

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5102/Add.6/Suppl.1  
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Limited Distribution

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## SUBSIDIES

### Notifications Pursuant to Article XVI:1

#### EUROPEAN COMMUNITIES

##### Supplement

The European Communities submit herewith an additional notification of certain assistance programmes maintained in the Member States of the Community. (See also L/5102/Add.6, of August 1981.) This further information is provided following the discussion of these matters by the signatories in March 1982, although the Community remains of the view that it is not clear whether these measures result in the direct or indirect trade effects mentioned in Article XVI:1 and which would therefore require to be notified.

##### A

The European Communities notify contracting parties that no subsidies within the meaning of Article XVI:1 of the General Agreement are maintained by Ireland, Denmark, the Netherlands and Luxembourg (see also L/5102/Add.1).

The European Communities confirm that Ireland has ceased to offer, with effect from 1 January 1981, its system of preferential tax measures related to exports provided for under the Corporation Tax Act of 1976, whilst continuing nevertheless to honour legally binding commitments entered into prior to 1 January 1981. (Note 2, Annex to Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement on Tariffs and Trade refers.)

##### B

The European Communities notify the following measures maintained in Belgium, France, Federal Republic of Germany, Italy and the United Kingdom.

BELGIUM

A. COAL INDUSTRY

I. Nature and extent of the subsidy

(a) Background and authority

The legal basis for intervention on behalf of the coal industry is to be found in the following Decisions of the Commission of the European Communities:

1. Decision No. 528/76/ECSC of 25 February 1976 regarding the Community system of measures taken by the member States to assist the coal mining industry.

The objectives of the Decision are the following:

- maintenance, extension or rationalization of the production capacity of pits or coalfields which, having regard to their location in relation to markets, to their reserves of qualities in demand or their potential for improved production, appear best able to supply the Community's long-term energy coal and coking coal requirement under satisfactory economic conditions;
- further adaptation of the production of pits or coalfields having a low economic return to market conditions in such a way as to avoid causing serious economic and social disturbances in those regions where re-employment possibilities are still inadequate.

The validity of this Decision runs until 31 December 1985.

2. Decision No. 73/287/ECSC of 25 July 1973 concerning coking coal and coke intended for the Community's iron and steel industry.

Certain changes have been made in this Decision, most recently by Decision No. 3058/79/ECSC of 31 December 1979.

They are designed to ensure sufficient Community production of these types of coal on a temporary basis, during a transitional period in which there will be uncertainties as to the supply conditions for coking coal from third countries.

The validity of these Decisions runs until 31 December 1981.

(b) Incidence

The subsidies permitted under the above-mentioned Decisions are granted directly to producers. They are variable sums and are intended to offset working losses and investment expenditure necessary to improve yield, costs and earnings or to allow operations to continue in satisfactory conditions of security or health.

The amount of the subsidies for investment expenditure is relatively small, representing only 3 per cent of the total amount of subsidies granted.

(c) Amount of subsidies

For the years 1979 and 1980, the budget appropriation for financing the subsidies amounted respectively to BF 11,980.9 million and BF 11,202.1 million.

(d) Estimated amount per unit

The amount of the subsidies varies from one undertaking to another, depending on the amount of working losses.

II. Effects of the subsidy

(a) Quantitative effects of the subsidy on trade

The subsidies do not hinder international trade.

There is still a substantial net import surplus.

(b) Statistics of production, consumption, imports and exports

(in thousand tons)

	1976	1977	1978	1979	1980
Production	7,238	7,068	6,590	6,125	6,324
Consumption	13,860	13,724	13,841	15,614	15,946
Imports	7,274	6,475	7,007	9,622	10,139
Exports	351	324	226	319	480

B. FILM INDUSTRY

I. Nature and extent of the subsidy

(a) Background and authority

In order to improve the quality of Belgium's film production, subsidies are granted to film production provided that certain conditions are observed and in accordance with the modalities determined by Royal Decrees dated 23 October 1963, 12 May 1972 and 24 December 1973. The Decree of 23 October 1963 prescribes the conditions and procedure for obtaining recognition as Belgian in respect of short and full-length films and newsreels.

(b) Incidence

The subsidies are granted within the limits of budget appropriations after consultation with the Film Commission, in the form of premiums to the producer calculated on the basis of the gross receipts from projection programmes including national films or recognized co-productions. For full-length films the premium is 13 per cent, for short films 3 or 5 per cent and for newsreels 3 per cent. Except in the case of newsreels, a premium of 0.15 per cent of gross receipts is also granted to cinema operators for films recognized as having the nationality of an EEC country.

(c) Amount of the subsidy

In recent years the subsidies granted have been as follows:

1978: BF 128,853,864  
1979: BF 116,226,291  
1980: BF 99,400,000 (Budget)

(d) Estimated amount per unit

The amount granted per film varies according to several factors such as length, cost, period of showing, and commercial success, i.e. gross box-office receipts. These various factors cause such differences in the amount of the premiums that it would be meaningless to give an average amount per unit.

II. Effects of the subsidy

- (a) Since the main purpose of the subsidy is to improve the quality of domestic film production, the granting of premiums under the present aid scheme has practically no effect on international trade.
- (b) No official statistics are available on production. The statistics of imports and exports do not make it possible to distinguish between films intended for screening in public cinemas and other films made by professionals and amateurs.

## FRANCE

### 1. Assistance to film producers

By reason of its particular cultural value, the film industry enjoys financial support. Under the Order of 16 June 1959, full-length French films receive support allocations which are paid to them through a special allocation account managed by the National Film Centre, a public administrative establishment. Funds for the support account are provided mainly from the proceeds of an additional tax on the price of admission collected from cinemas, and, to a lesser extent, from the contributions of television programme companies, a subsidy in the general budget of the State and the reimbursement of advances on receipts granted to film producers.

The present rate for calculating the financial support allocations is fixed at 110 per cent of the proceeds of the additional tax on the price of seats levied when films are shown in France, for a period of five years from the date of first public showing. The rate is reduced to 50 per cent when the amount of the receipts from a film reaches F 15 million.

There is also a mechanism for selective support granted in the form of advances on receipts to producers of full-length films, either before or after the film is completed, the amount depending on the assessment made of the quality of the work. The reimbursement of advances on receipts depends on the receipts obtained from the showing of the film, as provided, in a contract concluded between the State and the producer.

### 2. Assistance to national shipbuilding

- (a) The long depression in this sector and the need to maintain national production have led to the adoption of assistance schemes for shipbuilding in nearly all the developed countries.

In France, a subsidy is granted for the building and repair of ships of over 150 gross register tons. The subsidy varies with the size and type of ship and is not granted systematically. Its granting depends, in particular, on the efforts made to re-organize shipyards.

- (b) Since 1 January 1968 the law of 6 January 1966 generalizing the value added tax, has brought shipbuilding under the ordinary law, it being specified that sales of ships are exempt from payment of VAT in all cases. Sales to foreign ship-owners enjoy the general exemption granted for exports and sales to French ship-owners are assimilated to exports.

3. Assistance to national production of wood pulp

The proceeds of an exceptional tax on paper, excluding newsprint, are allocated to national production of wood pulp. This tax is levied at the consumption stage, without discrimination between imported papers and those manufactured in France. It is a temporary measure and proceeds are applied to encourage the use of hardwood in paper manufacture and to promote reforestation and research.

4. Assistance to the electronic and data-processing sector

Like most of its more developed trading partners, which are assisting the growth of an emerging sector vital for the future economy, France grants subsidies for the development of electronic components at a high level of integration and complexity, in particular for microstructure technologies.

These subsidies have a direct impact, both on the competitiveness of components and on the means of production and technical and economic structures necessary for their manufacture.

In the case of data-processing, the subsidies have made it possible to restructure the industry and optimize production.

It now appears that this industry, the launching of which was assisted by action on the part of the authorities, has become sufficiently competitive for autonomous growth.

FEDERAL REPUBLIC OF GERMANY

I. Subsidies to shipbuilding

As a limited emergency measure, grants shall be given from 1979 to 1981 for new orders for the construction of high-work-content ships. The average assistance rate shall amount to 10 per cent in 1979 and 1980 and 7.5 per cent in 1981; the maximum rates shall be 20 per cent and 15 per cent respectively. These grants shall be repayable.

II. Subsidies to the national merchant fleet

In line with its shipping policy, the Federal Government also grants shipping subsidies to commercial shipowners for new buildings. Such subsidies may amount up to 12.5 per cent of the contract price and are not tied to the awarding of contracts to shipyards of a specific country. The grant is subject to repayment in whole if the ship is sold within four years, and in annually decreasing amounts thereafter until the end of the eighth year. In the Federal Budget for 1980 subsidies amounting to DM 175 million are provided for the above-mentioned purpose.

In the three-year period from 1979 to 1981 interest-free loans may be granted to German shipowners. The loans, called "financial contributions" have a double function:

- (1) to reduce the owner's interest burden by up to 2.5 percentage points to a minimum of 4 per cent (the calculation being based on an amount of 60 per cent of the accounting value arrived at by applying the straight-line method of depreciation), and
- (2) to contribute towards financing future new buildings. For this programme DM 110 million have been made available in 1980.

I. Subsidies to the film industry

The Film Promotion Law ("Filmförderungsgesetz") does not, in the German view, fall within the compulsory requirement to notify subsidies, because this is not a case of promotion out of budgetary resources. The promotion fund of the Film Promotion Institute derives its resources from equalization charges paid by cinema proprietors and financed jointly by such proprietors, film distributors and film-makers; this represents a kind of mutual aid to the cinematographic industry for which legal provision has been made. This is not, therefore, a case of budgetary subsidies granted by the State or by the Länder.

## II. Nature of subsidy

The film promotion system is based on the Film Promotion Law which entered into force on 1 January 1968 and was amended in 1971, 1974 and 1979. Under the Law, a Film Promotion Institute was established which is in charge of promoting the production of German films, assisting cinemas and encouraging screen advertising.

The Institute is financed out of a so-called "film levy" of 2.75 to 3.75 per cent out of the annual turnover from the sale of tickets (since 1 July 1979). In 1979 about DM 25 million accrued from this levy.

A basic amount of (in recent years) an average DM 400,000 and in the case of high quality films of a variable additional amount (DM 250,000 maximum) is granted to producers of feature films if they can prove to have made a film which has brought 250,000 visitors within the two years following the first screening. These funds have to be invested in new films. In addition, there is the possibility of granting loans for film projects.

ITALY

Preferential rates for the transport of agricultural products by rail

- (a) Fresh vegetables: uniform reduction of 14.26 per cent
- (b) Citrus fruits: uniform reduction of 26.51 per cent
- (c) Other fresh fruit: uniform reduction of 14.26 per cent.

These reductions, which apply only to products from the southern regions and the Italian islands, are to be gradually eliminated by 1 January 1984 (in conformity with the decision of the EEC Commission of 11 October 1979).

Film sector

The subsidies, granted in order to increase the cultural content of films, are governed by Law No. 1213 of 4 November 1965 and the subsequent amendments thereto. Under this law, producers of full-length films satisfying the conditions laid down (technical, artistic, cultural, etc.) for inclusion in the mandatory programming (twenty-five days per quarter) receive a contribution equal to 13 per cent of the revenue from the tax on film shows collected during the five years following the first showing.

Statistics of production, import and export during the last three years:

(a) National production and co-production

1979	141
1980	165
1981	103

(b) Exports

1979	1,835
1980	2,038
1981	1,773

(c) Imports

1979	482
1980	825
1981	769

UNITED KINGDOM

SUBSIDIES

Notifications Pursuant to Article XVI:1

UNITED KINGDOM

AGRICULTURE

1. On 1 February 1973 the mechanisms of the Common Agricultural Policy of the EC were adopted. Where there is common organisation of the market the EC arrangements might include elements of support buying, import levies, export restitutions and for certain commodities direct production subsidies. These arrangements are implemented by the Intervention Board for Agricultural Produce whose activities cover the whole range of the guarantee aspects of the CAP including refunds on imports from other EC countries.

2. Previously the basic system of agricultural support in the United Kingdom was provided by guaranteed prices and deficiency payments.

The Agriculture Act of 1957 still makes provision for guaranteed prices for potatoes and wool. Guaranteed prices for these products are determined annually by the Government after a review of the economic condition and prospects of the agricultural industry. The wool guarantee is not, however, listed below as a subsidy because its purpose is to prevent excessive fluctuations in prices and not to subsidise producers.

3. Additional assistance is also given to the industry in the form of grants. These accord with EC directives designed to promote capital investment in order to improve productivity, to increase incomes where these are below average earnings outside agriculture, and to assist less favoured areas.

PRICE GUARANTEES

POTATOES

1. Nature and extent of the subsidy

(a) Background and authority

A guaranteed price for potatoes is determined each year under Part I of the Agriculture Act, 1957.

(b) Incidence

The price guarantee applies to maincrop potatoes only, (ie those marketed for human consumption on and after 1 August in year in which grown) and is implemented in Great Britain by the Potato Marketing Board and in Northern Ireland by the Department of Agriculture for Northern Ireland. The Great Britain arrangements provide for market support operations financed jointly by the Government and the Board with the aim of bringing the average price for the season up to the level of the guaranteed price. Similar arrangements are operated in Northern Ireland. If, over the season as a whole, the average market price received by growers is less than the guaranteed price a deficiency payment is paid calculated on the tonnage of home-produced potatoes estimated to have been sold for human consumption in the United Kingdom. Seven eighths of the total deficiency payment is paid to the Board and one eighth to the Department of Agriculture for Northern Ireland.

(c) Amount of subsidy

The cost to the Government of implementing the price guarantee varies according to the prevailing supply and demand balance and was £21 million,

£13 million and nil for 1977/78, 1978/79 and 1979/80 respectively.

(d) Estimated amount per unit

£3.23 per tonne for the 1977/78 crop, £1.81 per tonne for the 1978/79 crop.

II Effect of Subsidy

Statistics of production, consumption, imports and exports for the crop years 1977/78 to 1979/80 are given in Annex I.

FARMING GRANTS AND SUBSIDIES

The Agriculture and Horticulture Development Scheme (AHDS) 1980

1. Nature and extent of subsidy

- (a) The Agriculture and Horticulture Development Scheme came into operation on 1 October 1980, replacing the Farm and Horticulture Development Scheme (FHDS). It puts into effect the EC Directives on Farm Modernisation and Less-Favoured Areas. (Directives 72/159 EC and 75/268 EC). The Scheme, which is partly financed by the Community's Agricultural Fund, offers assistance to eligible farmers and growers to develop their agricultural business.
- (b) The AHDS is designed to enable existing agricultural businesses, through modernisation, to earn incomes per labour unit comparable with those in non-agricultural occupations. Extra aid is given to businesses in less-favoured areas and to those concentrating on the production of beef and sheepmeat. To be eligible under the Scheme, an applicant must submit a development plan designed to support at least one man working full-time (one labour unit), and raise the income of each employee to the appropriate level within six years. Other conditions of eligibility are that farming is the applicants main occupation and that he must have had at least five years experience in the industry, or hold an appropriate certificate from a recognised teaching establishment. It is also necessary for him to keep farm accounts in an approved manner.
- (c) An applicant whose eligibility has been established and whose development plan has been approved may receive:-
- (i) Capital grants for a wide range of investments necessary to carry out a development plan (including livestock and machinery);
  - (ii) A "guidance premium" payable over a period of three years, for plans which concentrate on the breeding or keeping of cattle or sheep for meat production;
  - (iii) Grant spread over four years to help meet the expense involved in keeping farm accounts;
  - (iv) Assistance with professional fees incurred in drawing up approved development plans;
  - (v) Priority in acquiring land given up under the Payments to Outgoers Scheme, but no assistance with the purchase of such land.

2. Rate of subsidy

The standard rate of grant for items eligible under AHDS is 32½%, with special rates for less-favoured areas. Examples of grant rates are given below with LFA rates in brackets.

(a) Capital Improvements

	<u>Agriculture</u>		<u>Horticulture</u>
	%	%	%
Permanent building, silos	32½	(37½)	-
Field drainage	50	(70)	50
Roads, grids, fences, walls, pens, dips etc	32½	(50)	32½
Grassland improvement	32½	(50)	-
Land clearance, levelling, subsoiling etc	32½	(50)	32½
Extra permanent horticultural buildings	-	-	5
Replacement horticultural buildings	-	-	32½
Horticultural equipment (Specialised)	-	-	20
Plant and machinery	5	(10)	5
Livestock (first purchases)	5	(10)	-
Fees for development plans	32½	(32½)	32½

(b) Guidance premium

Year 1 - Approx £30.56 per hectare up to a limit of £3,056 per holding.

Year 2 - Approx £20.67 per hectare up to a limit of £2,067 per holding.

Year 3 - Approx £10.52 per hectare up to a limit of £1,052 per holding.

(c) Account-keeping grant

Year 1 - Approx £150

Year 2 - Approx £103

Year 3 - Approx £103

Year 4 - Approx £103

NOTE: The figures given in (b) and (c) above are correct as at 18.3.81

The Agriculture and Horticulture Grant Scheme 19801. Nature and extent of subsidy

(a) The Agriculture and Horticulture Grant Scheme 1980 is made under Section 28 and 29 of the Agriculture Act 1970 and came into operation on 1 October 1980. The Scheme complies with the terms of EC Directives on Farm Modernisation (Directive 72/159) and Less-Favoured Areas (Directive 72/263). It replaced the Farm Capital Grant Scheme 1973 and the Horticulture Capital Grant Scheme.

(b) The Scheme is designed to provide assistance to agricultural and horticultural production businesses which do not qualify or do not wish to apply for aid under the FEOGA assisted Agriculture and Horticulture Development Scheme. Grant is payable on capital expenditure incurred on such items as buildings (excluding living accommodation and additional horticultural production buildings) and ancillary services; field drainage; water supply

farm roads and bridges; various land improvement works; and plant or equipment designed and intended for the production, harvesting, storage or preparation for market of horticultural produce. Grant is not payable on any expenditure related to egg or poultry production.

## 2. Rate of subsidy

- (a) The amount of expenditure which may be grant-aided in respect of any one business is limited in any two year period and there is an overall limit of approximately £100,000 in any six year period. Additional limits apply to expenditure in connection with the breeding and keeping of pigs and in connection with milk production.
- (b) The standard rate of grant is 22½% of approved expenditure except for field drainage for which the rate is 37½% and for horticultural plant and equipment for which the rate is 15%. Agricultural businesses situated in Less-Favoured Areas with an income per labour unit less than the comparable income qualify for grant for field drainage at a 70% rate and for water supply, roads and bridges and various land improvement works at a 50% rate.

## 3. Amount of subsidy

The cost of grant under this Scheme and the two Schemes it replaced is estimated to be £93.6m for 1980/81 and £90.8m for 1981/82.

### The Agricultural and Horticultural Co-operative scheme 1971

#### I Nature and extent of subsidy

##### (a) Background and authority

The Agricultural and Horticultural Co-operation Scheme 1971, made under Part IV of the Agriculture Act 1967 came into operation on 1 April 1971, and applied to the whole of the United Kingdom. The period for grant under this scheme was originally 1.4.71 to 14.5.77, but has since been extended to 14.5.83. The Scheme provides for grants for co-operation mainly in the production and marketing of primary agricultural and horticultural produce.

##### (b) Incidence

Grant is paid directly to a co-operative on the recommendation of the Central Council for Agricultural and Horticultural Co-operation and the approval of the appropriate Agricultural Minister. Grant is generally paid on completion though in the case of grant aid towards salaries and expenses of key staff employed by the co-operative during the first 5 years of its existence it can be paid by quarterly instalments in arrears.

The maximum rates of grant are:

- (1) 75% of costs of surveys and feasibility studies, formation of new co-operative, management selection, training of managers and research;
- (2) 32½% of costs of facilities, land improvement, buildings and fixed equipment off farm;
- (3) 25% of costs of equipment off farm;
- (4) 15/20% of costs of equipment on farm;
- (5) 33½% of costs of managerial and other key staff salaries and expenses for three years during the first five years of the co-operative's existence.

Despite the foregoing limitation on grant-aid the amount of any grant in respect of any approved proposal for research of a kind proposed by the Central Council

for Agricultural and Horticultural Co-operation but carried out or promoted by an applicant approved by them may be aided to 90 per cent.

The amount of grant in any case not specified above may be up to 75 per cent of the cost of estimated costs.

(c) Amount of subsidy

The total cost for the financial year 1979-80 was £1,152,220.

HILL FARMING

Hill Livestock Compensatory Allowances

Nature and extent of Allowances

The Hill Livestock (Compensatory Allowances) Regulations 1979 (as amended), which are applicable throughout the United Kingdom were introduced in 1976 and implement part of Directive 75/268 (as amended) of the Council of the European Community which is designed to assist farmers in less favoured farming areas.

The Regulations provide for a system of payments on breeding cattle and ewes in areas consisting predominately of mountain hills or heath inherently suitable for livestock rearing but not suitable to any material extent for dairying, fattening or cost cropping.

Eligibility

To qualify for compensatory allowances in respect of any year a person must on the qualifying day (1 January) in that year be occupying at least three hectares (7.41 acres) of eligible land and be maintaining cattle comprised in a regular breeding herd or ewes comprised in a qualified flock. Except in the case of a person in receipt of a state retirement pension he is also required to give an undertaking that he will continue to farm at least 3 hectares of eligible land for a period of five years from the qualifying day in the year in respect of which the allowance is paid.

Rates of Allowance

The rate for a breeding cow is currently £42.50. In the case of ewes there is a distinction between those of an approved breed which form a specially qualified flock or other ewes in respect of which an allowance may be paid. In the case of the former the rate is currently £6.25 and the latter £4.25. The overall payment to any person is currently restricted to a maximum of 97 European Currency Units per hectare of eligible land available to him for the maintenance of his herd or flock.

Where appropriate a Brucellosis Incentive payment at the rate of £5.00 is made in respect of cows eligible for a compensatory allowance.

Amount of Subsidy

The estimated expenditure for 1980/81 in the United Kingdom is £92 million, of which approximately 25% will be met from European Community funds.

Grants to Statutory Water Undertakers

Under the Agriculture (Miscellaneous War Provisions) Act 1940 supplementary agricultural grants are payable in England and Wales to statutory water undertakers towards the cost of public water mains extensions, designed to serve primary agricultural needs. There is no fixed rate of grant; each case is considered on its merits. The estimated cost in 1980/81 of these grants is £149,700.

Credit for Agriculture and Horticulture

Under Section 64 of the Agriculture Act, 1967 grants may be made towards expenditure incurred by a body in fulfilling its guarantees of loans for business purposes made

by banks to farmers, growers or their co-operatives. Grants are at present available in respect of losses on guarantees given until 30 April 1981. The cost of these grants in 1979/80 and 1980/81 was nil and £110,410 respectively.

## FISHERIES

### I. Nature and extent of the subsidies

#### (a) Background and authority

##### Grants for the Acquisition and Improvement of Fishing Vessels

The Sea Fish Industry Act 1970 empowers the White Fish Authority and Herring Industry Board to make grants from Government funds for the construction and improvement of fishing vessels subject to the conditions of the current scheme - the Fishing Vessels (Acquisition and Improvement) (Grants) Scheme 1976 as extended. Similar grants are made in Northern Ireland.

#### (b) Incidence

Grant is given towards the capital costs of construction and improvement of vessels employed in catching or processing white fish or herring. The current rate of grant is 25% of the approved expenditure for all fishing vessels. Improvements which may be aided are those designed to result in greater efficiency or economy in the operation of the vessel or better working conditions for the officers or crew.

#### (c) Amount of Grant in the United Kingdom

Expenditure on grants in 1976/77 was £5.5 million, for 1977/78 £5.3 million for 1978/79 £6.4 million and for 1979/80 £6.9 million.

#### (d) Estimated amount per unit

The amount of subsidy is related to the approved cost of the vessel and has no direct bearing on the quantity of fish landed.

Statistics of production, consumption, imports and exports are given at Annex 2.

FORESTRY

I. NATURE AND EXTENT OF THE SUBSIDY

a. Background and Authority

The Forestry Act 1967 empowers the Forestry Commissioners, subject to Treasury approval, to "make advances by way of grant ..... upon such terms as they think fit, to persons (including local authorities) in respect of the afforestation (including re-planting) of land belonging to those persons".

b. Incidence

Financial assistance to encourage the expansion of private commercial forestry in the United Kingdom is currently given to the owners of woodlands on the terms set out in paragraph 1 d. below.

c. Amount of Subsidy

The amount paid in grants for the year ended 31 March 1980 was £2,583,929 and it is estimated that £2,447,000 will be paid in the year ending 31 March 1981.

d. Estimated Amount per Unit

i. The current Dedication Scheme known as Basis III is the only Dedication Scheme open to new applicants. Financial assistance is currently given at the following rates:

Planting grants of £100 per hectare for land planted, re-planted, or otherwise re-stocked with conifers and £225 per hectare for land planted, re-planted or otherwise re-stocked with approved broadleaved species.

An annual Management grant of £3 per hectare for conifers under the age of 25 years and broadleaves under the age of 50 years provided these plantations were established with the aid of Forestry Grants.

In special areas of Scotland approved planting or natural regeneration of native pine of local origin will attract the same planting and management grants as broadleaves.

ii. Private woodland owners who had previously dedicated their woodlands under the old grant schemes Basis I and II, are, however, entitled to retain their existing rights and obligations under these schemes. The current rates of grants are as follows:-

For Basis I it is in the form of a grant of 25% of the approved net annual expenditure on the woodlands dedicated until such time as they are self-supporting.

For Basis II a planting grant of £75 for every hectare satisfactorily planted, re-planted or otherwise re-stocked.

An annual management grant of £3.44 per hectare for the first 40 hectares, £2.32 for the second 40 hectares and £1.43 per hectare for the remainder.

iii. The Small Woods scheme was re-introduced with effect from 1 October 1977. The aim of the scheme is the establishment of small, detached woodlands of 0.25 hectares up to, but excluding, 10 hectares. Financial assistance is given at the following rates:-

For planting, re-planting or re-stocking of areas of 0.25 hectares up to, but excluding 3 hectares a planting grant of £300 per hectare will be paid

and for areas of 3 hectares up to, but excluding 10 hectares, the rate is £250 per hectare.

II. Effect of the Subsidy

- a. Forestry is a long-term project and it is thought that grants to woodland owners can have no effect on imports and exports for many years.
- b. Statistics of production, consumption and exports - not applicable.

Annex 1.

UNITED KINGDOM

POTATOES

( '000 tonnes)

July / June	Home Production	Imports	Exports	Disappearance
<u>POTATOES</u>				
1977/78	6,621	469	126	6,964
1978/79	7,331	519	192	7,658
1979/80	6,485	583	201	6,680

All figures include maincrop, seed, new and processed potatoes.

Annex 2

UNITED KINGDOM FISHERIES

Statistics of production, consumption and trade (tonnes except where stated to the contrary)

PRODUCTION (landings by British vessels of all fresh, frozen and chilled fish excluding salmon, trout and shellfish).

	<u>1977</u>	<u>1978</u>	<u>1979</u>
England & Wales	444,261	431,197	437,481
Scotland	386,152	399,432	326,581
Northern Ireland	8,283	6,842	7,681
Total United Kingdom	838,696	837,471	771,743

TRADE:IMPORTS (fresh, frozen, chilled and semi-preserved fish excluding salmon, trout and shellfish)

	188,152	274,131	333,834
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EXPORTS (fish and fish preparations excluding salmon, trout and shellfish, and including re-exports which are not separately identifiable).

	142,891	332,294	345,392
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CONSUMPTION Estimates of fish supplies per head per annum moving into consumption in the UK. (Kg per head per annum).

FISH	<u>1977</u>	<u>1978</u>	<u>1979</u>
Fresh, frozen & cured (wet fillet equivalent)	5.7	5.1	5.0
Herring	0.1	0.1	0.1
White Fish	5.6	5.0	4.9
Shellfish (edible weight)	0.5	0.6	0.6
Canned Fish (imported)	1.2	1.0	1.2
TOTAL (edible weight)	7.4	6.7	6.8

