

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Notifications by Contracting Parties

GREECE

Revision

Notification of 7 June 1961

Although at the third meeting of the eighteenth session of the CONTRACTING PARTIES held on 16 May 1961 (SP.18/3) the representative of Greece informed the CONTRACTING PARTIES that Greece had no subsidies in terms of Article XVI, the Government of Greece, by letter of 7 June 1961, has transmitted to the secretariat the following information on the government measures for certain agricultural commodities. This document will, therefore, replace the document L/1328/Add.19.

Greece does not apply subsidies within the scope of Article XVI of the General Agreement. However, in view of the importance to the Greek economy of certain agricultural commodities, such as tobacco, wheat and currants, the Government does intervene so that the prices of these commodities may be set at levels which assure a fair income to large sections of the farming population.

The governmental measures are as follows:

1. WHEAT. Most of the farm population earns its living by growing grain crops; but this is not a very profitable activity because of the nature of the soil on the one hand, and the smallness of the land holdings on the other. That is why the Greek Government, anxious to protect the interests of the farmers, every year sets a guaranteed price for wheat, i.e., a price at which farmers may sell a part of their crop to the State. This guaranteed price set by the State is higher than the international market price, since the intention of the Government is not to foster exports but to increase farm income. The guaranteed-price rate changes every year. While the rate was 3.06 per kg. in 1959, in 1960 it was set at 2.80 per kg. By reducing the guaranteed price of wheat in this way the Government spurs farmers to cultivate more profitable crops.

2. TOBACCO. In view of the great importance of this commodity to the national economy, the Greek Government, desirous of protecting the interests of a large number of growers against possible exploitation, during bumper years buys set amounts of tobacco at fixed prices. By acting in this way the State aims to equalize supply and demand for the benefit of the growers.

Price-fixing for tobacco is carried out on the basis of commercial consideration in order to avoid hampering exports of this commodity. It should be noted that the price varies according to the crop year, region and quality of the tobacco and is slightly under the international market price.

As was stressed for wheat, the purpose of State intervention in the tobacco market is to protect the earnings of growers and not to bolster exports.

3. CURRENTS. While taking into account international market prices, the Government each year sets a minimum price at which growers may sell their produce to the Dried Grape Board whenever it is not possible to sell on the open market at prices higher than the minimum set by the Government. It should be noted that prices are set at rates which do not hinder the exportation of this commodity. For its part, the Dried Grape Board exports the amounts purchased, and, if the export prices are higher than the purchase prices, the profit is turned over to the growers. It is therefore clear that the protection afforded by the State is designed to stabilize the price of dried grapes on the domestic market and to assure growers of a steady income.

The same applies to other commodities such as oil and sultanas (a variety of dried grapes) where the action of the State has always been guided by its concern to safeguard the interests of the farming population.

