

GENERAL AGREEMENT ON TARIFFS AND TRADE

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UNITED STATES SUBSIDY ON EXPORTS OF SULTANAS

Statement by the Greek Delegation on the United States Subsidy on Export of Sultanas

The United States Delegation has stated that no finding of serious damage to the Greek economy by the subsidy granted on export of Californian sultanas, could be made until there were tangible proof of this fact. The present statement submits information proving that a very serious damage is actually caused to Greece.

This "serious prejudice" (as provided in Article XVI of the General Agreement) arises from the fact that Greece must reduce the export prices of Greek raisins (sultanas and currents) to keep them at the level of international prices resulting from this subsidy.

Both kinds of raisins, sultanas and currents, are affected (they are the same product with a different name according to their colour) whether exported or consumed in the country, since the prices are absolutely interdependent.

A further prejudice is caused to the Greek economy by the need for the Government to support the production cost of sultanas and currents in order to avoid abandonment by the producers of the culture of raisins, which might occur as a consequence of selling the product of their labour at prices which would not correspond to the cost of production.

Accordingly, two kinds of damages are caused to Greece by the United States subsidy on sultanas: in the field of foreign exchange as a consequence of lowered export prices, and to the domestic economy as a result of the support of production prices by the Government.

If we wish to evaluate the size of these damages in figures, we must take into consideration, on the one hand, the amount of the United States subsidy and, on the other, the amount of reduction of our export prices and the quantity of Greek raisins - sultanas and currents - produced in the country and exported abroad.

According to the declaration of the United States delegate at the plenary meeting of the CONTRACTING PARTIES of 15th October, this year's subsidy amounts to $2\frac{1}{2}$ cents per pound of exported sultanas¹, i.e. 55 dollars per ton;

¹ According to our information the amount of the subsidies in past years (1949-1951) was higher, 30% - 35% on the price of Californian sultanas.

we are informed that this year's raisin crop (sultanas and currents) amounts to 130,000 tons, of which 90,000 tons will probably be exported.

In consequence, the damage caused

- (a) by the lowering of our export prices for the current raisin year amounts approximately to $90,000 \times \$55 = \underline{\$ 5,000,000}$
- (b) in local money, from the necessity of maintaining production prices at the lowest rate possible of the production cost, i.e. tons 90,000 \times Dr. 600,000 = 54,000,000,000 Dr. = \$3,600,000

Thus the total amount of the damage caused by the United States subsidy to our national economy, in foreign exchange and in drachmae, will amount for the current year approximately to \$ 8,600,000.

This is obviously an enormous sum for a small country such as Greece, especially if one takes into consideration that it represents almost 8% of the value of the yearly export of all Greek products, 40% of the value of exported raisins and 35% of the production of raisins in the country.

Considering further, that the United States subsidy has been granted since 1949, it is easy to picture the total damage which Greece has undergone since the application of this measure.