NOTIFICATIONS OF SUBSIDIES UNDER ARTICLE XVI
(January-August 1954)

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 received since December 1953 from the following contracting parties:

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2</td>
<td>Greece</td>
<td>12</td>
</tr>
<tr>
<td>Austria</td>
<td>4</td>
<td>India</td>
<td>12</td>
</tr>
<tr>
<td>Canada</td>
<td>5</td>
<td>Japan</td>
<td>13</td>
</tr>
<tr>
<td>Ceylon</td>
<td>11</td>
<td>New Zealand</td>
<td>16</td>
</tr>
<tr>
<td>Finland</td>
<td>12</td>
<td>Norway</td>
<td>16</td>
</tr>
<tr>
<td>Federal Republic of Germany</td>
<td>12</td>
<td>Sweden</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>United Kingdom</td>
<td>18</td>
</tr>
</tbody>
</table>
AUSTRALIA

Notification of 1 July 1954

The following notification of subsidies of the type described by Article XVI brings up to date the notification reproduced in GATT document L/91/Add.1.

1. Nitrogenous Fertilizers

(a) Sulphate of Ammonia

No change from notification in L/91/Add.1

(b) Sodium Nitrate

No change from notification in L/91/Add.1

2. Tractors

The basis on which bounty is paid has not changed from that notified in L/91/Add.1.

In the year ended 30 June 1953, bounty was paid on 320 tractors, 13,282 units being imported in the same period. During the nine months ended 31 March 1954, bounty was paid on 314 tractors whilst 17,856 units were imported in the same period.

3. Sugar

The notification given in GATT document L/91/Add.1 remains unchanged.

Details of monthly rates of export sugar rebate for the period July 1953 to June 1954 are as follows:—

<table>
<thead>
<tr>
<th></th>
<th>Manufactured fruit products per ton</th>
<th>Other approved products per ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1953</td>
<td>£11. 1. 0</td>
<td>£13. 5. 0</td>
</tr>
<tr>
<td>August 1953</td>
<td>11. 12. 0</td>
<td>13. 16. 0</td>
</tr>
<tr>
<td>September 1953</td>
<td>11. 12. 0</td>
<td>13. 16. 0</td>
</tr>
<tr>
<td>October &quot;</td>
<td>13. 7. 0</td>
<td>15. 11. 0</td>
</tr>
<tr>
<td>November &quot;</td>
<td>15. 13. 0</td>
<td>17. 17. 0</td>
</tr>
<tr>
<td>December &quot;</td>
<td>15. 1. 0</td>
<td>17. 5. 0</td>
</tr>
<tr>
<td>January 1954</td>
<td>17. 3. 0</td>
<td>19. 7. 0</td>
</tr>
<tr>
<td>February &quot;</td>
<td>13. 13. 0</td>
<td>15. 17. 0</td>
</tr>
<tr>
<td>March &quot;</td>
<td>13. 12. 0</td>
<td>15. 16. 0</td>
</tr>
<tr>
<td>April &quot;</td>
<td>14. 0. 0</td>
<td>16. 4. 0</td>
</tr>
<tr>
<td>May &quot;</td>
<td>13. 2. 0</td>
<td>15. 6. 0</td>
</tr>
<tr>
<td>June &quot;</td>
<td>15. 2. 0</td>
<td>17. 6. 0</td>
</tr>
</tbody>
</table>
4. Wheat

There is now no guaranteed price for wheat produced in Australia, as the guarantee was related to the Wheat Industry Stabilization Plan which ended with the 1952/53 season.

Under the provisions of the Wheat Marketing Acts 1948/53, the price of wheat sold in Australia for local consumption, for the three seasons 1953/54 to 1955/56, for wholesale bulk wheat of fair average quality, free on rails at ports, shall be -

(i) The International Wheat Agreement price or 14/- per bushel, whichever is the lower.

(ii) If the price under (i) is less than the found cost of production, the found cost of production.

The price applicable under (i) and (ii), shall be increased by 1½d. per bushel or such amount deemed necessary, to meet the costs of transporting wheat from the mainland to Tasmania.

The price for the present season 1953/54 is 14/1½d. per bushel.

5. Dairy Products

Under a five year stabilization plan operative from 1 July 1952, the Commonwealth Government has guaranteed dairyfarmers, in respect of butter and cheese, a return based on cost of efficient production. Other relevant factors affecting the industry, in addition to costs of production, are required to be taken into consideration for the purpose of determining the guaranteed return.

The plan provides for the establishment of an independent authority to carry out investigations into costs of efficient production and all other relevant factors. For the first year of the plan, when the independent authority had not been established, the Bureau of Agricultural Economics assessed the movements in costs. For the current year, 1953/54, the Dairy Industry Investigation Committee was established to advise the Minister for Commerce and Agriculture on the guaranteed return.

The guarantee covers the quantity of butter and cheese consumed annually in Australia, plus 20 per cent of that quantity (if produced). The extension of the guarantee to cover a quantity 20 per cent in excess of local consumption is not for the purpose of enabling export sales at prices below cost of production but to ensure production of an adequate quantity of butter and cheese for local consumption during adverse seasons. In actual practice in 1953/54 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.
The guaranteed return to the farmer for 1953/54 is 49.29d. lb. commercial butter basis at the factory door, (this is 1.72d. lb. below the cost of production established by the Dairy Industry Investigation Committee), and to ensure this return from domestic consumption the rate of subsidy paid by the Commonwealth is approximately 10½d. per lb. of butter and approximately 5d. per lb. cheese.

In March, 1954, the Dairy Industry Investigation Committee was re-established for the remainder of the current guarantee period which expires on 30 June 1957.

The Committee will be required each year to advise the Minister on the guaranteed return to producers.

6. Shipbuilding

No change from notification in L/91/Add.1.

Austria does not grant any subsidies either for exports or for imports such as would fall within the scope of Article XVI of the General Agreement on Tariffs and Trade.
Notification of 21 June 1954
(Subsidies in effect on 1 June 1954
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.

Inclusion in this report of the measures described below does not mean that each one necessarily has the effect of increasing exports or reducing imports. In the interests of having a comprehensive report virtually all measures have been included which involve direct or indirect subsidization whether or not they are known to have affected international trade.

PART I

AGRICULTURAL PRODUCTS

1. GRAIN AND GRAIN PRODUCTS

Feed Freight Assistance


Circumstances - Originally a wartime measure this policy has been continued to assist livestock producers in Eastern Canada and British Columbia by reducing the freight charges on western grains and mill-feeds used by them for feed purposes.
CANADA (cont’d)

Extent and Nature - The subsidy, which covers from 55 per cent to 100 per cent of all freight charges, depending on location, is paid on western grains and mill-feeds moved in carload lots from Fort William - Fort Arthur to points in Eastern Canada and from points in Western Canada to British Columbia. It is not paid on grains and feeds which are exported. Wholesale receivers are reimbursed to the amount of the subsidy on the freight when proof of usage is submitted.

Cost - The rate of freight assistance varies from $6.00 to $20.00 per ton, depending on the length of the freight haul. The total cost of feed freight assistance in the calendar year 1953 amounted to $17,603,000.

Effect - This programme encourages consumption in Canada of domestic feeds.

2. LIVESTOCK AND LIVESTOCK PRODUCTS

Beef Price Support

For details of authorization, circumstances, extent and nature, and effect, see the 1953 report.

There has been no price support since 1 March 1953 but payments totalling some $10 million were made completing the operation of the 1952 year.

Hog Premiums


Circumstances - This payment was designed to improve the quality of Canadian bacon and to encourage the channelling of 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 1953 hog premium payments cost $4,886,000.

Effect - With the present high prices for hogs the premium is a small part of the return. It has probably assisted in improving the quality of pork and pork products.

Pork Price Support

Cirumstances - For details, see the 1953 report.

Extent and Nature - From 1 January 1953 support has been offered on hogs and pork products on the basis of $23.00 per 100 lb. warm dressed weight from Grade A carcasses at Toronto and Montreal. There have been no purchases since 1 January 1953 as the market price has been above the support price.

Cost - There were no costs with respect to 1953. The costs with respect to 1952 during the foot-and-mouth emergency were about $36 million.

Effect - The programme was successful at the critical period of 1952 in preventing an excessive price decline.

3. DAIRY PRODUCTS

Cheese Quality Premiums

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

Circumstances - The purpose of the payment is to improve the quality of cheddar and blue vein cheese.

Extent and Nature - It 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 premium is one cent per lb. on cheese scoring 93 points and two cents on cheese scoring 94 points or more.

Cost - The cost of the subsidy for the twelve months ended 31 March 1954 was $609,000.

Effect - The subsidy has probably helped maintain the production of high quality cheese in Canada. Exports have, however, declined from their prewar and wartime levels.

Butter Price Support


Circumstances - Butter was placed under price support in order to avoid excessive fluctuations in price. The Agricultural Prices Support Board buys butter in the summer months and releases it to the trade during the winter.

Extent and Nature - The floor price on butter, until 30 April 1955, is 58 cents per lb. 1st grade basis Montreal and Toronto. The Agricultural Prices Support Board will buy at this price any butter which conforms to its specifications. Through the winter of 1953-54 the board offered its stocks to the trade
at 61 cents per lb. 1st grade basis Ontario and Quebec. From 3 May, 1954 to 15 June 1954, the board has offered butter domestically at 55½ cents per lb. in Ontario, Quebec, the Maritimes and British Columbia.

Cost - The loss on sales in the 1953-54 fiscal year was approximately $45,000.

Effect - The price support operations have helped in stabilizing the price of butter in Canada.

Dry Skimmed Milk Price Support

For details of authorization, circumstances, extent and nature see the 1953 report.

This programme was terminated on 27 June 1953. All stocks have been disposed of. The total loss on the whole operation was approximately $667,000.

4. VEGETABLES

Potato Price Guarantee


Circumstances - The 1953 potato marketing season was characterized by an increase in production and a disproportionate drop in price.

Extent and Nature - In order to prevent distress selling the initial payment was provided by the Federal Government of approximately 40 per cent of the average price to producers during the previous three years.

Cost - It is not yet known whether there will be a loss on the operation.

Effect - Not yet known.

PART II

FISHERIES PRODUCTS

1. PICKLED MACKEREL FILLETS - Deficiency Payments

Circumstances - A break in the market in the winter of 1952-53 found certain fishermen of the Magdalen Islands, P.Que., Cape Breton, N.S. and Newfoundland still holding quantities of pickled mackerel fillets produced during the summer and fall of 1952. The returns from the eventual sale of these holdings reflected the severe drop in price.

Extent and Nature - Deficiency payments at varying rates up to 3 cents per pound were made to 590 fishermen. The total payments amounted to $21,903.

Effect - This emergency programme had no effect on market prices as the operation was carried out from 12 to 18 months after the product had been marketed. Production in the subsequent year declined.

2. SALTED CODFISH - Deficiency Payments


Circumstances - Although market prices for the 1953 production strengthened to some extent relative to pre-season predictions, the prices to fishermen in Newfoundland and in Saguenay County, Quebec remained substantially below the levels of 1952.

Extent and Nature - By the end of March, 1954, the Government had approved in principle the making of deficiency payments to Newfoundland and Saguenay County fishermen at the rate of one cent per pound on a dried weight basis for their 1953 production. The Order in Council referred to above authorized the payments in Saguenay which totalled $37,420. It is estimated that the payments to be made in Newfoundland would amount to $600,000.

Effect.

Virtually all the dried fish on which deficiency payments were made or are to be made had been sold in the markets of Europe and the West Indies at going market prices before the decision to provide assistance to the fishermen was made. Consequently it is considered that the effects of this programme on international trade were negligible.

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. 1954-685 of 6 May, 1954
Order in Council P.C. 1954-687 of 6 May, 1954
Order in Council P.C. 1954-688 of 6 May, 1954
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 1953 amounted to $7,217,643.61 and the total coal moved under this assistance was 2,677,258.08 net tons. In 1953 the total production of Canadian coal amounted to 15.9 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 cents per net ton when sold for fuel as ships' stores on ocean going vessels.

Cost - In the calendar year 1953 the subsidy amounted to $1,194.01 for ships' stores involving 1,592.01 tons. In the same period the total Canadian production of coal amounted to 15.9 million tons.

Effect - In the calendar year 1953 total Canadian exports of coal amounted to approximately 255,000 tons, of which none moved under the coal export subsidy, and only a very minor amount was used for ships' stores.
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 cents per ton of Canadian coal used by primary iron and steel producers for converting into coke.

Cost - In the calendar year 1953 the subsidy was paid on 773,102 tons of coal at a cost of $382,685.49.

Effect - This subsidy has little effect on foreign trade. Those companies receiving the subsidy would not be able to use imported coal for coking purposes because of geographical location.

CEYLON

Notification of 17 August 1954

Ceylon does not operate any subsidies which directly or indirectly increase exports or reduce imports.
FINLAND

Notification of 30 June 1954

No change has occurred in the programme of subsidies granted in Finland since last year.

FEDERAL REPUBLIC OF GERMANY

Notification of 28 June 1954

In respect of trades and industry there have been no changes as regards the measures notified last year. The notification regarding subsidies in the agricultural sector is amended and supplemented as follows:

In accordance with the Federal budget for the 1954 fiscal year the Federal Government grants a subsidy for the growing of hemp and flax as well as for the cultivation and increased production of fodder plant seeds and vegetable seeds. It is intended by this measure to maintain the areas under hemp and flax cultivation for reasons of husbandry. This will not cause any reduction in the imports of hemp and flax compared with the years in which no subsidy was granted. In the case of the fodder plant seeds and vegetable seeds the aim is to maintain and encourage cultivation efforts and the production of indigenous high-quality seeds approved under the law or on seeds successfully tested under the approval procedure.

GREECE

Notification of 31 May 1954

The Greek Delegation informs the CONTRACTING PARTIES that there is no longer in Greece, since the coming into force in April 1953 of a spontaneously adopted scheme for the liberalization of imports, any subsidy resulting either in the increase of exports or in the reduction of imports.

INDIA

Notification of 14 July 1954

No subsidy falling within the scope of Article XVI is paid by the Government of India.
The Japanese Government does not at present grant or maintain any subsidies, which operate in such manners as a report thereof is required under the provisions of Article XVI. The Japanese Government deems it appropriate, nevertheless, to report on certain measures in consideration of the general practices followed by other contracting parties. The purpose of this report is to describe such measures. Part I discusses state controls on staple foodstuffs, Part II deals with price support programmes for certain agricultural products and Part III describes financial assistance to agriculture, forestry and fisheries.

**PART I**

**STATE CONTROLS ON STAPLE FOODSTUFFS**

1. With a view to guaranteeing fair returns to growers constituting nearly one-half of the population and to ensuring an equitable distribution at a reasonable price, the Japanese Government maintains controls on rice. Under the provisions of the Food Control Law of 1942, as amended, the Food Agency, Ministry of Agriculture and Forestry, is designated as an exclusive agency to purchase rice, domestic as well as imported, and to re-sell it, under a rationing scheme, to the people at a fixed price. The purchase price for domestic rice of the said agency, is set at a level calculated to secure fair returns to farmers and the selling price is set on the basis of the purchase price and related charges. For 1953-54 crop year, the standard purchase price was set at ¥9,041 per 150 kilogrammes (one koku) and the standard selling price was set at ¥10,041 for the same unit. Since the current prices of imported rice are higher than the price level set for the domestic produce, the Government sustains trading losses, which are compensated by an import subsidy.

2. Producers of wheat and barley may sell their crops through commercial channels since June 1952. However, the Food Agency of the Government is authorized to purchase unlimited quantities of domestic wheat and barley from producers at fixed prices designed to guarantee reasonable returns in comparison to the production of rice to farmers and re-sell them to consumers at prices set in consideration of the cost of producing and marketing, etc. With regard to imported wheat or barley, the Food Agency is the sole purchaser from importers. The prices prevailing for imported wheat or barley are higher than the level of prices fixed for the domestic produce, and the Food Agency sustains trading losses, which are to be compensated by an import subsidy.

3. The import subsidies for rice, wheat and barley which are clearly outside the purview of Article 16, amounted to approximately ¥25,082,866,000 in 1953/54 and are expected to be ¥11,540,000,000 in 1954/55.
PRICE SUPPORT PROGRAMME FOR CERTAIN AGRICULTURAL PRODUCTS

1. Rape-Seed, Starch and Dried Strips of Sweet Potatoes

Under the provisions of the Agricultural Price Stabilization Law of 1953, the Government is authorized to purchase, within a budgetary limitation, rape-seed, starch and dried strips of sweet potatoes (material for starch). The purpose of the price support operation is to stabilize returns to farmers from these products which are in economic importance next only to staple foodstuffs. The guaranteed price was set at ¥2,800 per 60 kilogrammes for rape-seed, and at ¥1,770 and ¥1,020 per 37.5 kilogrammes respectively for starch and dried strips of sweet potatoes in 1953/54. Under this programme, the Government purchased 60,510,000 kilogrammes of starch and 25,533,750 kilogrammes of dried strips of sweet potatoes but no rape-seed was purchased due to high market prices during 1953/54. For 1954/55 an appropriation of ¥2,619,414,000 is expected for the purchase of these products.

2. Beet Sugar

Under the Beet Sugar Production Encouragement Provisional Measure Law of 1953, the Government is authorized to purchase beet sugar at a guaranteed price. The purpose of this measure is to rationalize farm management through the production of sugar beet in cold regions. In 1953/54, the purchase price was set at ¥5,325 per 60 kilogrammes and 37,000 tons amounting to approximately ¥3,000 million were purchased by the Government. An appropriation of ¥3,619,807,000 is expected for 1954/55.

This measure is not likely to operate to reduce imports substantially as the national production is limited as against import requirements.

3. Silk

In consideration of the economic importance of raw silk in Japan, the Government is taking a special measure for stabilizing its price. Under the Silk Yarn Price Stabilization Law of 1952, the Government is authorized to purchase raw silk when its market price falls below a prescribed floor price and to sell it when its market price exceeds a prescribed ceiling price. The floor price and the ceiling price were set at ¥180,000 and ¥230,000 per 132 pounds respectively in 1953/54 and at ¥190,000 and ¥230,000 respectively in 1954/55.

No purchase was actually made by the Government in 1953/54 as its market prices were higher than the floor price during the year. An amount of ¥3,200,000,000 was earmarked for 1954/55.
SUBSIDIES TO AGRICULTURE, FORESTRY AND FISHERIES

1. Land Improvement

As an encouragement to land improvement and reclamation, the Government grants, under the provisions of the Agricultural Land Improvement and Reclamation Law of 1952, subsidies for land improvement (including ditching, field draining and water supply installations) and reclamation of wild land including acid and volcanic soil. Approximately ¥26,265,588,000 was paid by the Government in 1953/54 and a total of ¥26,325,448,000 is earmarked for 1954/55 for this purpose.

2. Forestry

With a view to encouraging the expansion of private forestry and conserving water resources, subsidies are paid under Agricultural and Forestry Ministry Orders on the following:

(a) Subsidy for forestation

An amount equal to 30 per cent of the expenses for planting pine, cider, cypress, etc., in privately owned woodland is refunded by the Government. Approximately ¥3,012,935,000 was defrayed for this purpose in 1953/54. An appropriation of ¥3,233,408,000 is expected for 1954/55.

(b) Subsidy for growing coniferous young trees

An amount equal to 40 per cent of the expenses for collecting good quality cones of pine, cider, cypress, etc., in privately owned woodland and an amount equal to 20 per cent of the expenses for growing coniferous young trees are refunded by the Government. ¥23,792,000 and ¥56,797,000 were paid respectively in 1953/54 for these purposes.

3. Fisheries

(a) Subsidy on scallop

For the purpose of improving livelihood of inshore fishermen and increasing production of albuminous food, the cultivation of scallop is subsidized under a programme for increased production of important shellfish. An appropriation of ¥11,330,000 is expected for 1954/55.

(b) Subsidy for improvement in oyster farming technique

A total of ¥3,300,000 is to be appropriated in 1954/55 for this purpose.
NEW ZEALAND

Notification of 22 March 1954

No subsidies which operate directly or indirectly to increase exports or to reduce importation have been introduced by New Zealand since the previous notification under the terms of Article XVI.

NORWAY

Notification of 23 June 1954

No subsidization measures falling within the scope of Article XVI of the General Agreement on Tariffs and Trade have been taken by Norway since the previous notification of 8 July 1953.
To counterbalance profits and losses at importation and exportation of meat and bacon as well as eggs, the respective enterprises may now, among other things, dispose of the means that have arisen from restitution to a certain extent, of the importation fees on cattle food. Further a new system has been adopted according to which the producers have to pay a slaughtering fee for pigs. These fees are used to counterbalance profits and losses at exportation and importation of meat and bacon.

What is stated above about restitution of importation fees on cattle food may in the future also be applied in settlement of losses at the exportation of butter.

The exportation and the importation of cereals which a governmental company has previously been in charge of, will this year be transferred to an economic association in which among others, the producers, the trade and the mill industry are represented. Producers’ prices for cereals are in principle guaranteed only for the quantity, which corresponds to the estimated domestic consumption. In order to equalize when exporting, the price difference on the world market and on the Swedish market a certain fee is at present taken out of the producers on the cereals which are ground. The real producers’ price is thus the guaranteed price reduced by the fee mentioned.

The economic association mentioned above will probably also be in charge of the exportation of oil-yielding plant seeds. As a principle the existing regulations for support of the cultivation of oil-yielding plants work so that the producers are granted a price guarantee only for the quantity which is equivalent to the estimated domestic consumption. If the production increases so that exportation of seeds or oil is necessary, the producers’ price is adjusted as in the case of cereals. The real price which the producers obtain depends, therefore, on which export prices are attained for a surplus production.

In regard to the importation of fat raw materials and fat a new regulation system was established on 1 September 1953. This means, among other things, that the importation of such products has, to a large extent, been transferred to an economic association which consists of a union of enterprises active in the branch. When importing a regulation fee is drawn. When goods which contain fats, liable to such a fee, are exported, the fee may be restituted.
UNITED KINGDOM

Notification of 12 June 1954

1. Food Subsidies

The published accounts for the financial year 1952/1953 show the net cost of subsidies administered by the Ministry of Food at £300,400,000 and subsidies administered by the Agricultural Departments at £33,800,000. The total cost of food subsidies was thus £334,200,000. For 1953/1954 the total cost of food subsidies is estimated at £325,000,000 of which £284,900,000, was administered by the Ministry of Food and £40,100,000 by the Agricultural Departments. The retail prices of sugar, cooking fat and lard, butter, margarine and cheese were increased during 1953/1954 in order to eliminate the subsidies before decontrol.

Price control has been maintained on all the basic foods except cereals and shell eggs, which were decontrolled, and sugar which was derationed, in 1953.

The estimated unit subsidies for 1953/1954 are given in the following table:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>Retail price at 31 March 1954</th>
<th>Average subsidy per unit 1953/1954</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>s. d.</td>
<td>pence</td>
</tr>
<tr>
<td>Bacon</td>
<td>1 lb.</td>
<td>3. 8½(a)</td>
<td>3½</td>
</tr>
<tr>
<td>National Bread</td>
<td>3½ lbs.</td>
<td>1. 3</td>
<td>5</td>
</tr>
<tr>
<td>Meat (carcass)</td>
<td>1 lb.</td>
<td>2. 0(b)</td>
<td>2½</td>
</tr>
<tr>
<td>Milk</td>
<td>1 qrt.</td>
<td>1. 1</td>
<td>2</td>
</tr>
<tr>
<td>Butter</td>
<td>1 lb.</td>
<td>3. 8</td>
<td>5½</td>
</tr>
<tr>
<td>Cheese</td>
<td>1 lb.</td>
<td>2. 4</td>
<td>2½</td>
</tr>
<tr>
<td>Home-produced shell eggs</td>
<td>1 dozen</td>
<td>(c)</td>
<td>10½(d)</td>
</tr>
</tbody>
</table>

(a) Average of all cuts
(b) " " " types and cuts
(c) The retail prices of shell eggs are subject to seasonal variations
(d) The average subsidy is based on the number of eggs passing through packing stations.

This notification replaces and brings up to date the notification dated 15 June 1953 contained in L/91/Add.1
During the financial year ended 31 March 1954, the following price changes were made:-

<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>Sugar</td>
<td>1 lb</td>
<td>$\frac{1}{2}$ (a)</td>
<td>6 September 1953</td>
</tr>
<tr>
<td>Margarine</td>
<td>1 lb</td>
<td>2 (a)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Cooking fat and lard</td>
<td>1 lb</td>
<td>2 (a)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Butter</td>
<td>1 lb</td>
<td>4</td>
<td>&quot;</td>
</tr>
<tr>
<td>Butter</td>
<td>1 lb</td>
<td>4 (a)</td>
<td>&quot;</td>
</tr>
<tr>
<td>Cheese</td>
<td>1 lb</td>
<td>2 (a)</td>
<td>21 February 1954</td>
</tr>
</tbody>
</table>

(a) Elimination of subsidy

Cheese, butter, margarine, cooking fat and lard were derationed and decontrolled on 9 May 1954, and it has been announced that bacon and carcass meat will be derationed and decontrolled on 3 July 1954. The Ministry of Food ceased to trade in milk on 1 April 1954, and the marketing powers were restored to the Milk Marketing Board on that date.

The total expenditure on food subsidies administered by the Ministry of Food for the financial year 1954/1955 is estimated at £284,700,000. Of this sum, the Welfare subsidies and bread and general milk subsidies are expected to account for £133,200,000 and the remainder is mainly in respect of direct subsidy payments, some of which are made solely in implementation of guarantees given to producers under Part I of the Agriculture Act, 1947.

2. Direct subsidies and other financial assistance to Agriculture and Fisheries

Apart from the "food" subsidies, direct subsidies or other financial assistance are granted (a) to certain forms of agricultural production and (b) to assist the improvement of farms and agricultural land and the increased use of modern agricultural methods.

Under head (a), the following subsidies are paid:

(i) The Calf Subsidy which is intended to encourage the rearing of calves for beef or for breeding for beef, takes the form of a payment to the farmer of £5 for each calf on his farm which is certified suitable for the purpose
(ii) The objects of the Hill Sheep and Hill Cattle Subsidies are to encourage the maintenance (for breeding purposes and to maintain the productivity of hill grazings) of sheep and cattle on hill farms. The subsidy takes the form of an annual payment for each eligible animal. For 1954 the hill cattle subsidies have been fixed at £10 for cows or heifers in breeding herds and £2 for other cattle. No payment of hill sheep subsidy will be made this year but the question will be reconsidered for 1955 in the light of the economic circumstances of the hill sheep industry.

Under head (b) the following incentives are given:

(i) Ploughing grants, which are reviewed annually, aim to increase the tillage acreage and to encourage efficient ley farming. The present scheme provides a grant of £5 per acre for ploughing up and cropping in the year ended 31 May 1954 land which has been continuously under grass since before 1 June 1950. A special rate of £10 per acre is payable for ploughing up and bringing into cultivation difficult land which has been under grass continuously since 1939 or earlier where the cost of treatment is exceptionally high. Extension of these arrangements for a further year is under consideration.

(ii) Grants are also made of a proportion of farmers’ expenditure on fertilizers and lime, on ditching, field drainage, bracken eradication, installing water supplies, and on improvements to hill farms and marginal land. Financial assistance is given towards the cost of milk recording.

**Flax**

Flax is grown in the United Kingdom to maintain a nucleus of production that could be expanded in an emergency. Great Britain produces some 2,000 tons of flax per annum and Northern Ireland 4,000 tons of flax and 2,000 tons of scutched tow. In both cases the flax is sold to spinners in the United Kingdom at the "world price" for comparable grades and, when necessary, the farmers in Northern Ireland are paid a subsidy to enable this to be done. No direct subsidy is paid in the case of flax grown in Great Britain but all the scutching mills are owned by Her Majesty’s Government who bear any losses that may be incurred.

**Forestry**

Financial assistance to encourage the expansion of private commercial forestry in the United Kingdom is given to owners of woodlands on the following basis:
(a) Where the owner dedicates his woodland permanently to forestry a grant of up to 25 per cent of his operating losses until the woodland becomes self-supporting, or, alternatively, £15 per acre for planting plus an annual contribution of five shillings per acre towards the cost of maintenance over the first 15 years.

(b) A grant of £15 per acre for planting woodlands not suitable for dedication.

(c) A grant of £8 per acre, or, alternatively, two shillings per tree where not less than 200 trees are planted in avenues for planting on land devoted exclusively to poplars.

(d) Where woodlands are considered suitable for dedication and the owner has not dedicated but is working to a plan of operations approved by the Forestry Commissioners, half the planting grants referred to in (b) and (c).

(e) A grant in respect of the clearance of unproductive scrub from land which the owner undertakes to re-stock with trees. The amount of the grant depends on the net cost of clearance, being £7.10.0 per acre where this is between £15 and £25 per acre, and £12.10.0 where it exceeds £25 per acre.

In addition, payments are made for the timely thinning of young conifer, hardwood or mixed plantations at the rate of £3.15.0 per acre, subject to limits as to either (a) average total height, or (b) average girth at breast height. Not more than two such payments may be made in respect of the same stand.

Fisheries

(a) White Fish. A subsidy is being paid to catchers of white fish (i.e., any fish found in the sea except herrings, salmon, migratory trout and shellfish) caught from British fishing vessels of less than 140 ft, in length, in certain waters (between 43° and 63°N, and East of 17°W).

The subsidy is at present paid in two parts:—

(i) in respect of vessels not exceeding 70 ft, in length, at a flat rate of 10d. per stone on white fish landed and sold (other than by retail) for human consumption.

(ii) in respect of vessels of between 70 and 140 ft, in length, which receive (a) a voyage payment on scales which vary according to the length of the vessel, method of propulsion and area fished, rising to a maximum of £12 per day at sea and £180 for the voyage, depending on the gross earnings for each voyage and its duration; and (b) a flat rate payment of 4d. per stone on white fish landed and sold (other than by retail) for human consumption.
(b) Herring Oil and Meal. Herring surplus to other requirements is purchased by the Herring Industry Board at a fixed price for conversion either in their own factories or in commercial factories. The proceeds from the sale of oil and of the meal do not meet the cost of purchase, processing and transport of the herring taken for conversion. The Board's loss is reimbursed by the Government by means of grants under the Herring Industry Acts, 1948-53. In the year ended 31 March 1954, the total grant for these purposes amounted to £770,000.

(c) Grants for fishing vessels. Grants and loans are available towards the building or reconditioning of vessels up to 140 ft. in length and towards the cost of engines for such vessels. The grant on vessels is normally one-quarter of the total expenditure (one-third when the vessel's owner is a working fisherman), with a ceiling of £25,000 per vessel. Grants on engines are made only to working owners, and are normally one-third of the total expenditure.