

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

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NOTIFICATIONS OF SUBSIDIES UNDER ARTICLE XVI

Addendum

By Decision of the CONTRACTING PARTIES of 2 March 1950, contracting parties maintaining subsidies falling within the scope of Article XVI of the Agreement are required to submit notifications as required by that Article.

The reports received from April to September 1953 were circulated in L/91/Add.1. The reports of Pakistan and of the United States, received since then, are reproduced herewith.

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PAKISTAN

Notification of 14 September 1953

"Pakistan has no subsidies to report under Article XVI."

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UNITED STATES

Notification of 14 October 1953

"This notification is made pursuant to the Decision of the CONTRACTING PARTIES at the Fifth Session (GATT/CP/92, 11 January, 1951). This notification gives final data on the extent of such subsidies during the fiscal year 1951-52 and preliminary data on their application in the fiscal year 1952-53.

Export Payment Programs under Section 32

These payments are granted on a limited scale and are intended to assist exporters to maintain their position in traditional markets, where as a result of trade and exchange controls their competitive position has been impaired by foreign government intervention. The value of the commodities so assisted represents less than one percent of US agricultural exports.

During the 1951-52 fiscal year, section 32 export payment programs were announced for dried prunes and raisins, fresh and processed oranges, grapefruit and lemons and honey. During the 1952-53 fiscal years, section 32 export payment programs were announced for dried raisins, fresh and processed oranges and grapefruit and honey. The data given below represent payments under current programs and under those announced during previous fiscal years.

The table below lists export subsidy payments during the fiscal years 1952-53, and 1951-52 on all of the programs described in the previous notification. It should be noted that export subsidy payments during the fiscal year 1952-53 were lower by \$5 million or 30 percent than in the previous year.

Section 32 Export Subsidy Expenditures During Fiscal Years  
1951-52 and 1952-53 as of June 30, 1953

Commodity and Unit	1951-52		1952-53	
	Value	Quantity	Value	Quantity
Apples, dried (ton)	\$ 315,198	1,576	\$ --	--
Apples, fresh (bu.)	3,570,017	2,783,829	--	--
Dried prunes (ton)	2,958,199	51,206	14,701	254
Dried raisins (ton)	4,091,847	68,767	4,587,413	89,086
Fresh grapefruit (box)	152,137	165,192	125,501	162,684
Fresh lemons (box)	295,973	182,367	98,803	61,322
Fresh oranges (box)	3,761,727	2,601,779	4,393,557	3,396,625
Fresh pears (box)	578,456	446,830	--	--
Other citrus products	383,484	--	924,586	--
Honey (lbs)	648,015	14,616,694	1,530,265	35,649,878
<b>TOTAL</b>	<b>16,755,053</b>	<b>--</b>	<b>11,674,826</b>	<b>--</b>

As of 1 September 1953, section 32 export payment programs are in operation for dried raisins, fresh and processed oranges and grapefruit and honey. In all cases, the rate of payment is below that previously applicable.

A summary of the section 32 programs in effect during fiscal year 1952-53 follows:

A. New programs.

Dried raisins:- On 25 September 1952 the Department announced that effective 15 October 1952 payments would be made to exporters for exports of dried raisins. Approved countries included all foreign countries and their territories or dependent areas except those located in North, Central, and South America, the Islands of the Caribbean Sea, the Bahamas, Australia, New Zealand, Cyprus, Greece (including Crete), Iran, Turkey, Spain, the Union of South Africa, and except those countries and areas listed in Subgroup A of Group R of the Comprehensive Export Schedule issued by the Office of International Trade, U.S. Department of Commerce. Payments were made at 2.50 cents per pound net processed packed weight for Natural Thompson Seedless, Sultanas, Muscats (except soda-dipped (Valencia) and layer Muscats), and Zante currants; and 3 cents a pound for Golden Bleached Thompson Seedless. Effective 29 November 1952 Zante currants were removed from the program because of changes in the supply situation. Effective 16 December 1952 Golden Bleached Thompson Seedless raisins were removed from the program again as a result of the supply situation. The program initially was scheduled to expire 10 August 1953, but was extended through 25 August 1953.

Citrus fruit:- On 1 December 1952, the Department announced that effective 5 December 1952, an export payment program would be instituted to encourage exports of fresh and processed oranges and grapefruit. The rate of payment for fresh oranges was \$1.25 per box and for fresh grapefruit 75 cents a box. Comparable rates were in effect for the processed commodities which included concentrated orange, grapefruit, and blended juice, single strength orange juice, grapefruit juice, and blended orange and grapefruit juice, and grapefruit sections and citrus salads. Approved countries include Austria, Belgium, Denmark, France, Finland, Federal Republic of Germany, Greenland, Iceland, Ireland, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, United Kingdom. The program was to remain in effect through 30 September 1953.

Honey:- Two separate honey programs were in effect during the 1952-53 fiscal year. One program which was operative during the 1952 honey marketing season became effective on 11 April 1952 and covered sales through 31 March 1953. The other program which operated during the 1953 marketing season went into effect on 1 April 1953. The approved countries and the rates of payment under each of these programs are as follows:

1952-53: - Eligible countries were Austria, Belgium, Luxembourg, Denmark, Finland, France, Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Monaco, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Trieste (Free Territory), United Kingdom, Yugoslavia; Egypt, Union of South Africa, Afghanistan, Arabia, Burma, Ceylon, India, Indonesia, Iran, Iraq, Israel and Palestine, Japan, Jordan, Lebanon, Pakistan, Southern Korea, Syria, Taiwan (Formosa), Thailand, Turkey, Yemen; and the dependencies and overseas territories of such countries other than those located in or adjacent to the Americas. The rate of payment was the lower of 4.50 cents per pound or 50 percent of the gross sales price f.a.s.

1953-54: - Eligible countries included all foreign countries and their territories or dependent areas except those located in or adjacent to the Americas, Australia and New Zealand, and except those countries and areas listed in Subgroup A of Group R of the Comprehensive Export Schedule issued by the Office of International Trade, U.S. Department of Commerce. The rate of payment was 4 cents per pound.

B. Continuing Programs

Operations were completed during the first part of the 1952-53 fiscal year on these programs which had the following expiration dates; dried prunes and raisins, 31 August 1952; grapefruit, 15 September 1952; lemons, 30 September 1952; oranges, 30 September 1952. Details with respect to these programs are contained in the Third Notification.

Export sales under Section 407

(i) Export sales pursuant to monthly Commodity Credit Corporation announced price lists:

During the fiscal year 1952-53 sales from the CCC Export Price List, at prices less than the domestic market price, totalled \$14 million. The bulk of this amount was accounted for by the sale of nearly 2 million bags of dry edible beans at a sales price of \$10 million. Another main sale was that of 71 thousand tons of cottonseed meal (\$3.7 million).

(ii) Other sales

In addition to the above sales for export through commercial channels at reduced prices, the CCC in 1952-53 sold at reduced prices nearly 20 million pounds of nonfat dry milk solids directly to the government of Israel.

Sales under the International Wheat Agreement

In order to adhere to its obligations under the International Wheat Agreement, which comes under the exception of Article XX - I (h) 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 totalled \$126 million in fiscal year 1952-53.

Foreign Donations and Disposals for Relief Purposes

Certain additional disposals of commodities abroad by the Commodity Credit Corporation may also be noted, although they did not enter commercial channels. These disposals during 1952-53 included:

- (i) The CCC donation to U.S. private welfare organizations for foreign relief purposes under the provisions of Section 416 of the Agricultural Act of 1949 of 24.2 million pounds of nonfat dry milk solids. All of these donations were made in the last quarter of the fiscal year.
- (ii) The CCC sales at reduced prices of 15.0 million pounds of nonfat dry milk solids to UNICEF for use in school lunch and child feeding programmes.
- (iii) A number of small sales at reduced prices consummated with U.S. relief organizations for foreign relief purposes. Such sales amounted to 4.6 million pounds of nonfat dry milk solids, 3.6 million pounds of Austrian winter peas, and nearly one-half million pounds of dry edible beans."