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THE DEVELOPMENT OF THE UNITED NETHERLANDS

THE ECONOMIC UNION BETWEEN BELGIUM, LUXEMBURG, AND THE NETHERLANDS IN GENERAL AND ESPECIALLY CONCERNING AGRICULTURE

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IT is my intention to put briefly before you a few facts and considerations about the development of the economic union which is already widely known by the name BENELUX, a name that tells very little by itself as it only represents the first syllables of the names of the three countries involved. It rather makes one think of a certain brand of soap. A Belgian senator proposed recently to name the union the 'United Netherlands', a name used in the Middle Ages for Belgium and Holland together, and personally I prefer this last name.

First I intend to tell you about the advantages of a union. Then I will give you some quantitative facts regarding production, commerce, and population of the countries concerned.

The economic union found its birth in an agreement between the governments of the three countries, which was made during their time of exile in London, September 1944. I shall outline the main contents of this agreement and that part which has already been put into operation. Attention will be drawn to some fundamental difficulties regarding the execution which are preventing a full realization of the economic union at the present moment.

Finally I shall mention some special problems of agriculture in the economic union.

If one goes deeper into the problems connected with the building up of the economic union, one cannot help but look back to the period 1815-30. During those days the best solution was reached, as then the three countries were united under one sovereign. Political differences brought the separation again. Yet the hope of becoming one once more was kept alive even though it was only in the economic field. It is, however, not surprising that this did not become a reality before the Second World War. The economic union was an unneeded thing at that time because of the then still-dominating free trade which existed during the latter part of the nineteenth

century up till the great depression. By free trade the idea of the economic union is almost realized. Under free trade the fruits of the spread of production can be reaped, each country producing and specializing in what suits her best. The condition for cheap industrial mass-production—the unrestricted outlet—has been met.

The position altered when in the years 1930-40 economic nationalism raised her head. This expression is really too weak. Compared with earlier times it became a seven-headed dragon. The once so much feared and strongly opposed head, namely duties, is now 'the most innocent'. Quantitative restriction, the import-licence, the monopoly levy, foreign-exchange restrictions, subsidies, coercive measures for consumption, are the new heads of the dragon 'protection'. Especially for the small, thickly-populated countries like Belgium and the Netherlands this international development was fatal, as they, dependent on international intercourse, were compelled to refine raw materials and to find a large enough market for their mass-production. It is no wonder that in that period one looked for economic *rapprochement*. This aspiration was expressed in the Ouchy pact between the Belgian-Luxemburg customs union and the Netherlands in 1932. It may be considered as a forerunner of the present customs union. At the time, however, it was considered to be a system of mutual preferential treatment. It was grounded on the 'most favoured nation clause', and objections were made, especially by England, to the execution of the Ouchy pact.

To-day the economic necessity to form large economic units is still greater than before the Second World War, in spite of the fine aspirations of the United Nations to search for a freer and wider way of intercourse in future throughout the whole world. The foreign exchange scarcity makes a healthy multilateral trade almost impossible. Apart from the import of primary goods, 'limitation' is the highest wisdom nearly everywhere.

The common fate of having had to endure war and occupation has brought our countries very much nearer to each other. The running hand-in-hand of two vital territories like Belgium-Luxemburg and the Netherlands is very promising under the present circumstances. The home market consists of 18 million consumers, while the overseas colonies and other areas of Belgium and the Netherlands are of great importance too. The economic union brings higher prosperity for the component parts if it makes a greater specialization of production possible, which must go together with increasing labour productivity. This again may mean larger specialization still in some branches of production, and in others the avoiding of a decline in

specialization which might be necessary by a further stringing off of international trade.

As far as agriculture goes, each district can set itself to produce such products as suit her soil best. It would be possible for industry to arrive at larger productive units because of the larger market. Also export industry has not got a proper footing without a certain home market.

The profit of an economic union between two or more countries can be found in obtaining a larger production in the united territories than would be possible in each country on its own.

The results of an economic union will be all the better when production in each country separately is the more nearly complementary, which arises from the differences in the natural circumstances of production in the different countries. The still widely spread notion is that Belgium-Luxemburg are pre-eminently industrialized countries, while in the Netherlands agricultural production and trade as well as navigation should dominate. If this were so, the complementary character of both their economies would seem very favourable, but that notion indicates very little knowledge of the matter. Belgium has also very important agricultural production, and in the Netherlands, in between the two world wars, industry visibly developed and is still due to develop in order to absorb the large increase of population.

The industry in both countries is on the whole of different structure. There are competing branches, but many industries have also a complementary nature. Belgium-Luxemburg has a basic metal industry, while Holland is more orientated on metal-consuming industries, for instance, shipbuilding, machine-building, electrical apparatus, &c.

As far as textiles go, it happens that the Belgian spinning capacity is considerably larger than weaving capacity, while in Holland it is just the other way round. In Holland the ready-made-clothes industry is more developed than in Belgium. In Belgium again the chemical industry is of far more importance than in the Netherlands, while in Holland the food industry (dairy products, jam- and gin-factories, &c.) has assumed large proportions. Looking at it more closely one gets the impression that the integration of the industries of both territories has a fair chance.

An important question is the further industrialization of the whole territory of the economic union. The increase and decrease of the population plays a very important part in it. Prophecies about the future populations are rather risky if one bases oneself on a continuing

development of the birth-rate, as this often presents one with great surprises. A safe prognosis for the near future, say, 1950-9, can, however, be made as to the probable supply of new labour, for all the man-labour which will by then have become available has already been born. An analysis of these facts teaches that very likely in Belgium a small decrease of the total man-labour can be expected in the named decennium, but in Holland one must count on a yearly increase of quite 35,000. This means that the total available man-labour in Holland in 1959 will be about 10 per cent. higher than in 1950. If a considerable emigration does not take place, this increase will have to be taken up by the industries, as in agriculture no place can be found. This means that Holland will become an increasingly industrialized country, while in part the labourers can probably move to the south of the union. With reference to agriculture, the arable farming shows very few points of difference, apart from the fact that in Holland the growing of quality-products like seed potatoes and sowing-seeds comes in the front line. The difference with Belgium lies in the cattle section and the horticultural section. The total pasture area and the number of dairy-cattle and pigs are much smaller in Belgium. Horticulture is also larger in Holland and is practised more intensively than in Belgium, but on the other hand the fruit area is larger in Belgium. In Belgium dairy-cattle are solely and horticulture dominantly producing for the home market; even cheese is very little produced indeed. On the other hand, horticulture and animal production are directed in Holland largely to export. The imports from Belgium into Holland of agricultural products used to be of little importance, but Belgium was before the war, after England and Germany, the largest buyer of Dutch agricultural products, especially cheese.

It is, however, far from the truth to say that with the economic union Holland would not have any agricultural products available, like butter, cheese, condensed milk, bacon, and eggs, for third countries. It is very interesting to have a closer look at the total import and export figures of the customs union between Belgium-Luxemburg and the Netherlands before the war. The value of the total imports was about equal at that period in both territories. The exports of Belgium-Luxemburg were just about the same as the imports. The Dutch imports were considerably lower. The deficit on the Dutch balance of trade could in those years be made up by income from navigation, international commerce, and foreign investments. From the export figures we note that the export of agricultural products was in Belgium-Luxemburg less than 10 per cent. of the total exports,

while it was round about 30 per cent. for the Netherlands. In the Netherlands the value of the exported agricultural products was about twice the value of the imported ones, but, on the contrary, in Belgium-Luxemburg the value of the imports of agricultural products was only covered for one-half by the exports.

Then just a few words about the total imports and exports in the whole territory of the economic union, naturally leaving out the goods-intercourse between Belgium-Luxemburg and the Netherlands. How intensive the part that the combined territory Belgium-Luxemburg and Holland takes in international trade can be concluded from the fact that if an economic union had been there before the Second World War, this union would have been placed as number 4 on the list of countries just behind the United States, England, and Germany. In international trade the union would have stood on the same level as France.

I sincerely hope I have given you a rough picture of the structure and the importance of the economic life in both territories. The figures I have not dared to give you in the text can be read in the appendix.

During the Second World War, when the liberation was already in sight, the long-since-cherished wish for nearer collaboration in the economic field between Belgium-Luxemburg and the Netherlands was fulfilled in principle by concluding a customs agreement between the governments of Belgium, Luxemburg, and the Netherlands.

Before the First World War the abolition of the mutual duties, with, of course, the unavoidable equalizing of the duties on goods from third countries as well as unity in internal trade taxes, would have made the three countries into one country. But already in the years 1930-40 the matter was not as simple as that any more. The quantitative import restrictions were far more serious hindrances than the duties, and so was the licence tax. It was therefore not superfluous for the London agreement of September 5, 1944, to state that measures would have to be taken to form the most favourable stipulations for a complete and lasting economic union. It seemed that the governments were convinced that a customs union as a first step could be very valuable but not of so very much importance in itself.

Unfortunately, circumstances were not favourable immediately after the liberation for an early realization of a real economic union. Belgium had the great luck to be liberated very quickly in the autumn of 1944 without much damage to her production apparatus. Had the daring offensive near Arnhem reached the contemplated plan, the

Netherlands would have been liberated at about the same time as Belgium and very likely with just as little damage. However, it happened otherwise. The never-to-be-forgotten dreadful winter of 1944-5 brought famine and plundering on a large scale. At the time of liberation almost every industry had stopped work in the Netherlands. Only at a very slow tempo was it possible to bring the complicated machinery of the economic life into action again. Holland had to start from a much lower level than Belgium with production, and on top of that she could not start until fully three-quarters of a year later. It is therefore not surprising that the Dutch production could not hold pace with the Belgian from the start. It is a great drawback for the realization of the economic union that circumstances in both countries were, immediately after the liberation, so far apart, because the integration of the economic life in both countries was hindered from the first. The difficulties at the start of the food-supplies, production, traffic, normal supervision of authority, and application of the law, took every bit of the energy, so that it seemed as if the economic union had sunk into the limbo of forgotten things.

Not until the spring of 1946 had the immediate worries been so far removed that it was possible to hold a conference of the Belgian, Luxemburg, and Dutch Ministers with the sole aim of reconsidering the customs union made in London.

In the year following the liberation public opinion had had time to consider the importance of a customs union and its ultimate aim, the economic union. This was necessary, too, as the customs union made in London had been made up without consulting the representatives of the people. It had to be proved yet whether the London agreement was more than a wave of emotion originating from a common fate in war-time. In the leading circles of political and social life in Belgium-Luxemburg, as well as in the Netherlands, the customs union and the economic union as well found a favourable response. During the Ministerial Conference in April 1946 there also appeared to be a good deal of agreement about the direction to be followed. They wanted to realize the customs union in as short a period as possible. For this it was necessary to revise thoroughly the provisionally framed London tariffs. Therefore the council for customs matters was instructed to do this with the greatest possible speed. In the meantime, I am pleased to say, this has led to success. Though the Dutch tariff was the lowest, Belgium had quite a moderate tariff, too, before the Second World War. The new union-tariff has now become an average of the two. The original London

customs union completed by the revised tariff has now been accepted in Belgium and Holland by the houses of representatives of both peoples.

When at the time of the Ministers' Conference in the spring of 1946 the views of the economic union were considered, it was only right that the necessity was felt that the problems which accompanied the welding together of two fairly independent economies would first have to be studied. The council for the economic union was entrusted with this job, and it has now studied for about a year the problems in different committees.

The following fundamental difficulties appeared to exist:

Firstly, Belgium-Luxemburg and the Netherlands have a separate foreign-exchange régime. The restrictions in the monetary field are just now the most serious hindrance to a free intercourse. Abolition of the currency frontier, which would mean free exchange possibilities of Belgian francs and Dutch guilders, is shipwrecked on the difficulty that the Belgian foreign exchange position is better at the moment than that of Holland. On top of that, Belgium has a quite different policy with her foreign-exchange holdings than Holland. In Belgium a free hand is given to import all that is needed, whether the goods are essential for her economy or not. In the Netherlands they are forced to follow a different course with their imports and they use the available foreign currency only for very primary needs of the economy.

Secondly, the provision of goods in Belgium is far wider than in Holland. In the Netherlands many goods are still rationed which may be had free of coupons in Belgium or Luxemburg. For instance, textiles are free of coupons in Belgium, while they are very keenly rationed in the Netherlands. This situation in the goods sector corresponds naturally with the monetary side named first.

Free intercourse between the two countries would mean that the Belgium-Luxemburg market would be deprived of large quantities of goods for the benefit of the Dutch needs. It is quite reasonable that this sacrifice cannot be expected.

Thirdly, the trends of the prices and wages also diverge in both territories. The retail prices are about 15 to 20 per cent. higher in Belgium than in the Netherlands. The wages are, however, only 10 to 15 per cent. higher.

The prices fixed by the governments concerned for agricultural products are, with the exclusion of sugar-beet, considerably higher in Belgium than in the Netherlands.

The larger supply of goods in Belgium came along with a less

severe wage- and price-policy than was the case in the Netherlands with very few available goods.

To prevent big shocks in economic life it is, however, desirable that by the putting into operation a free intercourse of goods, prices and wages in both territories should not run too far apart. Prices will therefore have to be directed as much as possible to the same level in both territories. Possibly a saturation of the Belgian market will make the prices come down considerably, or perhaps in Holland they will start to allow higher prices and wages. Of course, it would in the end also be possible to meet each other by altering the exchange rate of franc and guilder.

At present this last problem is, however, not very urgent. The economic and financial position in both territories will very likely first have to be brought into balance and will have to be nearly alike to enable them to take the important step towards the installation of a complete economic union.

From the three named problems it is clear that in the economic union the same level of economic and financial policy will in a great measure have to be followed. The taxes will, as far as the total amount goes, not have to be too far apart for the different industries and groups of persons, as that might force an artificial migration. The social provisions for labourers will have to be about the same. Very likely it would even be necessary to unify the commercial laws.

It is clear that in the economic union only joint treaties can be effected. A council for the trade agreements was called to life for this purpose. At the moment the co-operation in this field has, however, been restricted to joint action on the I.T.O. conference and at Paris in connexion with the Marshall Plan.

The interference of the authorities in internal economic questions must also be in tune with each other. In Holland a certain degree of planning has already been brought into action. If a new industry wants to settle somewhere it must have a licence for settling as well as an assignment for raw material and the plant. This guardianship of the authorities is due partly to scarcity of foreign exchange and goods, but it is also due partly to certain political views. Concerning this there is a more liberal opinion in Belgium, and, of course, it will be necessary to agree here as well. Yes, it will in my opinion even be unavoidable in the long run that Belgium, Luxemburg, and the Netherlands will have to pass on part of their political independence to the union institutions if the economic union is to function properly.

Regarding agriculture the following important items may be mentioned.

At first sight there is no very great difference between agriculture in Belgium and Holland. Neither country grows sufficient corn for home consumption (bread and feeding-stuffs), but there is intensive horticulture and stock-breeding. The difference is that in Belgium-Luxemburg they mostly produce for the home market, while Dutch farming is to a great extent a 'refinement industry' for export. Before the Second World War this export was, in order of importance, shipped to England, Germany, Belgium, and other countries.

During the period 1930-40 Belgian agricultural industry was well protected by duties, licence taxes, and quantitative restrictions. Just now it is rather feared in Belgian agricultural circles that with the economic union the Dutch will flood them with agricultural products if it turns out that, as in the years 1930-40, export to other countries encounters serious difficulties. On top of that it is thought in Belgium that in the Netherlands the cost of production is less than in Belgium. There is, however, some optical illusion in that, for the whole level of prices is higher in Belgium than in Holland. It is a remarkable thing that before the Second World War the prices of the most important agricultural products were in Belgium often just lower than in the Netherlands. It is also true that in the Netherlands milk production per cow and the return of many crops were somewhat higher than in Belgium; this, however, does not as a matter of course mean lower cost of production.

To safeguard Belgian farming against the dangers from the Netherlands the Belgians have proposed to allow only in limited measure freedom of shipping agricultural products. Imports would then be allowed only as long as the prices for certain products were above a certain minimum at home, which would have to be fixed beforehand. This price would then have to be necessary in any case for the maintenance of a certain profit of the home farming. On these grounds an agreement was made on May 9, 1947, between the three Ministers of Agriculture, which was only intended for the transition period until the economic union had become a reality. With this agreement the possibility is there to get a free exchange of further-to-be-stipulated products, provided that a minimum price level in the receiving country is not brought into danger. In the treaty, signed on July 1 and which is to last for two years, between Belgium and Holland, commercial intercourse has already been extended, largely based on quota and in the spirit of the economic union. For some agricultural products free exchange has been accepted, on condition, however,

that the balance of payment is not seriously pulled to one side by it. The exports and imports in the free section will have to keep each other as much as possible in balance.

A start was made with fruit, vegetables, flowers, and ornamental shrubs. Already Holland has received a large quantity of cherries from Belgium, for which they hope to pay with vegetables. It has been clearly shown that in practice a free exchange of goods with observance of the minimum prices brings many difficulties. Firstly, it was shown to be far from easy to fix acceptable minimum prices at both ends. Sometimes the inclination was to fix the minimum prices so high that they were practically prohibitive for imports.

The import from third countries was also a complication, as that should naturally not take place at prices lower than the fixed minimum prices of the union partners. It is also in practice more difficult than one would suppose to find out by an unambiguous and rapid method whether the prices at home have gone below the fixed minimum price; it is especially very difficult for horticultural products.

Such a limited system of import is only acceptable for a transition period, for the sake of preventing disturbances on the home market.

The most important problems of agriculture in the economic union appear to be in the area of economic policy. In Belgium as well as in the Netherlands protection of agriculture took place before the Second World War by a certain amount of internal governmental regulations, but in both countries in a different way and in a different measure.

Though the prices for agricultural products are now higher in the world market than those obtaining for the producers in their own country, it is yet expected that within some years west European farming will again not be able to do without protection. That is why this subject is of such great importance.

In both countries measures were taken to keep up home agriculture. The keeping up of Belgian agriculture, however, turned out to be quite a different matter to that of Holland. In Belgium the farming served mainly the home population with agricultural products. Belgium, too, had a predominant industrial export, while a large part of the need for agricultural products was covered by import.

In Holland a large part of the total export consisted of refined agricultural products, and one of the purposes of the Dutch agricultural policy was to keep up the historically grown exports. While in Belgium they could suffice by refusing the import of too large quantities of foreign agricultural products and by neutralizing too

low prices for them with the aid of duties, Holland was set the task of trying to lose as little ground as possible on the export market, which was already shrunk through conditions and limitations placed on foreign exchange by the governments of the receiving countries.

In short, one can say that, besides the mutual distinguishing mark to keep up farming, the Belgians also had the purpose of keeping their expenses of living as low as possible, while the most important aim of the Dutch was to keep up their position in the export market for agricultural products.

In Belgium bread-corn and feeding-stuffs were before the war allowed on the home market against prices of the world market. The home growing of corn was supported directly by extra allowances per acre or per 100 kilos. For the remaining agricultural, horticultural, and animal products a considerable protection was given with the help of duties, licence taxes, and quantitative restrictions.

A quite different system was in vogue in the Netherlands with a view to the large export of refined agricultural products. Here the foreign market was to a certain extent kept apart from the home market. This enabled the consumers at home to buy their food at prices based on the home costs of production, while the export of animal products took place against prices based on the world market for feeding-stuffs. This Dutch system is often called 'the monopoly system' in accordance with the juridical form under which it was executed. These monopolies have been given to central organizations which are under government control. For the import and export of agricultural products one requires the consent of these organizations. They were fairly passive as far as imports and exports went, but made the stipulation that for import a levy had to be paid which was very near to the difference in prices of the world market and home market for the same or directly competing products. A restitution was given on the export of animal products which was equivalent to the levy on the import of feeding-stuffs.

It is clear that in the economic union there must be unanimity regarding the interference of the State in agricultural matters. If bread-grain was allowed on the home market at the prices at which world-market grain entered Belgium, it would be impossible to raise monopoly price differences in the Netherlands, unless the barriers between Belgium and Holland were kept up, and in that case the economic union would not be a reality.

Farming circles in Holland are strongly supporting an indirect

protection by import levying, because of the fear that a direct support from the exchequer would not be lasting. The Belgian system of direct support, as it took place in the growing of corn, is not enthusiastically received in the Netherlands. Agriculture in Belgium has still got to decide its point of view. Some favourable opinions for the Dutch point of view have already been heard. It is nevertheless quite a different question whether the industrial circles in Belgium will agree to the expenses of living being tuned to the internal costs of agricultural products.

The great difficulties before the Second World War of selling the agricultural export products brought the authorities in Holland at last to limit the production. This went so far that in the Netherlands a maximum number of poultry, pigs, and cows was allowed on each farm. To control such the following measures were taken: when still very young each pig received a metal disk, with a number on, in one of its ears, while calves were branded, and so on. Horticultural production was dependent on special cultivation licences.

There is no need to say that this great interference of the authorities with farming was far from popular in the Netherlands, but, as little else could be done, the farmers swallowed it. They could remain far more liberal in Belgium; there they are shy of meddling deeply in production as well as in trade. One must even fear that, if a meddling of the authorities were to take place in Belgium as happened in the Netherlands before the Second World War, it would be very difficult to execute the measures there. As far as planning goes, Belgium and Holland will also have to come to an agreement. Very likely the Netherlands will have to pass on to simplifying their system and to granting the farmers more liberty.

Summarizing, one may say that a great deal of profitable and preparatory work has already been done. The regular contacts between officials and industrial experts of the three countries have given a sphere of mutual confidence.

Yet there remains a lot to wish for in the co-ordination of the economic policy of both territories. They are too often contradicting each other. For instance, in Belgium, with her already high level of prices and wages, the authorities decided in July of this year to abolish the subsidizing policy on food. In Holland food is also subsidized very heavily, but there they do not see how they can do away with it just yet, unless they bring the policy of steady wages and prices into danger. Mutual consultation about this kind of problem would be of great importance. In a second conference of

the Ministers of the three countries, in May 1947, it was decided to hold such a high-level conference every three months in the future.

The economic union has not yet become a reality because the basic conditions have not been met sufficiently at this moment. As long as Belgium-Luxemburg is still ahead of the Netherlands there will naturally be very little inclination in Belgium-Luxemburg to share that advantage with Holland through an early realization of the economic union. Holland will have to try to work off the arrears as soon as she can so that the 'Dutch virgin' becomes a 'desirable partner'. Though love is not quite wanting, yet the economic union remains largely a 'marriage of convenience'.

The link-up of Belgium-Luxemburg and Holland into the United Netherlands is not aimed against other countries. It may be considered as a first step towards an economic fusion of Europe. Before the Second World War the Lowlands bordering the North Sea tried to approach the Scandinavian countries for closer economic collaboration. This succeeded in the Oslo pact which unfortunately never had a chance of being put into practice. During the considerations at the Paris conference in connexion with the Marshall plan, the thought of forming a European customs union was also put forward. This is quite in the spirit of the Union between Belgium-Luxemburg and the Netherlands. The first step ought to be followed by many more. There is only a future for Europe when the different countries arrive at the fullest measure of economic integration.

APPENDIX I. *Area under Cultivation* ($\times 1,000$ Ha)

| <i>Arable crops</i> | 1929 | 1938 | 1945 | 1946 |
|--|---------|---------|---------|---------|
| THE NETHERLANDS | | | | |
| Grain crops | 435.3 | 561.8 | 530.6 | 603.9 |
| Pulse crops | 62.2 | 51 | 56.6 | 43.1 |
| Flax | 19.2 | 20.7 | 9.4 | 12.4 |
| Sugar-beet | 55 | 43.5 | 18.2 | 44.7 |
| Potatoes | 182.2 | 90.7 | 133.7 | 141.2 |
| Permanent pasture | 1,283.8 | 1,336.5 | 1,118.7 | 1,192.5 |
| Greens and fruit | 60.7 | 44.3 | 63.8 | 66.5 |
| Flower crops | 1.2 | 1.5 | 1.1 | 1.2 |
| Tree crops | 2.9 | 2.6 | 2.8 | 3.1 |
| The rest of area under cultivation | 185.7 | 297.8 | 232.9 | 271.4 |
| <i>Total area under cultivation</i> ¹ | 2,288.2 | 2,360.4 | 2,167.8 | 2,380 |
| BELGIUM | | | | |
| Grain crops | 606.6 | .. | 531 | .. |
| Seed-pulse crops | 12 | .. | 22 | .. |
| Flax | 24.9 | .. | 24.3 | .. |
| Sugar-beet | 52.9 | .. | 38.3 | .. |
| Potatoes (main-crop and earlies) | 152.5 | .. | 90.6 | .. |
| Permanent pasture | 714.5 | .. | 741.5 | .. |
| Greens and fruit | 105.5 | .. | 102.9 | .. |
| Flower crops | 0.9 | .. | 0.6 | .. |
| Other crops (including tree crops) | 9.5 | .. | 14.2 | .. |
| The rest of area under cultivation | 213.2 | .. | 188 | .. |
| <i>Total area under cultivation</i> ¹ | 1,892.5 | .. | 1,753.4 | .. |
| LUXEMBURG | | | | |
| Grain crops | 56.4 | 58.8 | 42 | 45 |
| Pulse crops | 2 | 0.7 | 0.8 | .. |
| Flax | .. | .. | .. | .. |
| Sugar-beet | .. | .. | .. | .. |
| Potatoes | 17.2 | 17.2 | 8 | 8 |
| Permanent pasture | 26.6 | 26.8 | .. | .. |
| The rest of area under cultivation | 57.8 | 57.6 | .. | .. |
| <i>Total area under cultivation</i> ¹ | 160 | 161.1 | 50.8 | 53 |

¹ Excluding timber.

APPENDIX II. Survey of the Composition of the Livestock ($\times 1,000$)
in the Netherlands and Belgium

| | Cattle | Pigs | Horses | Sheep | Poultry |
|-----------------|---------|---------|---------|------------------|--------------------|
| THE NETHERLANDS | | | | | |
| December 1939 . | 2,817 | 1,553 | 322 | 312 ¹ | 32,805 |
| December 1946 . | 2,222 | 1,062 | 355 | 340 | 7,480 ² |
| Decrease -) | -21.12% | -31.61% | +10.25% | +8.93% | |
| Increase +) | | | | | |

¹ Counted in Dec. 1940.

² On Jan. 1, 1946: 3,500.

| | Cattle | Pigs | Horses | Sheep ¹ | Poultry |
|-------------------|--------|--------|--------|--------------------|--------------------|
| BELGIUM | | | | | |
| January 1, 1940 . | 1,600 | 856 | 246 | 355 | .. |
| January 1, 1947 . | 1,652 | 776 | 262 | 217 | 5,484 ² |
| Decrease -) | +3.24% | -9.34% | +6.56% | -38.83% | |
| Increase +) | | | | | |

¹ Counted May 15, 1944.

² 1940 unknown. On Jan. 1, 1946: 3,575.

| | Cattle | Pigs | Horses | Sheep | Poultry |
|-----------------|--------|------|--------|-------|---------|
| LUXEMBURG | | | | | |
| October, 1939 . | 107 | 155 | 18 | 9 | .. |
| October, 1945 . | 111 | 88 | 15 | 9 | .. |

Difference between numbers of livestock, 1946

| | Cattle | Pigs | Horses | Sheep |
|-------------------------|--------|--------|--------|--------|
| The Netherlands | 2,222 | 1,062 | 355 | 340 |
| Belgium | 1,651 | 776 | 261 | 217 |
| Difference | 571 | 286 | 94 | 123 |
| In per cent. | 25.68% | 26.96% | 26.33% | 36.08% |

From this it appears that: (1) the livestock has recovered less in the Netherlands than in Belgium; (2) even since the Second World War the numbers of livestock are a good deal larger in the Netherlands than in Belgium.

The increase of the livestock, particularly the number of pigs, is retarded in both countries by the shortage of fodder.

APPENDIX IIIA. *Total Imports and Exports of the Netherlands and Belgium-Luxemburg, 1931 and 1938*

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| Products and years | The Netherlands | | | | Belgium-Luxemburg | | | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | Imports | | Exports | | Imports | | Exports | |
| | Weight × 1,000 m. tons | Value × 1 million gld. | Weight × 1,000 m. tons | Value × 1 million gld. | Weight × 1,000 m. tons | Value × 1 million gld. | Weight × 1,000 m. tons | Value × 1 million gld. |
| 1931 | | | | | | | | |
| Crop products . . . | 3,850 | 198 | 729 | 45 | 3,753·6 | 178·7 | 648 | 48 |
| Livestock and livestock products | 41·1 | 29·8 | 523·4 | 259·3 | 166·7 | 121·6 | 66·2 | 71·4 |
| Horticultural pro- ducts . . . | 58·7 | 9·6 | 525·7 | 89·7 | 75·7 | 7·8 | 101·3 | 15·2 |
| Fishery products | 15·4 | 4·4 | 177·4 | 24·8 | 83·1 | 10·5 | 41·3 | 4·1 |
| Other products . . | 71·3 | 5·1 | 109·5 | 8·4 | 102 | 3·2 | 5·2 | 0·6 |
| <i>Total agricultural products . . .</i> | 4,036·5 = 14% | 246·9 = 10% | 2,065 = 12% | 427·2 = 30% | 4,181·1 = 11% | 321·8 = 19% | 862 = 4% | 139·3 = 9% |
| <i>Total of all pro- ducts . . .</i> | 29,899·5 = 100% | 2,500·8 = 100% | 16,819·3 = 100% | 1,426·4 = 100% | 38,675·7 = 100% | 1,653·5 = 100% | 24,619·4 = 100% | 1,603·3 = 100% |
| 1938 | | | | | | | | |
| Arable crops . . . | 2,261·5 | 142·8 | 565·4 | 39 | 2,803·5 | 177·2 | 279·3 | 48·5 |
| Livestock and livestock products | 27·6 | 18 | 400·4 | 184·3 | 160·2 | 102·7 | 52·5 | 58 |
| Horticultural pro- ducts . . . | 34·2 | 4·4 | 384·6 | 67·2 | 108·1 | 9·9 | 61 | 9·2 |
| Fishery products | 9·2 | 2·6 | 143·6 | 13·6 | 53·6 | 6·2 | 9·6 | 2·4 |
| Other products . . | 1·2 | 0·7 | 329·4 | 10·4 | 203·3 | 4 | 2·8 | 0·3 |
| <i>Total agricultural products . . .</i> | 2,333·7 = 10% | 168·5 = 12% | 1,823·4 = 13% | 314·5 = 30% | 3,328·7 = 11% | 300 = 21% | 405·2 = 2% | 118·4 = 9% |
| <i>Total of all pro- ducts . . .</i> | 22,778·9 = 100% | 1,414·8 = 100% | 14,429·4 = 100% | 1,039·2 = 100% | 31,554·5 = 100% | 1,436·3 = 100% | 22,007·6 = 100% | 1,346·9 = 100% |

J. Horring

Source: Annual statistics of the import-, export-, and transit-trade of the Netherlands.
Monthly bulletin of the trade of Belgium-Luxemburg.

These statistics show the remarkable fact that the agricultural imports of the Netherlands amount to 11 per cent. of the total imports, whilst those for Belgium amount to 20 per cent. A very great difference is present, too, in the agricultural exports, namely, the agricultural exports of the Netherlands amount to 30 per cent. of the total export value; for Belgium these amount to 9 per cent.

APPENDIX III.B. *Total Commercial Inter-trading of the Netherlands to Belgium-Luxemburg, 1931 and 1938*

| Products and years | Imports | | | | | | Exports | | | | | |
|---|------------------------------|-----------------------|----------------------|------------------------------|-----------------------|----------------------|------------------------------|-----------------------|----------------------|------------------------------|------------|-------|
| | Weight × 1,000 m. tons | Percentage | | Value × 1 million gld. | Percentage | | Weight × 1,000 m. tons | Percentage | | Value × 1 million gld. | Percentage | |
| | | of agric. products | of total products | | of agric. products | of total products | | of agric. products | of total products | | | |
| 1931 | | | | | | | | | | | | |
| Crop products | 104 | 83 | 2·53 | 5·1 | 54·1 | 2·58 | 312 | 63·2 | 5·39 | 14·2 | 24·7 | 8·4 |
| Livestock and livestock products | 1·9 | 1·5 | 0·05 | 1·9 | 20·1 | 0·96 | 40·8 | 8·2 | 0·7 | 33·2 | 57·8 | 19·65 |
| Horticultural products | 16 | 12·8 | 0·39 | 2 | 21·3 | 1·02 | 44·2 | 9 | 0·76 | 2·3 | 3·9 | 1·34 |
| Fishery products | 2·3 | 1·8 | 0·06 | 0·3 | 3 | 0·14 | 66·6 | 13·5 | 1·15 | 6·4 | 11·1 | 3·76 |
| Other products | 1·1 | 0·9 | 0·03 | 0·1 | 1·5 | 0·07 | 30·3 | 6·1 | 0·52 | 1·4 | 2·5 | 0·84 |
| <i>Total agricultural products</i> ¹ | 125·3 | 100 | 3·06 | 9·4 | 100 | 4·77 | 493·9 | 100 | 8·52 | 57·5 | 100 | 33·99 |
| <i>Total of all products</i> | 4,103·7 | .. | 100 | 196·2 | .. | 100 | 5,795·2 | .. | 100 | 169·1 | .. | 100 |
| 1938 | | | | | | | | | | | | |
| Crop products | 15·2 | 65·1 | 0·41 | 1·1 | 23·1 | 0·68 | 186·2 | 44 | 3·91 | 16 | 42·3 | 15·18 |
| Livestock and livestock products | 2·5 | 10·7 | 0·07 | 3 | 61·9 | 1·82 | 2·7 | 0·6 | 0·06 | 12·5 | 33·1 | 11·86 |
| Horticultural products | 4·5 | 19·1 | 0·12 | 0·5 | 11·2 | 0·33 | 36·7 | 8·7 | 0·77 | 2·9 | 7·7 | 2·74 |
| Fishery products | 0·7 | 2·9 | 0·02 | 0·1 | 1·4 | 0·04 | 53·1 | 12·6 | 1·12 | 3·9 | 10·4 | 3·72 |
| Other products | 0·5 | 2·2 | 0·01 | 0·1 | 2·4 | 0·07 | 144 | 34·1 | 3·02 | 2·5 | 6·5 | 2·34 |
| <i>Total agricultural products</i> ¹ | 23·4 | 100 | 0·63 | 4·8 | 100 | 2·94 | 422·7 | 100 | 8·88 | 37·8 | 100 | 35·84 |
| <i>Total of all products</i> | 3,707 | .. | 100 | 162·2 | .. | 100 | 4,762·6 | .. | 100 | 105·7 | .. | 100 |

¹ Most products added together.

Source: Annual statistics of the import-, export-, and transit-trade of the Netherlands.

APPENDIX IIIc. *The Total Traffic of the Combined Countries*

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| Products and years | Imports | | | | | | Exports | | | | | |
|---|------------------------------|-----------------------|----------------------|------------------------------|-----------------------|----------------------|------------------------------|-----------------------|----------------------|------------------------------|-----------------------|----------------------|
| | Weight × 1,000 m. tons | Percentage | | Value × 1 million gld. | Percentage | | Weight × 1,000 m. tons | Percentage | | Value × 1 million gld. | Percentage | |
| | | of agric. products | of total products | | of agric. products | of total products | | of agric. products | of total products | | of agric. products | of total products |
| 1931 | | | | | | | | | | | | |
| Crop products | 7,187.6 | 94.6 | 12.2 | 357.5 | 71.2 | 9.4 | 961 | 41.6 | 3 | 73.8 | 14.8 | 2.8 |
| Livestock and livestock products | 165.1 | 2.2 | 0.3 | 116.3 | 23.2 | 3.1 | 546.9 | 23.7 | 1.7 | 295.7 | 59.2 | 11.1 |
| Horticultural products | 74.1 | 1 | 0.1 | 13.1 | 2.6 | 0.3 | 566.8 | 24.6 | 1.8 | 100.6 | 20.1 | 3.8 |
| Fishery products | 29.7 | 0.4 | 0.1 | 8.2 | 1.6 | 0.2 | 149.8 | 6.5 | 0.5 | 22.2 | 4.4 | 0.8 |
| Other products | 141.9 | 1.8 | 0.2 | 6.7 | 1.4 | 0.2 | 83.2 | 3.6 | 0.3 | 7.4 | 1.5 | 0.3 |
| <i>Total agricultural products</i> ¹ | 7,508.4 | 100 | 12.9 | 501.8 | 100 | 13.2 | 2,307.7 | 100 | 7.3 | 499.7 | 100 | 18.8 |
| <i>Total of all products</i> | 58,676.2 | .. | 100 | 3,789 | .. | 100 | 31,539.8 | .. | 100 | 2,664.4 | .. | 100 |
| 1938 | | | | | | | | | | | | |
| Crop products | 4,863.6 | 93.7 | 10.7 | 302.8 | 69.3 | 11 | 643.3 | 36.1 | 2.3 | 70.4 | 18 | 3.1 |
| Livestock and livestock products | 157.8 | 3 | 0.3 | 116.4 | 26.6 | 4.2 | 447.7 | 25.1 | 1.6 | 226.9 | 58.1 | 10 |
| Horticultural products | 101.1 | 1.9 | 0.2 | 10.9 | 2.5 | 0.4 | 404.4 | 22.7 | 1.4 | 73 | 18.7 | 3.2 |
| Fishery products | 9 | 0.2 | .. | 4.8 | 1.1 | 0.2 | 99.4 | 5.6 | 0.4 | 12 | 3.1 | 0.5 |
| Other products | 60 | 1.2 | 0.1 | 2.2 | 0.5 | 0.1 | 187.7 | 10.5 | 0.7 | 8 | 2.1 | 0.4 |
| <i>Total agricultural products</i> ¹ | 5,191.5 | 100 | 11.3 | 437.1 | 100 | 15.9 | 1,782.5 | 100 | 6.4 | 390.3 | 100 | 17.2 |
| <i>Total of all products</i> | 45,863.8 | .. | 100 | 2,745.3 | .. | 100 | 27,967.3 | .. | 100 | 2,270.2 | .. | 100 |

J. Horring

Source: See Appendixes IIIA and IIIB.

¹ Most products added together.

Note 1: This combination has been performed, by the different systems, as follows: the imports and exports of the Netherlands have been diminished by the imports out of Belgium and diminished by the exports to Belgium according to the Netherlands statistics.

The Belgian imports and exports according to the Belgian statistics have been diminished by the imports and exports out of the Netherlands according to the Netherlands statistics.

Note 2: For the whole territory of the customs union the agricultural imports in 1938 would amount to 16 per cent. of the total imports and the agricultural exports would amount to 17 per cent. of the total exports.

The improved character of agriculture in the union territory appears from the fact that the weight of imports amounts to 11.3 per cent. of the weight of the total imports, whilst the weight of the agricultural exports is significantly less, namely, 6.4 per cent. of the total exports.

APPENDIX III D. The Netherlands—Foreign Trade

Imports and exports by branches of industry of which the goods are products¹

| Branch of industry | 1938 | | | |
|---|---------------|----------------|---------------|----------------|
| | Imports | | Exports | |
| | 1,000 m. tons | 1 million gld. | 1,000 m. tons | 1 million gld. |
| 1. Mining and peat-digging | 9,986 | 137 | 6,298 | 46 |
| 2. Agriculture, cattle-breeding, fisheries, forestry, and hunting | 4,067 | 416 | 1,791 | 258 |
| 3. Manufacture of food-stuffs and luxuries | 687 | 61 | 1,316 | 234 |
| 4. Manufacture of earthenware, cement, glass, lime, and bricks | 1,689 | 27 | 159 | 7 |
| 5. Chemical industries | 3,228 | 137 | 3,575 | 105 |
| 6. Wood, cork, and straw-working industries | 1,288 | 70 | 57 | 5 |
| 7. Paper industry | 94 | 20 | 267 | 22 |
| 8. Textile industry | 88 | 87 | 80 | 78 |
| 9. Clothing industry | 6 | 29 | 1 | 3 |
| 10. Leather, oil-cloth, and rubber industries | 17 | 24 | 15 | 13 |
| 11. Metal industries, ship-building, and coach-building | 1,539 | 372 | 535 | 229 |
| 12. Graphic industries and applied art | 3 | 10 | 5 | 9 |
| 13. Other branches of industry | 87 | 25 | 330 | 30 |
| TOTAL | 22,779 | 1,415 | 14,429 | 1,039 |

Source: Yearbook of the Netherlands and Statistical Yearbook for Belgium.

¹ The imports and exports by post and the imports and exports of gold and silver coins and bullion, as well as of unset diamonds, are not included.

Belgium—Luxemburg. Special Trade by Commodities Groups in 1938

| Description | Imports | | | Exports | | |
|--------------------------------------|---------------|---------------|----------------|---------------|---------------|----------------|
| | 1,000 m. tons | 1 million fr. | 1 million gld. | 1,000 m. tons | 1 million fr. | 1 million gld. |
| Live animals | 9 | 28 | 2 | 5 | 67 | 4 |
| Liquors and food-stuffs | 3,772 | 4,677 | 290 | 603 | 1,132 | 70 |
| Raw or partially manufactured stuffs | 26,994 | 12,557 | 779 | 17,174 | 9,781 | 606 |
| Manufactures | 654 | 5,335 | 331 | 4,187 | 10,461 | 649 |
| TOTAL | 31,429 | 23,579 | 1,402 | 21,969 | 21,441 | 1,329 |

Conversion into Dutch money at the rate current in 1938 (1,000 fr. = gld. 62).

Source: Yearbook of the Netherlands and Statistical Yearbook for Belgium.