

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## NOTIFICATION OF SUBSIDIES UNDER ARTICLE XVI

### ADDENDUM

#### Third Notification By The United States On Subsidies Pursuant to Article XVI<sup>1</sup>

This notification is made pursuant to the Decision of the Contracting Parties at the Fourth Session (GATT/CP.4/20, 2 March 1950). This notification gives final data on the extent of such subsidies during the fiscal year 1950/51 and preliminary data on their application in the fiscal year 1951/52.

#### Export Subsidies under Section 32

The table below lists export subsidy payments during the fiscal years 1949-50, and 1950-51 on all Sec. 32 programs described in the previous Notifications. It should be noted that total export subsidy payments during 1950-51 under these programs were 23 per cent lower than in the previous year.

#### Section 32 Export Subsidy Expenditures as of 30 June, 1951 (Fiscal Years)

Commodity and Unit	1949-50		1950-51	
	Value	Quantity	Value	Quantity
Cotton (bales)	\$257	\$2,567	\$289	\$2,894
Dried Raisins (tons)	5,478,529	64,821	1,397,269	14,566
Dried Prunes (tons)	3,711,801	42,500	1,848,490	19,193
Fresh Apples (box)	2,536,524	2,046,212	2,687,049	2,322,999
Fresh Pears (box)	165,896	132,654	449,656	359,725
Fresh Oranges (box)	1,983,183	1,200,963	2,237,751	1,356,241
Fresh Grapefruit (box)	-	-	125,702	125,687
Concentrated Orange Juice (gallon)	4,500	1,800	1,453,565	1,002,495
Other Citrus Products	135,804	-	234,865	-
Honey (pounds)	135,482	3,013,080	447,919	9,957,181
<b>TOTAL</b>	<b>\$ 14,151,986</b>		<b>\$ 10,882,555</b>	

<sup>1</sup> submitted by letter dated 11 March 1952.

Section 32 programs in effect during the fiscal year 1951-52 are as follows:

Fresh apples and pears: Under the program announced 8 September, 1950, and subsequently extended, payments were made to U.S. exporters for exports of fresh apples and pears to any participating country as defined in the Foreign Assistance Act of 1948, to the Philippine Islands, Indonesia, Israel, Egypt and any Western Hemisphere country except Canada, Cuba, Mexico and Venezuela and except those countries and areas listed in sub-group A of Group R of the Comprehensive Export Schedule issued by the Office of International Trade, U.S. Department of Commerce. Rate of payment equals 50 per cent of the gross, f.a.s. sales price, but not more than \$1.25 per bushel or box. The program was in effect through 30 November, 1951 for pears and is in effect through 30 June, 1952 for apples. Through 31 December, fiscal year 1951-52 payments to exporters have totalled \$1.5 million on 899,857 boxes of apples and 346,770 boxes of pears.

Dried apples: On 6 June, 1951 the Department of Agriculture announced a program of payments on dried apples grading U.S. grade C or better of 10 cents per pound or up to 50 per cent of the f.a.s. sales price, whichever is lower. This program was effective 20 June-31 August, 1951. Approved countries of destination were ECA countries in Europe, Spain, Yugoslavia and Israel. Through 31 December 1951 payments totalled \$635,698 on 6.3 million pounds of dried apples.

Dried prunes and raisins: On 31 July, 1951 the Department of Agriculture announced that effective 15 August, 1951 payments would be made to exporters for exports of dried prunes and raisins. Approved countries include all foreign countries and their territories or dependent areas except Argentina, Australia, Canada, Chile, Cuba, Mexico and Venezuela and except those countries listed in sub-group A of Group R of the Comprehensive Export Schedule, issued by the Office of International Trade, U.S. Department of Commerce. In addition, Yugoslavia is not an approved country for dried prunes and Cyprus, Greece (including Crete) Iran, Spain, Turkey and the Union of South Africa are not approved foreign countries for raisins. The rate of payment shall not exceed 35 per cent of the gross sales price f.a.s. U.S. ports or specified rates per pound as set forth in the program announcement, whichever is lower. Through 31 December, 1951, payments to exporters totalled \$290,832 for 4,750 tons of prunes and \$557,492 for 6,357 tons of raisins.

Honey: A program providing for payment to exporters at the rate of 4.5 cents per pound or 50 per cent of the gross f.a.s. sales price or of the domestic market price, whichever is lower for honey exported to destinations outside the Western Hemisphere is presently effective through 31 March, 1952. Payments to exporters in the fiscal year 1952 through 31 December have totalled \$246,163 on 5.5 million pounds of honey.

Citrus fruits: The 1951-52 program of payments to exporters for exportation of fresh and processed oranges and grapefruit was in effect until 30 September, 1951. Fiscal year 1951-52 payments under this program, through 31 December, 1951 totalled \$6.3 million of which \$4.1 million was on 2.5 million boxes of fresh oranges, and \$1.5 million on 1 million gallons of concentrated orange juice.

For the current fiscal year the Department of Agriculture announced that, effective 15 December, 1951, payments to exporters for exportation of fresh and processed oranges would be made at a maximum rate of 40 per cent of the gross f.a.s. sales price U.S. ports, to be limited by maximum rates established for certain products, for instance \$1.65 per bushel for California or Arizona fresh oranges. Eligible outlets include ECA countries in Europe (other than citrus-producing countries), the Philippines, Indonesia, Malaya, Hong Kong, and Singapore.

Grapefruit: Effective 5 March, 1952, the Department of Agriculture announced payments to exporters for exportation of fresh and processed grapefruit to the following countries: Austria, Belgium, Denmark, France, Finland, Western Germany, Greenland, Hong Kong, Iceland, Indonesia, Ireland, Luxembourg, Malaya, Netherlands, Norway, Philippines, Singapore, Sweden, Switzerland and the United Kingdom. The rate of payments will be 40 per cent of the f.a.s. sales price, or the market price, or dollar and cents figures (for instance \$.90 per box of fresh grapefruit, and \$1.05 per gallon of concentrated grapefruit juice), whichever is lower.

Lemons: On 7 September, 1951 the Department of Agriculture announced payments to exporters for exportation of fresh lemons to foreign countries, including participating countries under the Foreign Relief Assistance Act of 1948, but not including Canada, Cuba, Mexico and such other countries as may be determined in the future. The rate of payment was 50 per cent of the gross f.a.s. sales price, U.S. ports or \$1.75 per box or the equivalent, whichever is lower. The program terminated 30 November, 1951. Payments through that date totalled \$38,194 on 21,825 boxes of lemons.

Effective 28 January-15 October, 1952, the Department of Agriculture announced payments to exporters for exportation of fresh and processed lemons to the following countries: Austria, Belgium, Denmark, France, Finland, Western Germany, Greenland, Hong Kong, Iceland, Indonesia, Ireland, Japan, Luxembourg, Malaya, Netherlands, Norway, the Philippines, Singapore, Sweden, Switzerland, and the United Kingdom. The rate of payments, lower than under the previous program will be 40 per cent of the f.a.s. sales price, or the market price, or dollars and cents figures (for instance \$1.60 per box of fresh lemons), whichever is lower.

#### Export subsidies under Section 407

##### (1) Export sales pursuant to monthly CCC announced price lists:

Since 24 March, 1951 sales from the CCC export price lists of the type defined by Article XVI have totalled \$6 million. The bulk of this amount was accounted for by the sale of 95 million pounds of dry edible beans valued at \$5.3 million. Other sales were: 1.4 million pounds of dried whole eggs (\$614,636); 658,100 pounds of nonfat dry milk solids (\$56,037); and 55,561 cwt. of white potatoes (\$33,337). As of 1 January, 1952 only dry edible beans are listed on the CCC export price list. The unit value of these exports, however, cannot be compared with current market prices since for the most part the commodities involved were not from the crops currently being marketed commercially, except at a considerable discount. The actual amount of subsidization involved in these sales is thus not ascertainable.

(ii) Other sales

In addition to the sales previously reported, and through 31 December, 1951, the Commodity Credit Corporation concluded a number of sales direct with other governments, at reduced prices. Sales not previously reported were as follows: 24.7 million pounds of nonfat dry milk solids to Japan; 8 million pounds of nonfat dry milk solids, 1 million pounds of dried whole eggs, and 7 million pounds of dry edible beans to Israel; 3 million pounds of nonfat dry milk solids to Yugoslavia; 1.5 million pounds of nonfat dry milk solids to the Philippines; and 36.8 million pounds of dried whole eggs to the United Kingdom. It is our understanding that the bulk of these quantities were used for special feeding programs and therefore did not enter commercial channels.

Sales under the International Wheat Agreement

In order to adhere to its obligations under the International Wheat Agreement, the United States had to pay wheat exporters the difference between the market price for wheat and wheat flour and the agreement price. Such payments, which are not of the type defined by Article XVI totalled \$178 million in the fiscal year 1950/51.

APPENDIX

Foreign Donations and Disposals for Relief Purposes

Additional disposal of commodities abroad by the Commodity Credit Corporation have not been of the type defined by Article XVI since they did not enter commercial channels.

- (i) Section 415 commodities donated to U.S. private welfare organizations for foreign relief during the calendar year 1951 in addition to those reported upon totalled 12 million pounds of nonfat dry milk solids, and 10 million pounds of white potatoes. In the fiscal year 1952 there are no Section 416 commodities available for such donations.
- (ii) Sales to UNICEF, in addition to those reported upon, consisted of 10.6 million pounds of nonfat dry milk solids for use in school lunch and child feeding programs.
- (iii) Sales through the FAO Committee on Commodity Problems terminated at the time of the previous Notification.
- (iv) The Commodity Credit Corporation also concluded a number of small sales, at concessional prices, with U.S. relief organizations for commodities to be used for foreign relief. Through the 1951 calendar year such sales totalled 680,000 pounds of nonfat dry milk solids, and 375,000 pounds of dried whole eggs.