NOTIFICATIONS OF SUBSIDIES UNDER ARTICLES 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 were required to submit notifications as required by that Article.

Notifications have been circulated in documents GATT/CF/58 and Addenda; GATT/Cr/92; GATT/CP/114 and G/4 and Add. 1 and 2.

Attached hereto are notifications received since April 1952 from the following contracting parties:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2</td>
<td>India</td>
<td>17</td>
</tr>
<tr>
<td>Belgium</td>
<td>6</td>
<td>Netherlands</td>
<td>18</td>
</tr>
<tr>
<td>Canada</td>
<td>8</td>
<td>Norway</td>
<td>19</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>17</td>
<td>New Zealand</td>
<td>19</td>
</tr>
<tr>
<td>Denmark</td>
<td>17</td>
<td>Southern Rhodesia</td>
<td>19</td>
</tr>
<tr>
<td>Finland</td>
<td>17</td>
<td>United Kingdom</td>
<td>20</td>
</tr>
</tbody>
</table>
AUSTRALIA

Notification of 30 September 1952

Particulars of the subsidization measures in force in Australia as at 4 May 1951 are contained in GATT/CP/114 of 10 May 1951.

The following supplementary information is supplied to bring the information with respect to Australia up to date.

Nitrogenous Fertilizers

(a) Sulphate of Ammonia

A subsidy not exceeding in total an amount of £500,000 for the year 1952/53 is at present being paid on sulphate of ammonia as a means of assistance to certain agricultural industries. Although the actual amount of subsidy has been varied since the Fourth Session of the Contracting Parties, the principles of the subsidization, and the estimated effects, remain as set out in document GATT/CP.4/39 circulated at the Fourth Session.

(b) Sodium Nitrate

A subsidy at the rate of £4.0.0 per ton was introduced on 1 November 1950 on sodium nitrate used for fertilizer purposes. Details of this subsidy were circulated to Contracting Parties at the Fifth Session.

Tractors

GATT/CP/114 refers to the subsidy payable on tractors produced in Australia for use within Australia. This subsidy continues to be payable. During the years ended 30 June 1951 and 1952, subsidy was paid on 1,501 and 1,275 tractors. During the year ended 30 June 1951 and the period of 9 months ended 31 March 1952, the number of tractors imported was, respectively, 34,600 and 26,361.

The subsidy paid to domestic producers of tractors serves as an alternative to the grant of tariff protection.
Sugar and Specified Products made from Raw Cane Sugar

See CP/114. The notification contained in that document applies unchanged.

Wheat

Under the Wheat Stabilization Scheme, growers receive a guaranteed price based on production costs for all wheat delivered to the Australian Wheat Board. Since 1 December 1951 the guaranteed price, which is also the home consumption price, has been 10/- per bushel, f.o.r. ports, bulk basis.

The domestic price is substantially below the export price.

Amendments to the Wheat Industry Stabilization legislation at the start of the season allowed special prices for stock feed wheat. The price of wheat for pigs, poultry and dairy stock became 12/- a bushel, and a subsidy by the Commonwealth Government supplemented this to make the return to the wheat grower 16/1d. a bushel.

The selling price of any feed sold for other animal feed became 16/1d. a bushel, bulk, f.o.r. ports.

The effect is to bring the return for feed wheat to the International Wheat Agreement level, with wheat used for human consumption in Australia remaining at the figure of a guarantee based on costs of production.

Dairy Products

Under a new five-year plan operative from 1 July 1952, the Commonwealth Government has guaranteed to producers of milk or cream used in the manufacture of butter and cheese a return based on efficient cost of production. Pending the establishment of an independent Tribunal, movement in costs will be assessed by the Bureau of Agricultural Economics.

The guarantee covers the quantity of butter and cheese consumed annually in Australia plus 20% of that quantity if produced. The extension of the guarantee to cover a quantity 20% in excess of local consumption is not for the purpose of enabling export sales at prices below cost of production but to ensure an adequate supply of butter and cheese for local consumption. In actual practice in 1952/53, the only export sales below the local wholesale price will be to the United Kingdom under contract. All other export sales will be at prices in excess of the local wholesale price.
Returns to factories from butter and cheese sold on the local and export markets are equalised throughout the Commonwealth under a voluntary arrangement within the industry and operated through the Commonwealth Dairy Produce Equalisation Committee Ltd. The difference between the guaranteed return to the farmer plus factory costs and the equalised return is paid by the Government as a subsidy.

The guaranteed return to the farmer for 1952/53 is 49.29d. lb. commercial butter basis at the factory door, and to ensure this return from domestic consumption the rate of subsidy paid by the Commonwealth is approx. 10d. per lb. of butter and approximately 4d. per lb. of cheese.

Shipbuilding

Since 1946 the Australian shipbuilding industry has been assisted by the Commonwealth Government meeting up to 25% of the cost of locally built vessels with a view to reducing Australian costs to a more comparable level with construction costs in the United Kingdom.

Vessels required by private shipping companies are constructed on orders placed by the Australian Shipbuilding Board, and when completed are sold to the Companies at not less than 75% of the cost.

The purpose of this scheme of assistance is to ensure the maintenance of an efficient shipbuilding and shipping repair industry in Australia in accordance with defence requirements.

Flax

Document GATT/CP/114 referred to a subsidy designed to promote the growing, spinning and weaving of flax in Australia. The relevant law provided for the payment of a subsidy in respect of flax canvas manufactured during a period of two years commencing 17 July 1950, for sale for use in Australia. The rate of subsidy is the amount of flax canvas equivalent to an amount of £60 per ton of the weight of scutched flax fibre of Australian origin used in the manufacture of the flax canvas except that -

(i) the total amount of subsidy payable is limited to £60,000 in the two-year period;

(ii) the total subsidy payments to a manufacturer are limited to an amount which restricts his net profits from the manufacture and sale of flax canvas to 10 per centum of the capital used in manufacture and sale.

Production and subsidy payments are as follows:
The question of whether these subsidy measures should be continued after 17 July 1952, is currently the subject of public enquiry by the Australian Tariff Board. Meanwhile production is not subject to subsidy.

<table>
<thead>
<tr>
<th>Year ended</th>
<th>Weight of canvas produced</th>
<th>Subsidy payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 1951</td>
<td>550,010 lbs.</td>
<td>£A 20,509</td>
</tr>
<tr>
<td>30 June 1952</td>
<td>301,352 lbs.</td>
<td>£A 4,105</td>
</tr>
</tbody>
</table>
The following modifications have to be made to the Belgium "Notification of July 29, 1950 with supplementary data supplied on March 28, 1951" (GATT/CP/114 pages 7-10):

1. **Subsidies for certain farm products**
   
a) The Royal Order of 2 May 1951 (Moniteur of 7 May 1951) has been substituted for the Regent's Order of 17 May 1951 in pursuance of which dairy industries were granted temporary subsidies. The new Order regulates the system of subsidies and of production quotas by means of ministerial orders determining the authorized figures on a monthly basis.

   The figures mentioned in GATT/CP/114 are therefore subject to monthly alterations.

b) Condensed skim milk should be added to the list of subsidized products.

   It should also be noted that the observations submitted in the previous notification as regards the consumption of dairy products, in particular, cheese, have been fully borne out by subsequent events. Indeed, whereas production has increased as a result of subsidisation, on the other hand, the drop in selling prices on the home market has brought about an increase in consumption and corresponding imports.

2. **Subsidies for certain industrial products**

   The subsidies granted to the coal industry are not intended to increase exports or to reduce imports, but merely to maintain the level of activities of industries producing mainly bituminous coal.

   On 4 February 1950 the Ministry for Economic Affairs was empowered to enter into special conventions for the support of the coal-mining industries which met the following criteria:

   (i) The 1949 output should include at least 66% of bituminous coal and over 22% of volatile products.

   (ii) The basic loss for the determination of increasing subsidies should exceed 100 francs per ton.
(iii) The reserves in exploitable deposits should be such as to permit production over a sufficient period to amortize the new installations necessary for rehabilitation. Over and above the decreasing subsidies granted to all mining enterprises which suffer a conventional loss of more than 10 francs per ton, those which meet the above criteria shall receive additional subsidies on a non-reimbursable basis over a period of five years so as to compensate for the decreasing losses effectively sustained, such losses to be fully eliminated at the expiration of the supporting period.

The Budget of this Department as approved by Parliament also provides for a 6,500,000 francs appropriation to assist the Belgian film industry. This sum is to provide bounties for the production of newsreels, documentary films and "shorts".

As the law which contains the Budget for the Department has not yet been promulgated, the enforcement Order has not yet been enacted and therefore the subsidy has not yet become effective.

Lastly, it should be mentioned that under a Ministerial Order of 20 March 1951 all subsidies to gas producing industries have been eliminated.

3. Subsidies on certain Congo products

a) The 12 million franc subsidy on wood items has been reduced to 6 million francs in 1952 (Article 102/18 of the ordinary 1952 Budget).

b) A 6 million franc subsidy has been appropriated in order to further exports of palm oil from localities situated beyond Aketi and Paulis by the "Société des Chemins de Fer vicinaux du Congo" (Article 98/3 of the 1952 ordinary Budget). This measure was made necessary as a result of the fall in the world prices for oil seeds in order to enable producers of, or dealers in oil seeds who live in centres located far away from ports of embarkation to carry out their intended exports.
CANADA

Notification of Subsidies in effect on 1 July 1952 or during the preceding twelve-month Period

This report has been prepared pursuant to the obligation under Article XVI of the General Agreement on Tariffs and Trade to notify the CONTRACTING PARTIES of any subsidies, including any form of income or price support, leading directly or indirectly to increased exports or to reduced imports.

Federal Subsidies including any form of income or price support which might be considered under the purview of Article XVI are discussed under the following main headings:

I Agricultural Products
II Fisheries Products
III Mineral Products

The notification of each subsidy in each group is given under the following subheadings:

Legal authority for the subsidy; Circumstances making the subsidization necessary; Extent and Nature; Cost and Effect.

PART I

AGRICULTURAL PRODUCTS

1. GRAIN AND GRAIN PRODUCTS: Western Grains, Whole or Ground, Wheat Bran, Wheat Shorts, Wheat Middlings, Wheat Screenings and Millfeeds


Circumstances - This was a wartime measure designed to encourage use of surplus feed grains and to assist Eastern farmers in obtaining the necessary Western feed grains and millfeeds at prices which would permit them to maintain livestock production.

Extent and Nature - The subsidy, which covers practically all freight charges, is paid on Western grains and millfeeds moved in carload lots from Fort William - Port Arthur to points in Eastern Canada and from points in Western Canada to British Columbia. The subsidy is not paid on grains and feeds which are exported. Wholesale receivers are reimbursed to the amount of the freight when proof of usage is submitted.

Cost - The rate of freight assistance per ton varies from $6.00 to $20.00 depending on the length of the freight haul. The total cost of feed freight assistance in the calendar year 1951 amounted to $16,103,000. The cost from January 1 to March 31, 1952 amounted to $2,146,000.
Effect - This programme may have reduced imports of feeds by encouraging consumption of domestic feeds. It may also have decreased the exports of feeds from Western Canada.

2. LIVESTOCK AND LIVESTOCK PRODUCTS

Beef Price Support


Circumstances - The United States embargo on shipments of Canadian cattle and beef, imposed on 25 February 1953 as a result of the outbreak of foot-and-mouth disease in Saskatchewan, created a serious marketing situation in Canada. Farmers were advised to retain their cattle as long as possible on grass and a support price was offered to provide some stability where it was necessary to market cattle.

Extent and Nature - The price support announced 9 April 1952 takes the form of an offer to buy cattle and beef at a price equivalent to $25 per 100 lb, live weight for good steers at Toronto, with appropriate differentials for other grades and markets. This support price is guaranteed until 1 September 1952 and will be reviewed monthly thereafter until the United States embargo is lifted or modified sufficiently to enable trade in livestock and meat to be resumed.

By arrangement with the Governments of the United Kingdom and New Zealand, Canadian beef is being shipped to the United Kingdom in exchange for New Zealand meat which is being shipped to the United States where it will be sold through normal commercial channels. New Zealand meat is permitted entry into the United States because New Zealand is free of foot-and-mouth disease. The United Kingdom will pay New Zealand in sterling at existing New Zealand-United Kingdom contract rates and Canada will receive the proceeds from the sales of New Zealand meat in the United States. The New Zealand meat, which must be shipped frozen, will realize less than would have the Canadian meat it displaces on the American market. The difference between the United Kingdom contract price and the price derived from the sale of New Zealand meat in the United States will be shared equally between Canada and New Zealand. New Zealand will use its share to buy additional meat in Canada to be shipped to the United Kingdom and will receive payment in sterling for this meat. The Canadian share will be used to offset, to some extent, the loss incurred by the Canadian Government under the agreement.

Cost - The price for frozen Grade A Ontario and Quebec beef, delivered to Montreal for export is 48.60¢ per lb. The quantity of New Zealand beef available for diversion is estimated at approximately 80 million lb.

The amount of subsidy will be the difference between realizations at the New Zealand-United Kingdom contract price, plus half the profits on the United States' sales of New Zealand meat, and the cost of purchases at the Canadian support price.
Effect - The effect of the agreement will be to remove from the Canadian market quantities of meat which would otherwise be unsaleable at prevailing prices because of the United States' embargo on Canadian livestock and meat.

**Hog Premiums**


**Circumstances** - This payment was designed to improve the quality of Canadian bacon and to encourage the channelling of such hogs through inspected plants.

**Extent and Nature** - Payment of the quality premium is confined to producers who deliver their hogs for slaughter at inspected plants or approved establishments throughout Canada. The farmer receives with his settlement statement a hog premium warrant which is negotiable at par at any chartered bank. The government reimburses the bank. The premium rates currently payable are $2.00 per head on "A" grade carcasses and $1.00 on "B-1" grade carcasses.

**Cost** - In the calendar year 1951 hog premium payments cost the government $5,106,000. The total number of hogs on farms in Canada at June 1, 1951 was estimated at 5,875,000, valued at $225,600,000.

Effect - Although Canadian exports of pork and pork products have declined in recent years, this subsidy has probably assisted in improving their quality.

**Silver Fox Pelts (Including Platinum and White Marked)**


**Circumstances** - Producers frequently find themselves in a tight credit position early in the season and for this reason are compelled to unload large quantities of pelts on the market. The guaranteed advance payment provides needed financial assistance at this time and facilitates orderly marketing.

**Extent and Nature** - Agreements are made by the Minister of Agriculture with fox pelt marketing associations who agree to market the product under a co-operative plan. The operation involves no loss to the government unless the selling price is less than the initial payment.

**Cost** - Initial payments under the 1951-52 agreements represent approximately 50% of the last three-year average wholesale prices. Final settlements under the agreements have not yet been completed. Provision has been made for one agreement in 1952-53.

Effect - There has been a steady decline in production of ranch raised foxes and exports of fox pelts since 1939. The effect of the measures referred to above on foreign trade is not discernible.
3. **DAIRY PRODUCTS**

**Cheese Quality Premiums**

**Authorization** - Cheese and Cheese Factory Improvement Act, 1939, as amended.

**Circumstances** - The purpose of the subsidy is to improve the quality of cheddar cheese.

**Extent and Nature** - The subsidy is paid to cheese factories by the Federal Department of Agriculture on high quality cheese graded at government grading stations. The cheese factories distribute the payment to their milk suppliers. The amount of the subsidy is one cent per pound on cheese scoring 93 points and two cents on cheese scoring 94 points or more.

**Cost** - In 1951-52 the subsidy of 1¢ per lb. was paid on 39.0 million lb. of cheese scoring 93 points and of 2¢ per lb. on 22.4 million lb. of cheese scoring 94 points or more. The total cost of the subsidy was $838,000.

**Effect** - While production and exports of cheddar cheese have declined in recent years this subsidy has probably facilitated the production and exports of high quality cheese.

**Cheese Price Guarantee**


**Circumstances** - The United Kingdom has indicated that dollar exchange will not be available for the purchase in 1952 of Canadian cheese. As a consequence of the loss of this market for surplus cheese, producers in Ontario, the province with the largest output, have found themselves in a serious position. They indicated that they would prefer an initial price guarantee under the Agricultural Products Co-operative Marketing Act to a floor price under the Agricultural Prices Support Act.

**Extent and Nature** - The federal government has agreed to guarantee an initial advance on Ontario cheese of 24¢ per lb. basis No. 1 grade large white unwaxed f.o.b. factory, plus a maximum amount of 2 3/8¢ per lb. to cover the physical costs of assembling, storing, selling and distributing the product. The guaranteed advance of 24¢ per lb. is 80% of the average price during the past three years and is the maximum allowed under the Act. The offer is to cover cheese produced between April 1 and December 31, 1952. The federal government is authorized to enter into an agreement with the Ontario Cheese Producers' Association Ltd, and all Ontario cheese will continue to be handled by the Ontario Cheese Producers' Marketing Board, which has power to set minimum prices for Ontario cheese.

**Cost** - There will be no cost to the federal government unless the price realized for the cheese is below the initial advance guaranteed by it.
Effect - Not known.

Butter Price Support


Circumstances - In order to prevent undue price fluctuations and to stabilize production butter was continued under price support.

Extent and Nature - The Agricultural Prices Support Board undertook to buy up to 10 million lb. of Canadian butter at a price of 63½ per lb. 1st grade creamery delivered Toronto. The purchase of domestic butter at 63½ per lb. was discontinued in April 1952 and a previous support plan, which guarantees a floor of 58½ per lb. at Toronto, came into effect in May 1952. Under this program the Agricultural Prices Support Board will buy, at 58½ per lb. any butter offered which conforms to the Board's specifications. The floor price will remain in effect until 30 April 1953.

Cost - The inventory at book value for butter held by the Agricultural Prices Support Board at 31 March 1952 was $2,944,000 and the quantity 4,689,000 lb. Production of creamery butter in Canada in 1951 amounted to 257,604,000 lb. valued at $162,507,000 at creamery.

Effect - The arrangements resulted in a steadying of price during the winter of 1951-52. During the previous winter the wholesale price at Toronto for 1st grade creamery butter rose to 73½ per lb. in March. Through the winter of 1951-52 it was steady at about 69½. As the government held stocks were bought at the support price of 63½ per lb. and this price has dropped to 58½ there may be a loss involved in their disposal. In recent months approximately 12½ million pounds of butter have been imported.

PART II

FISHERIES PRODUCTS

1. LABRADOR SALTED CODFISH


Circumstances - The failure of the fishermen of Newfoundland and the Newfoundland Salt Codfish Association to reach a price agreement for the various cures of salted fish of the 1950 production resulted in the government authorizing the Fisheries Prices Support Board to guarantee advances by merchants to fishermen of $7.00 per quintal (112 lbs.) on Labrador fish.
Extent and Nature - The guaranteed price to fishermen was approximately two-thirds of that obtained by them for their 1949 production. The understanding was that the merchants would process and pack the fish for market at cost, that all sales would be under the general supervision of the Board and that net receipts in excess of the amount of the Government guarantee would accrue to the fishermen. The entire 1950 production was handled commercially and the bulk of it was exported to European markets and to relief agencies.

Although the Board could have been authorized to purchase the Labrador production instead of guaranteeing the advance price to fishermen, the latter course was adopted in order that marketing would proceed under normal supply and demand conditions and that the Government would play no part in the determination of market prices.

Cost - The gross value, f.a.s. port of export, of the 141,260 quintals involved, was $1,851,470 while the net receipts from sales totalled $1,446,320. The Government under the terms of the guarantee made good the loss of $405,150.

Effect - The arrangement eliminated the threat of chaotic marketing conditions and made possible the traditional normal export movement of the fish.

2. LABRADOR SALTED CODFISH (SEMI-DRY CURE ONLY)


Circumstances - At the end of the Support Programme described in Section 1 above, an adjustment was made to the uniform guaranteed price of $7.00 per quintal which covered the two principal Labrador cures, Semi-dry and Ordinary Cure. Traditionally there had been approximately a 12% price differential in favour of Semi-dry and this was restored, insofar as the 1950 production was concerned, by an additional payment of 85¢ per quintal to the producers of this Cure.

Extent and Nature - 863 direct payments were made to producers of Semi-dry Cure, covering 50,186 quintals.

Cost - The payments totalled $42,658.

Effect - Since this was a post-marketing adjustment, there was no effect on exports.

3. NEWFOUNDLAND SHORE-CAUGHT SALTED CODFISH

Circumstances - The Fisheries Prices Support Board at the end of the marketing season in June, 1951, conducted a survey of prices received by Newfoundland fishermen from sales of the 1950 production of shore-caught salted codfish. The results of the survey indicated that the average price received by fishermen throughout the Province for all grades, sizes and cures was $8.30 per quintal as compared with the 1949 average of $13.10, a decline of 33%.

Extent and Nature - As a result of this survey the government authorized a deficiency payment of $1.30 per quintal thus bringing the average of the prices for the 1950 production up to 77% of those for the previous year. This figure was just sufficient to enable fishermen to defray their expenditures in fishing and in curing. 16,300 individual deficiency payments were made covering 601,912 quintals.

Cost - The total cost of the support programme was $782,475.

Effect - Since this payment was determined and made after the fish had been produced and marketed through normal commercial channels, the deficiency payments made to the fishermen probably had little or no effect on the quantity exported, on the prices received, or on imports.

PART III

MINERAL PRODUCTS

1. COAL FREIGHT SUBVENTIONS

Authorization - Dominion Coal Board Act, (1947), Act II, George VI, Chapter 56, and

Order in Council P.C. 3253 of June 11, 1952
" " " P.C. 3252 of June 11, 1952
" " " P.C. 912 of February 21, 1951
" " " P.C. 1903 of April 26, 1951
As amended by P.C. 5154 of October 3, 1951
P.C. 3254 of June 11, 1952

Circumstances - This form of assistance, which has been maintained in varying degrees since 1928, has arisen from the geographical position of the Canadian coal fields in relation to the major Canadian coal markets. The aid was designed to assist the movement of Canadian coal to certain areas in Central Canada by equalizing the laid down costs of Canadian coal with imported coal.

Extent and Nature - There is some variety in the subventions authorized to assist Canadian coal movements. They are all designed to place Canadian mined coal in a position of competitive equality with imported coal in the markets of Central Canada.
Cost - The total cost of these subventions in the calendar year 1951 amounted to $4,455,629.41 and the total coal moved under this assistance was 3,135,523.24 net tons. In 1951 the total production of Canadian coal amounted to 18.6 million tons.

Effect - It is likely that in the absence of the subvention very little of the coal produced in the Maritime Provinces or Western Canada would have moved to Central Canada.

2. COAL EXPORT SUBSIDY


Circumstances - This subsidy was provided to assist the coal producers of British Columbia and Alberta to find markets elsewhere than in Canada since they are located far distant from the major markets of Central Canada. It provides a subsidy on coal exported to all countries other than the United States or its territorial possessions or used as fuel for ships' stores.

Extent and Nature - The subsidy provides a payment of up to $1.00 per ton on Alberta and British Columbia coal exported from Canadian seaports and 75¢ per net ton when sold for fuel as ships' stores on ocean going vessels.

Cost - In the calendar year 1951 the subsidy amounted to $88,551 and the tonnage involved for both export and ships' stores was 91,611 tons. In the same period the total Canadian production of coal amounted to 18.6 million tons.

Effect - In the calendar year 1951 total Canadian exports of coal amounted to approximately 400,000 tons. The tonnage moved under the coal export subsidy was therefore 20% of the total. In relationship to the total Canadian coal production it amounted to less than half of one per cent.

3. COKE BOUNTY


Circumstances - This subsidy provides that any iron and steel producer not entitled to a draw-back of duty on imported coal may be granted a subsidy on the coal of Canadian origin which he converts into coke. It was designed to assist those iron and steel producers who, because of their geographical position, are not able to take advantage of the reduction in the duty on imported coal for coking. It thus tends to equalize the cost differentials between various Canadian primary steel producers.

Extent and Nature - This subsidy amounts to 49.5¢ per ton of Canadian coal used by primary iron and steel producers for converting into coke.

Cost - In the calendar year 1951 the subsidy was paid on 810,608 tons of coal at a cost of $401,251.00.
Effect - This subsidy has little effect on Canadian foreign trade. Those companies receiving the subsidy would not be able to use imported coal for coking purposes because of geographical location. It is possible that the subsidy, by lowering costs, increases Canadian exports of primary iron and steel. However, these exports amounted in 1949 to only 250,000 tons whereas total production amounted to 3.2 million tons.
CZECHOSLOVAKIA

Notification of 5 July 1952

No subsidies falling within the scope of Article XVI are granted or maintained.

DENMARK

Notification of 23 August 1952

No modifications have taken place in the measures of subsidization applied in Denmark since the report by the Danish Government on subsidies pursuant to Article XVI dated 5 August 1950 with the amendment notified on 14 April 1951.

FINLAND

Notification of 29 July 1952

From Finland there is nothing further to report beyond what is contained in the report of the 31 July 1950. In order to clarify the information given in this report, it is perhaps suitable to point out that the price-guarantee mentioned therein also covers the seeds of some oil-yielding plants cultivated for the purpose of obtaining raw material for the home margarine industry.

INDIA

Notification of 22 July 1952

Food subsidies or bonuses on the procurement of foodgrains have been discontinued.
NETHERLANDS

Notification of 15 September 1952

With reference to document G/4 only the following modifications should be made in the Netherlands' Statement of 7 September 1950 (GATT/CP/114).

Subsidies on consumers' goods

Second paragraph, first line:

delete "estimated for 1950 at 242 million guilders" and replace by "estimated for 1952 at 55 million guilders"

Second paragraph, second line:

delete "about 1\% per cent" and replace by "about 1/3 per cent"

Third paragraph:

delete the commodities and the subsidies shown in the table and replace by

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Quantity</th>
<th>Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brown bread</td>
<td>800 gr.</td>
<td>2.0 cents</td>
</tr>
<tr>
<td>Milk for consumption</td>
<td>litre</td>
<td>5.0 cents</td>
</tr>
</tbody>
</table>

Subsidies on fodder

First line:

delete "242 million guilders" and "49 million guilders" and replace by "55 million guilders" and "20 million guilders"

Peat

Fourth line:

delete "1950" and replace by "1952".
NORWAY

Notification of 12 July 1952

No subsidies subject to notification under Article XVI are granted or maintained in Norway.

NEW ZEALAND

Notification of 24 April 1952

No subsidization measures taken by New Zealand since the previous notification are of a type requiring notification under Article XVI.

SOUTHERN RHODESIA

Notification of 10 April 1952

No subsidies falling within the scope of Article XVI are maintained.
UNITED KINGDOM

Notification of 1 August 1952.

In pursuance of Article XVI of the General Agreement, the United Kingdom Government notification dated 31 August, 1950 of subsidies granted by it was circulated to the Contracting Parties in GATT/CP/114 (pp.41 - 46). To bring it into line with the existing position, this notification requires amendment as follows:-

Paragraphs 1-2 (INTRODUCTION)

The arrangement mentioned in para. 2 of the notification whereby certain trading losses in connection with the importation of finished and semi-finished iron and steel and non-ferrous metals were borne by the Government has been discontinued. Those losses are now borne by the British Iron and Steel Corporation (a private, non-profit-making company which acts on behalf of the steel industry) from the proceeds of a levy on all United Kingdom steel producers.

Paragraphs 3-7 (FOOD SUBSIDIES)

The published accounts of the Ministry of Food for 1950/51 show the total cost of food subsidies at £400.3 million and the total expenditure for 1951/52 is estimated at about £410 million.

Price control has been maintained on all the basic foodstuffs which are subsidised, and rationing for all except bread and flour and milk; those now subsidised are bacon, bread, flour, shell eggs, meat, milk, butter, cheese, margarine, cooking fats and sugar. Potato acreage payments by the Agricultural Departments were discontinued at the end of the 1950 crop. Details of the estimated unit subsidies for 1951/52 are given in the following table:-
## Estimated Subsidies on Foodstuffs 1951/52

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>Retail Price per unit at 15 March 1952</th>
<th>Average Subsidy per Unit, 1951/52</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Home Produced</td>
<td>Imported</td>
</tr>
<tr>
<td>Bacon</td>
<td>1 lb.</td>
<td>3/5d. (av. of all cuts)</td>
<td>1/8d.</td>
<td>7d.</td>
</tr>
<tr>
<td>Bread</td>
<td>(\frac{3}{2}) lb. loaf</td>
<td>1/0d.</td>
<td></td>
<td>6d.</td>
</tr>
<tr>
<td>Flour (other than bread)</td>
<td>7 lbs.</td>
<td>2/4d.</td>
<td>1/2\frac{1}{2}d.</td>
<td>1/2\frac{1}{2}d.</td>
</tr>
<tr>
<td>Shell Eggs</td>
<td>1 dozen</td>
<td>3/10\frac{1}{2}d. (av. for year)</td>
<td>1/3\frac{1}{2}d.</td>
<td>4d.</td>
</tr>
<tr>
<td>Meat</td>
<td>1 lb.</td>
<td>1/8d. (av. of all cuts)</td>
<td>5d.</td>
<td>1d.</td>
</tr>
<tr>
<td>Milk</td>
<td>1 quart</td>
<td>1/0d.</td>
<td>2d.</td>
<td>-</td>
</tr>
<tr>
<td>Butter</td>
<td>1 lb.</td>
<td>2/6d.</td>
<td>3\frac{1}{2}d.</td>
<td>8\frac{3}{4}d.</td>
</tr>
<tr>
<td>Cheese</td>
<td>1 lb.</td>
<td>2/0d.</td>
<td>11\frac{1}{4}d.</td>
<td>11d.</td>
</tr>
<tr>
<td>Margarine</td>
<td>1 lb.</td>
<td>1/2d.</td>
<td>-</td>
<td>4\frac{3}{4}d.</td>
</tr>
<tr>
<td>Lard and Cooking fat</td>
<td>1 lb.</td>
<td>1/4d.</td>
<td>-</td>
<td>4d.</td>
</tr>
<tr>
<td>Sugar</td>
<td>1 lb.</td>
<td>(\frac{3}{6}d.)</td>
<td>1\frac{1}{4}d.</td>
<td>3\frac{1}{4}d.</td>
</tr>
<tr>
<td>Tea</td>
<td>1 lb.</td>
<td>3/8d.</td>
<td>-</td>
<td>8\frac{1}{4}d.</td>
</tr>
</tbody>
</table>

During 1951/52 rising costs for both imported and home produced supplies necessitated the following increases in retail prices in order to maintain the level of subsidies at £410 million.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>Increase in retail price per unit</th>
<th>Operative date of increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Pence</td>
<td>(1951 except where otherwise shown)</td>
</tr>
<tr>
<td>Flour</td>
<td>1 lbs.</td>
<td>(\frac{1}{3})</td>
<td>1st April</td>
</tr>
<tr>
<td>Bread</td>
<td>(\frac{3}{2}) lbs. loaf</td>
<td>(\frac{1}{2})</td>
<td>8th April</td>
</tr>
<tr>
<td>Butter</td>
<td>1 lb.</td>
<td>6</td>
<td>20th May</td>
</tr>
<tr>
<td>Cooking fat</td>
<td>1 lb.</td>
<td>4</td>
<td>20th May</td>
</tr>
<tr>
<td>and lard</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margarine</td>
<td>1 lb.</td>
<td>4</td>
<td>20th May</td>
</tr>
<tr>
<td>Tea</td>
<td>1 lb.</td>
<td>4</td>
<td>20th May</td>
</tr>
<tr>
<td>Milk</td>
<td>1 quart</td>
<td>1</td>
<td>1st July</td>
</tr>
<tr>
<td>Sugar</td>
<td>1 lb.</td>
<td>1</td>
<td>15th July</td>
</tr>
<tr>
<td>Meat</td>
<td>1 lb.</td>
<td>3 (average)</td>
<td>22nd July</td>
</tr>
<tr>
<td>Milk</td>
<td>1 quart</td>
<td>1</td>
<td>1st December to</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>31st March, 1952</td>
</tr>
<tr>
<td>Bacon</td>
<td>1 lb.</td>
<td>10 (average)</td>
<td>30th December</td>
</tr>
<tr>
<td>Cheese</td>
<td>1 lb.</td>
<td>10</td>
<td>30th December</td>
</tr>
</tbody>
</table>
In the course of his Budget statement on 11 March 1952 the Chancellor of the Exchequer announced that there would be further increases of prices during 1952/53 to bring the cost of the food subsidies down to a rate of £250 million a year. This will be the new ceiling when the increases of prices are in full operation. Following this announcement, the price of the 1 lb. loaf was increased by 1½d., from 16 March and flour by 1½d. a lb. from the same date. The price of meat was increased by an average of 4d. a lb. on 15 June. The reduction of 1d. a quart in the price of milk which was due to be made seasonally at the end of March was not made, and there will be a seasonal increase of 1d. a quart on 1 July. The price of tea has been put up to a level which eliminates subsidy altogether, and increases of prices of other subsidised food will extend to fats, cheese, butter, sugar, bacon and eggs.

It has been decided not to raise the basic release prices of feeding-stuffs during the current financial year. The position will be again reviewed in March 1953. The resulting loss falling on the Exchequer is a contribution to the stabilisation of farm costs, and an alternative to increases in farm prices, and will not affect the volume of feeding-stuffs imports.

Paragraph 14 (Watches and watch jewels)

An additional scheme was introduced in the latter half of 1950 with the object of assisting the development of good quality watch production. This takes the form of a contribution by the Government to cover a proportion of the manufacturing losses incurred by the one United Kingdom firm making 15-jewelled lever movement watches. Payments are related to output with an over-riding limit of 50% of the ascertained losses. The scheme will operate for a total period of four years and the total payment over this period is limited to a maximum of £112,000.

Paragraph 15 (Films)

The voluntary agreement concluded on 29 July 1950 between the principal Trade Associations of the film producers, renters and exhibitors for the establishment of a central reserve of funds for the support and encouragement of the domestic production of films has been superseded by a new agreement concluded on 28 June 1951, and designed to run for three years from 5 August 1951. Under the new agreement, the central reserve is maintained by payments which exhibitors have undertaken to make in consideration of additional receipts derived mainly from small increases in the prices of the dearer seats in cinemas and partly from certain adjustments made under the Finance Act, 1951, to the scale of Entertainments Duty applicable to cinemas. These funds, which, it is estimated will amount to about £3 million per annum, are administered by a Board, the British Film Production Fund Ltd., which consists of representatives of the film trade associations concerned, with an independent Chairman.