UNITED STATES EXPORT SUBSIDY ON ORANGES

Statement by the Government of Italy

From 1948, the United States Department of Agriculture introduced subsidies on orange exports to certain European countries (Austria, Belgium, Luxemburg, Denmark, France, Germany, the Netherlands, Norway, Sweden and Switzerland) amounting to 25 per cent of the price on the home market.

In 1949-1950 and in 1950-1951 the subsidy was maintained but was fixed at 50 per cent of the price on the home market, or of the selling price f.a.s., the lower of these two prices being taken as a basic price thus corresponding to $1.65.

For 1951-1952 (period 15 December 1951 to 30 September 1952) and 1952-1953 (period 5 December 1952 to 30 September 1953), the subsidy was fixed at 40 per cent of the price on the home market, or of the selling price f.a.s. up to a maximum of $1.25 for California-Arizona oranges.

Lastly, for 1953-1954 (period 15 November 1953 to 30 September 1954 for Californian oranges, and period 15 November 1953 to 15 June 1954 for Florida and Texas oranges) the subsidy was fixed at $1 per standard crate.

For some time past, the Italian Government, both through the normal diplomatic channels and on the occasion of the Eighth Session of the CONTRACTING PARTIES, has pointed out the serious prejudice which Italian orange exports to certain of their traditional European markets might suffer if the United States continued to maintain such a policy of subsidies on exports.

The annual Italian production of oranges is about 5,200,000 quintals (6.1 per cent of world production) of which 1,600,000 quintals, i.e., approximately 31 per cent of the domestic production, are exported.

Furthermore, this production comes from areas which are poor in raw materials and have dense populations.

On the occasion of the Eighth Session of the CONTRACTING PARTIES, Italy submitted a complaint on the above question.
The CONTRACTING PARTIES decided in the spirit of Article XVI that the question could be solved by direct consultations between Italy and the United States.

These consultations undertaken by the Italian Delegation during the work of the Eighth Session of the CONTRACTING PARTIES and pursued through the normal diplomatic channels have hitherto yielded no concrete results.

The United States Department of Agriculture, acting on purely domestic grounds, has merely suspended, as from 1 August 1954, the subsidies on the above exports.

Consequently, since subsidies on orange exports may be renewed, the item in question should, in the view of the Italian Government, be maintained on the Agenda of the Ninth Session of the CONTRACTING PARTIES to the General Agreement.