

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## UNITED STATES EXPORT SUBSIDY ON POULTRY

The following notification has been received from the United States Government. This notification also serves as a notification under Article XVI of the General Agreement.

The Government of the United States wishes to inform the CONTRACTING PARTIES that, after a series of consultations with the countries directly concerned, which unfortunately has not yet produced concrete results, it has authorized the introduction of a limited export subsidy programme for sales of chicken to Switzerland and Austria in order to regain what it considers to be equitable United States shares of those markets.

The subsidy programme will be restricted to exports of whole frozen chickens (United States Department of Agriculture Grade A) which are ready-to-cook and which have been produced and processed in the United States. The quantity of chicken to be sold under subsidy to each of the two markets will be limited to maximum annual totals based on average quantities of chicken exported during previous representative periods. The United States Government considers the period 1960-61 to be representative for the Swiss import market, and that of 1963-64 for the Austrian market. In addition, in order to prevent disturbing effects on markets and domestic prices in the importing countries, the subsidy programme will be implemented so as to control the quantities to be subsidized each week. Thus, United States exporters will be invited each week by the United States Department of Agriculture to submit bids for subsidies (i.e., requests for specific levels of subsidy) on special quantities for export to Austria and to Switzerland within the controlled quantities for that week. All bids that are received for the proposed exports for each week will then be reviewed and compared with the price quotations obtained weekly in importing and exporting countries in order to arrive at the minimum subsidies required for United States exports to be competitive. The subsidies, which can vary in amount from week to week, will be granted only on those bids which are approved by the United States Department of Agriculture.

The United States Government has authorized the initiation of this subsidy programme as a direct consequence of the increased use by other poultry exporting countries of export subsidies and multiple pricing arrangements which in turn have resulted in serious prejudice to the trading interests of the United States in Austrian and Swiss markets. The Government of the United States regrets that these circumstances have made necessary the introduction of this subsidy programme and, furthermore, it reiterates its hope that all countries concerned soon will be able to join in reaching a mutually satisfactory solution to this problem.