recorded shall be multiplied by the difference between the average sale price of the metric quintal on the Antwerp market and the average sale price on the Metz market during the period or periods in question ; provided, however, that the figure taken as multiplier does not exceed six francs or the difference between six francs and any duties which may subsequently be introduced into the Customs tariff.

It is agreed that the figures for the home production referred to above shall be based on the average of the figures relating to the production of the two countries published by the International Office of Agriculture at Rome for the last five years, omitting the years 1914-1918 inclusive.

The sum thus determined shall be divided between Belgium and the Grand-Duchy of Luxemburg in proportion to the number of hectares under bread cereals in each of these countries, this number being also determined as laid down in the previous paragraph.

The provisions of the present article will remain in force so long as the Customs Tariff contains no duties on bread cereals or only such duties as are lower than six francs per 100 kilogrammes.

#### Article 14.

Each Government in the Customs Union shall be responsible for the whole of such sums as are not collected or are lost or abstracted in its territory, regardless of the fact whether the loss is due to accident, negligence or criminal act.

In exceptional cases the Mixed Administrative Council may, if such a course appears equitable, place such losses as a charge on the Union if it is satisfied that all measures calculated to avoid such loss had been enacted and carried out by the Government responsible.

#### Article 15.

Each State of the Customs Union shall appoint the Customs and Excise staff exclusively from among its own subjects.

The Luxemburg staff shall adopt the uniform, with the exception of the cockade, and the arms and equipment of the Belgian staff.

Officials in the administrations of the two countries may, at the discretion of the Superior Council of the Union, make joint tours of inspection in the territory of the Union.

*Article 16.*

All Luxemburg Customs officials will be retained. They will rank in the Grand-Duchy staff organisation according to the classification provided for in the provincial organisation in Belgium, with the grade and relative position which they held in the Luxemburg Customs Administration.

Should the salaries of the Belgian staff be adopted for the Luxemburg staff, the years of service credited to an official in the Luxemburg Customs Administration for the purpose of granting triennial increases will serve as a basis for fixing and augmenting the new salaries. The allowance made for service with the colours may not exceed eight years' service.

The examinations provided for in Belgium for promotion to certain ranks will only be made compulsory for officials at present serving in the Luxemburg Customs two years after the ratification of the present Convention. During this period promotion shall be given in accordance with the length of service, professional ability and conduct of the officials concerned

*Article 17.*

The classification of ranks adopted in Belgium for the Customs and Excise Administration in the provinces shall be adopted in the Luxemburg Customs Administration.

The remuneration of the Luxemburg Customs staff shall be fixed in accordance with the scale of salaries and allowances or grants, whatever they may be, assigned in Belgium to such ranks, provided, however, that such remuneration shall not be less than that which officials of the same rank would receive in the Grand-Duchy. If under the last-mentioned provision the salaries and allowances of the Luxemburg staff should be higher than those of the Belgian staff, the increased expenditure occasioned thereby may not be charged to the Union.

*Article 18.*

In his relations with the Grand-Ducal Government the Customs Director in Luxemburg shall be placed on the same footing as the Administrative Directors. He shall, moreover, enjoy the rights and discharge the duties of a provincial director, and shall be responsible for the work of general inspection.

The Customs and Excise officials of the two countries are empowered to carry on direct correspondence with each other on all matters within their competence.

This correspondence shall be carried on in the French language and shall be carried post free.

*Article 19.*

To ensure uniformity in the administration of the Customs Union a Mixed Administrative Council shall be established, with its seat at Brussels. It shall consist of three members, of whom the President and one other will be Belgian subjects appointed by the Belgian Government, and the third a Luxemburg subject appointed by the Grand-Ducal Government.

The members of the Mixed Administrative Council shall have the rights and duties of officials of the State of which they are nationals.

The president of the Mixed Administrative Council shall have the title, the rank (or higher rank), the salary and emoluments of a director general of the Belgian Customs; the two other members will be given the title (or a higher title) and the rank of a director of the same Administration, and shall receive not less than the maximum salary appertaining to that rank.

The Belgian Government shall supply premises for the Mixed Administrative Council.

The High Contracting Parties shall appoint the members of the Mixed Administrative Council as soon as the present Convention is ratified.

*Article 20.*

The Mixed Administrative Council will be vested with the following powers :

(1) It shall furnish a reasoned statement of its opinions :

(a) On modifications in the organisation set up to give effect to the present Convention tending to increase or reduce the staff or to set up or abolish control stations or collecting stations. If it disapproves, expenditure resulting from such modifications shall be entered in the budget of the Union only by agreement between the two Governments. Failing such agreement, the measure may be carried out at the sole charge of the Government which orders it, unless such measure is inconsistent with the principles of the Customs Union as laid down in the present Treaty ;

(b) On reductions and remissions of duties which may be charged to the budget of the Union, and which do not merely give effect to a legal provision ;

(c) On all such questions relating to Customs and Excise as the respective Governments may submit to it ;

(2) It shall consider from the administrative point of view questions relating to the application and interpretation of Customs and Excise laws, tariffs and regulations. Its reasoned opinion shall be transmitted to the respective Administrations ; the latter shall take such decisions as may be deemed expedient ;

(3) It shall lay before the two Governments a draft budget of common expenditure, showing also the share of the common receipts due to each of the contracting States ;

(4) It shall be entitled to make all the enquiries relevant to its work and to call upon the Administrations of the Union to lay before it all the papers which it may deem necessary to enable it to carry out its duties.

*Article 21.*

On the ratification of the Treaty, the Grand-Ducal Government shall promulgate the laws, regulations and other provisions which it is bound to adopt under the present Convention, and shall give them the full force of law in the Grand-Duchy.

The pooling of receipts and expenditure shall be put in practice as from the first of the month following the promulgation referred to in the previous paragraph.

On the same date the organisation of the Luxemburg administration of common Customs and Excise shall, in general, be made to correspond with the organisation of similar Belgian administrations.

*Article 22.*

To enable the Luxemburg Government to effect the exchange of the temporary notes at present in circulation as a result of the exchange of marks for Belgian bank notes, the Luxemburg Government shall raise a loan of one hundred and seventy, five million francs, which will be floated in Belgium by the National Bank at a rate necessary to attract investors.

The Luxemburg Government will receive the proceeds of this loan in Belgian bank notes.

Irrespective of the actual costs of this loan, the Luxemburg Government shall be called upon to pay only two per cent interest per year.

The duration of the loan shall be for the same period as the present Convention.

The Luxemburg Government is also empowered to retain in circulation within the boundaries of the Grand-Ducal territory notes of a face value not exceeding ten francs up to an amount of twenty-five millions.



*Article 23.*

Should a new Convention be concluded between Belgium and Germany regarding marks the Belgian Government will, whether or not the German Government admits Luxemburg marks to the Convention, guarantee to the Luxemburg Government the same treatment in respect of the marks held by it as it will obtain for the whole of the marks which the Belgian Government itself possesses.

The Luxemburg Government is authorised to invest its stock of German marks for short periods while retaining the power of taking advantage, should occasion arise, of the arrangements provided in the preceding paragraph. The nature of the investment or investments will be settled by agreement with the Belgian Government.

*Article 24.*

The operation of the whole system of standard-gauge railways in Luxemburg will be dealt with in an agreement to be concluded between the two countries for the purpose of enabling the said operation to be carried on with the assistance of the Luxemburg Prince-Henri Company.

If this agreement should not be concluded within six months from the date of the signature of the present Convention, the Belgian Government will, provided the Luxemburg Government signifies such a desire, temporarily operate the Guillaume-Luxemburg system through the Belgian State Railways Administration, on the same conditions as those at present governing its operation, *i.e.*, in accordance with the laws of Luxemburg and the Conventions of 1902-1903 with Germany, pending the coming into force of the final arrangement.

Nevertheless it is agreed that, in addition to the rent of two hundred and fifty thousand (250,000) francs per year due to the Luxemburg Government, the Belgian Government will pay the latter in Belgian francs a yearly sum of three million eight hundred and sixty-six thousand four hundred (3,866,400) francs in settlement of the rent due to the Guillaume-Luxemburg Company; this payment will be made in equal quarterly instalments.

During a period of one year from the resumption of the operation of the railways by the Belgian State the Luxemburg Government may express its intention to participate in the results of this operation to the extent of one-half or a smaller fraction on contributing the corresponding capital.

The final system will be established by a Convention between the two States which will settle the conditions of operation in accordance with the technical clauses contained in the draft Convention of February 7, 1920, drawn up between the Luxemburg Government and the French Government. The operation will be effected by the Belgian State alone, or with the assistance of the Luxemburg Government, or by means of an organisation with powers delegated to it by the two Governments.

Except by agreement between the parties the temporary regime for operating the railways may only be terminated by a decision of the arbitral tribunal provided for in Article 28 of the present Treaty.

*Article 25.*

In order to bring Belgium and the Grand-Duchy of Luxemburg into closer intellectual relations, the two Governments will conclude an agreement based on the draft submitted to the Luxemburg Government on January 20, 1921.

*Article 26.*

In districts where the Grand-Duchy of Luxemburg has no consular officers the protection of Luxemburg interests shall be entrusted to Belgian consular officers.

*Article 27.*

An advisory body entrusted with the duty of maintaining close touch between the Governments of Belgium and Luxemburg for the purpose of carrying out the present Convention shall be set up under the name of "The Superior Council of the Union."

It shall consist of five members, three of whom shall be appointed by the Belgian Government and two by the Luxemburg Government.

The High Contracting Parties will appoint the members of the Superior Council of the Union as soon as the present Convention is ratified.

The rules of procedure annexed hereto, approved by the two Governments and having the same binding force as the present Convention, shall determine the composition, powers and duties of this Council and the remuneration of its members.

*Article 28.*

In the event of any difference of opinion as to the interpretation of a clause of the present Treaty arising between the Contracting Parties, the question at issue will, on application being made by one of the parties, be settled by arbitration.

For each dispute the arbitral tribunal shall be constituted as follows: Each of the parties shall appoint a competent person from among its own nationals as arbitrator, and the two parties shall by agreement select a third arbitrator who shall be a national of a third friendly State. In the event of disagreement with regard to this selection, the third arbitrator shall be appointed by the Office of the League of Nations at the request of the party who first applies to it.

The arbitral tribunal shall sit at Brussels. Its decisions shall be taken by a majority vote.

The third arbitrator shall be president of the tribunal.

As regards the transmission of summonses to appear before the arbitral tribunal and in respect of special commissions of enquiry appointed by it, the authorities of each of the Contracting Parties shall, on application being made to the competent Government by the arbitral tribunal, afford assistance in the same manner as in the case of applications from the national civil tribunals.

The Belgian Government shall provide premises, office, clerks and staff for the tribunal.

The allocation of the costs arising out of each arbitration case shall be settled by agreement between the Contracting Parties.

*Article 29.*

The present Treaty shall remain in force for a period of fifty years from the date of its ratification.

Should neither of the Contracting Parties have, one year before the expiration of the period determined above, notified its intention of ceasing to give effect to the present Convention, it shall remain in force with the same clauses and under the same conditions for a further period of ten years.

*Article 30.*

The present Convention, after approval by the Belgian Chambers and the Chamber of the Grand-Duchy of Luxemburg, shall be ratified and the ratification thereof shall be exchanged at Brussels as soon as possible.

In faith whereof the respective plenipotentiaries have signed the present Convention and affixed their seals thereto.

Done in two authentic copies at Brussels on July 25, 1921.

(L. S.) (Signed) HENRI JASPAR.

(L. S.) (Signed) E. REUTER.

## ANNEX.

## THE SUPERIOR COUNCIL OF THE BELGO-LUXEMBURG UNION.

## I.

The Superior Council of the Union is the body entrusted with maintaining contact with and assisting the Belgian and Luxemburg Governments to give effect to the Convention, and with establishing an economic union between Belgium and the Grand-Duchy of Luxemburg.

## II.

It shall consist of five members, three of whom shall be appointed by the Belgian Government and two by the Luxemburg Government.

Their term of office, which may be renewed, shall be five years.

The Belgian Government shall appoint the President.

The President shall have a casting vote.

The emoluments of the members of the Council shall be determined by the two Governments.

## III.

The Superior Council shall have full powers to consider and investigate all questions arising out of the application of the afore-mentioned Convention and more particularly :

(a) It shall propose the modifications to be made in the laws and decrees and, if necessary, in the administrative regulations at present in force in the Grand-Duchy of Luxemburg as regards social, fiscal and economic matters strictly so-called (industry, trade, transport, agriculture) which may have a certain influence on the application of the above Convention ; it shall bring the proposals to the notice of the Luxemburg Government in order to place it in a position to adapt the Luxemburg laws, decrees and regulations, gradually and as far as possible, to the laws, decrees and regulations in force in Belgium ;

(b) It shall give a reasoned opinion on draft laws, decrees and administrative regulations suggested in the two countries, in order to place the two parties in a position to bring them into harmony, as far as possible, with the provisions of the Convention ;

(c) It shall give an opinion regarding all modifications which might be made in customs tariffs and excise duties (common funds), in force as from the date of the signature of the Convention ;

(d) It shall, at the request of either of the Governments, investigate all questions which may affect the common interests of the Union ;

(e) It shall suggest to the respective Governments such measures as it may deem necessary for the due application of the Convention.

The Superior Council shall address any communications which it has to make to the two Governments to the respective competent administrative departments.

## IV.

The Council shall, where necessary, appoint experts or commissions to investigate certain special questions.

In every case it shall select them from the two countries.

## V.

An administrative secretariat shall assist the Council.

It shall be under the control of a secretary with an assistant secretary. The secretary shall be a Belgian national, the assistant secretary a Luxemburg national. Both shall be appointed by the Superior Council.

One or more employees may, if necessary, be attached to the Secretariat.

The Council shall, subject to the approval of the two Governments, determine the salaries of the secretaries and the assistant staff.

## VI.

The Superior Council shall draw up its own rules of procedure, which shall be submitted to the two Governments for approval.

The Council shall meet once every month and whenever convened by the President.

## VII.

The two Governments undertake to send to the secretariat of the Superior Council all documents, such as laws, decrees, regulations and draft laws, decrees and regulations, required to enable it to discharge its duties.

## VIII.

The seat of the Superior Council shall be at Brussels in premises provided by the Belgian Government.