

Contracting Parties  
Third Session

Australian Subsidies on Importation of Ammonium Sulphate

Request by Government of Chile

The Chilean Government has requested the inclusion under item 20 of the Agenda of a question arising out of the payment by the Australian Government of subsidies on sulphate of ammonia. The question is summarised in the following letter from the Chilean Delegation. It will be noted that bilateral discussions are proceeding between the Australian and Chilean delegations and that the Chilean delegation will withdraw the matter from the Agenda if a satisfactory solution results from these discussions.

The letter is dated 25 July 1949 and reads as follows:

" For some years the Government of Australia has been subsidising imports of nitrate from Chile and of ammonium sulphate in order that Australian farmers could obtain their nitrogenous fertilizers at the lowest possible price.

" The Department of Commerce and Agriculture in Australia has recently announced that the government subsidy of approximately £500,000, granted for the year 1 July 1949 to 30 June 1950, will only be applicable to imports of ammonium sulphate starting 1 July of the present year. This measure prejudices Chilean nitrate to such an extent that its sale without the subsidy in the Australian market will be impossible in competition with subsidised ammonium sulphate, this latter product being a competitor of Chilean nitrate.

" On the other hand, and under circumstances where the subsidy was in existence for the two products mentioned, Australia and Chile negotiated tariff concessions at Geneva during the course of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment which were listed in their respective schedules to the General Agreement. Among other concessions, Australia granted Chile freedom from the customs duties on sodium nitrate.

" Both countries signed the Protocol of Provisional Application of the General Agreement on Tariffs and Trade and are applying it.

" The reasons set forth above show that the discriminatory measure adopted by the Australian Government in favour of ammonium sulphate to the exclusion of Chilean nitrate, annuls or seriously threatens the concession on that product which the Australian Government granted as a result of the Geneva negotiations. We have requested the Australian delegation to this meeting to obtain from its Government the continuation of the payment of the subsidy to Chilean nitrate in the same manner as to ammonium sulphate, and we are carrying on bilateral conversations regarding our position in the hope of a favourable reply. In the event that we do not reach a favourable solution, I wish to request that the matter be placed on the Agenda of the 3rd Session of the Contracting Parties (item 20) for consideration by the Contracting Parties in accordance with Article XXIII of the General Agreement, which provides particularly for situations such as the one referred to in the present communication. I wish also to indicate that Chile will withdraw this item from the Agenda if, as it hopes, a satisfactory direct agreement is reached with the Australian Delegation. "

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