

No. 11124

MULTILATERAL

**Special Protocol on basic grains (Limón Protocol). Signed at
Limón on 28 October 1965**

Authentic text: Spanish.

*Registered by the General Secretariat of the Organization of Central American States,
acting on behalf of the Parties, on 2 June 1971.*

MULTILATÉRAL

**Protocole spécial sur les céréales de base (Protocole de Limón).
Signé à Limón le 28 octobre 1965**

Texte authentique: espagnol.

*Enregistré par le Secrétariat de l'Organisation des Etats d'Amérique centrale, agissant
au nom des Parties, le 2 juin 1971.*

[TRANSLATION — TRADUCTION]

SPECIAL PROTOCOL ON BASIC GRAINS ¹ (LIMÓN PROTOCOL)

The Governments of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica,

CONSIDERING that the General Treaty on Central American Economic Integration and the Protocol thereto, signed at Managua on 13 December 1960 ² and at Tegucigalpa on 16 November 1962,³ respectively, provide that the regulation of regional trade in unmilled maize and, between some countries, the trade in rice, beans and millet shall be subject to a special protocol or agreement which will also co-ordinate the supply policies of the States and ensure the greatest possible degree of free trade in such grains within the region;

CONSIDERING that in the signatory countries there are national price stabilisation programmes, with varying degrees of effectiveness, covering one or more of the above products, which it is necessary to co-ordinate and place on a regional basis in order to facilitate free trade in such products, in conformity with the above-mentioned instruments; and

Taking into account the recommendations made by the First Meeting of Ministers of Agriculture, and also those agreed upon at the meetings of representatives of the price stabilization agencies, have decided to draw up the present Special Protocol (Limón Protocol) and for that purpose have appointed as their respective plenipotentiaries:

¹ Came into force on 13 October 1967, i.e. eight days after the date of the deposit of the third instrument of ratification, in accordance with article 14. The instruments of ratification were deposited with the General Secretariat of the Organization of Central American States as follows:

| <i>State</i> | <i>Date of deposit</i> |
|-----------------------|------------------------|
| Honduras | 29 September 1966 |
| El Salvador | 14 June 1967 |
| Guatemala. | 5 October 1967 |

Subsequently, the Special Protocol came into force for the following States upon the date of the deposit of their instrument of ratification with the General Secretariat of the Organization of Central American States, in accordance with article 14:

| <i>State</i> | <i>Date of deposit</i> |
|----------------------|------------------------|
| Nicaragua | 13 December 1967 |
| Costa Rica | 27 February 1968 |

² United Nations, *Treaty Series*, vol. 455, p. 3.

³ *Ibid.*, vol. 774, p. 276.

His Excellency, The Head of the Government of Guatemala: Mr. Carlos Enrique Peralta Méndez, Minister for Economic Affairs, and Mr. Carlos Humberto de León, Minister of Agriculture;

The President of El Salvador: Mr. Victor Manuel Cuéllar Ortiz, Under-Secretary for Economic Integration and International Trade, and Mr. René David Escalante Orozco, Minister of Agriculture;

His Excellency, The President of Honduras: Mr. Manuel Acosta Bonilla, Minister for Economic and Financial Affairs;

His Excellency, The President of Nicaragua: Mr. Silvio Argüello Cardenal, Minister for Economic Affairs, and Mr. Rodrigo A. Salmerón Argüello, Vice-Minister of Agriculture;

His Excellency, The President of Costa Rica: Mr. Bernal Jiménez Monge, Minister for Economic and Financial Affairs, and Mr. Abundio Gutiérrez Matarrita, Minister of Agriculture,

who, having exchanged their respective full powers, found in good and due form, have agreed as follows:

Article 1

The Contracting States shall regulate the marketing of and trade in basic grains of the Central American area, these being understood to mean maize, rice, beans and millet (*sorgo*); and they shall co-ordinate their national production and supply policies and shall ensure the greatest possible degree of trade.

Article 2

The signatory States undertake to formulate and execute national programmes of production and supply of basic grains and to co-ordinate these programmes at the Central American level in accordance with the needs of integration and of the balanced economic development of the Contracting States, so that a uniform policy on those matters may be adopted which will regulate and direct trade in such products.

Article 3

The price stabilization agencies shall be the only agencies that may import basic grains from outside the region under preferential conditions, except as provided in article 5. On the basis of the needs of each country, the possibilities of self-supply from within the region and taking into account imports under

international programmes of assistance in kind, the Central American Marketing and Price Stabilization Commission shall fix the annual amount of imports from outside the Central American area that may be permitted by the authorities of each State.

At the request of an interested country and whenever circumstances so require, the above-mentioned Commission shall make the necessary readjustments to the previously established amount of imports.

Article 4

Any imports of basic grains from outside the Central American area made by the price stabilization agencies shall be subject to the payment of a customs charge equal to the difference between the guaranteed minimum price fixed by that agency and the total cost of the imported product at the warehouse, so that the price of the imported product will equal the above-mentioned guaranteed minimum price.

Article 5

Any imports of basic grains from outside the area made by each country which are in the nature of a donation shall be effected, in each case, with the authorization of the Government, after consultation with the appropriate price stabilization agency.

These imports shall not be subject to the provisions of article 4 of this Protocol. In respect of other charges they shall be subject to the laws of each country.

Article 6

Before negotiating exports or imports of basic grains with countries outside the Central American area, the price stabilization agencies shall consult each other. In negotiations on surpluses of basic grains and on meeting shortages, the signatory States shall have priority over those from outside the Central American area.

Basic grains may be freely exported to third countries whenever no other Contracting State has indicated, within a reasonable period to be fixed in its offer by the selling country, that it is interested in purchasing them.

When because of extraordinary circumstances a country has to make emergency imports, it shall consult by cable with the price stabilization agencies, which shall reply within three days from the date of the cable, after which the country in question shall be free to import whatever it deems necessary to meet the emergency, and it shall report the imports it has made to the Central American Marketing and Price Stabilization Commission, which shall take whatever steps it deems appropriate.

Article 7

The signatory States undertake to strengthen and maintain adequate basic grains price stabilization programmes, to co-ordinate such programmes and to make them Central American in scope to the extent that circumstances permit.

Article 8

The signatory States also undertake to provide their price stabilization agencies with enough financial resources to enable them fully to carry out their functions, the principal of which shall be to establish an adequate system of conservation and storage centres.

Article 9

The Central American Marketing and Price Stabilization Commission shall be composed of one regular member and one alternate, proposed by the Board of Directors of the price stabilization agency of each Member State and appointed by their respective Governments. The members shall have sufficient authority to decide on the matters to be dealt with, provided that the powers granted to such members are not restricted by the laws and regulations of their country.

Article 10

The Central American Marketing and Price Stabilization Commission shall have the following duties and powers:

- (a) To co-ordinate national price stabilization policies and programmes at the Central American level;
- (b) To establish, modify and supervise the proper application of the quality standards for grains and other agricultural products it considers proper;

- (c) To exchange information on the production, marketing and prices of basic grains and of any other agricultural or livestock product that it considers advisable;
- (d) To co-ordinate and strive for uniformity in the working procedures of the price stabilization agencies;
- (e) To seek to establish measures to ensure that selling prices in the domestic market for basic grains imported from outside Central America are equal to the selling prices of basic grains purchased under stabilization programmes in the importing country;
- (f) To establish the machinery for consultation to determine the needs for imports from or exports to third countries;
- (g) To ensure compliance with the Commission's decisions at the national level, for which purpose it may, when appropriate, approach the competent authorities to obtain their approval and support;
- (h) To co-ordinate its activities with those of the Executive Council of the General Treaty on Central American Economic Integration;
- (i) Any other duties and powers assigned to it by the Central American Economic Council.

Article 11

Within the Central American Marketing and Price Stabilization Commission each country shall have one vote; decisions shall be taken by a majority of the members.

If a country considers itself to be adversely affected by a decision, it may bring its case before the Executive Council of the General Treaty on Central American Economic Integration for a ruling. In conformity with the General Treaty, appeals against these rulings may be made to the Economic Council.

Article 12

Any disagreement that may arise with regard to compliance with the obligations assumed under this Protocol or with the rules and regulations officially issued by the Central American Marketing and Price Stabilization Commission may be submitted by the country which considers itself affected to the Commission for its consideration. Within a period of not more than eight days, the Commission shall recommend whatever measures it deems

advisable to neutralize the adverse effects caused by failure to respect such obligations and rules; such measures may be adopted by the country affected.

If the Commission has not taken any decision on the matter within the above-mentioned time-limit, the country concerned may take whatever measures it deems appropriate for the purpose indicated.

In the event that the problem is not solved within a period of thirty days or if a party is dissatisfied with a decision taken by the Commission, the procedure established in the last paragraph of the preceding article may be followed.

Article 13

The Central American Marketing and Price Stabilization Commission shall hold two regular meetings a year and extraordinary meetings at the request of one of its members. The date and place of the meetings shall be decided by the Commission. The Commission shall adopt its own rules of procedure.

The Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA) shall act as the secretariat of the Commission.

Article 14

This Protocol shall be submitted for ratification in each State, in conformity with its respective constitutional or legislative procedures.

The Protocol shall enter into force, in the case of the first three States to ratify it eight days after the date of deposit of the third instrument of ratification, and in the case of the States which ratify it subsequently on the date of deposit of the relevant instruments.

Article 15

The duration of the present Protocol shall be contingent upon that of the General Treaty on Central American Economic Integration.

Article 16

The General Secretariat of the Organization of Central American States shall act as depositary of this Protocol and shall send a certified copy thereof to the Ministry of Foreign Affairs of each of the Contracting States and to the Permanent Secretariat of the General Treaty on Central American

Economic Integration (SIECA), notifying them likewise of the deposit of each instrument of ratification. Upon the entry into force of this Protocol, it shall also transmit a certified copy thereof to the Secretariat of the United Nations for registration in conformity with Article 102 of the United Nations Charter.

IN WITNESS WHEREOF, the respective plenipotentiaries have signed the present Protocol in the city of Limón, Republic of Costa Rica, on the twenty-eighth day of October nineteen hundred and sixty-five.

For the Government of Guatemala:

CARLOS ENRIQUE PERALTA MÉNDEZ
Minister for Economic Affairs

CARLOS HUMBERTO DE LEÓN
Minister of Agriculture

For the Government of El Salvador:

VÍCTOR MANUEL CUÉLLAR ORTIS
Under-Secretary for Economic
Integration and International Trade

RENÉ DAVID ESCALANTE OROZCO
Minister of Agriculture

For the Government of Honduras:

MANUEL ACOSTA BONILLA
Minister for Economic and Financial Affairs

For the Government of Nicaragua:

SILVIO ARGÜELLO CARDENAL
Minister for Economic Affairs

RODRIGO A. SALMERÓN ARGÜELLO
Vice-Minister of Agriculture

For the Government of Costa Rica:

BERNAL JIMÉNEZ MONGE
Minister for Economic
and Financial Affairs

ABUNDIO GUTIÉRREZ MATARRITA
Minister of Agriculture