

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2742/Add.3
14 April 1967

Limited Distribution

Original: French

SUBSIDIES

Notifications Pursuant to Article XVI:1

Addendum

FRANCE

The Government of France has submitted the following notification concerning subsidies, consolidating into a single document the report due in 1966 and the 1967 report concerning modifications which have taken place up to 1 January 1967.

Like the French notification of 1965 (document GATT L/2326/Add.11 of 27 July 1965), this notification does not cover products coming under the common agricultural policy of the European Economic Community which are subject to Community measures. The relevant notification will be made by the Commission of the EEC.

In 1965 the French notification as regards agriculture referred only to fruit and vegetables. Since then the Community regulation of 25 October 1966, which came into force on 1 January 1967, has profoundly modified the system of subsidies granted for these foodstuffs.

The previous aids have been replaced by Community refunds made to the member States by the European Agricultural Orientation and Guarantee Fund (EEOGA). The notification of the Commission of the EEC gives full particulars on this subject.¹

As from 1 January 1967 there only remain two aids of a national character of a limited amount:

- (a) an aid to encourage standardization, amounting to F 1,380,000 paid by the services responsible for the supervision of standardization, which has been made obligatory by the Community regulations; and
- (b) an aid intended for publicity and propaganda amounting to F 5,348,000 and derived from quasi-fiscal taxes on production.

¹Note by the secretariat: this notice has not been received as yet.

Aids in favour of textile raw materials

The Fund for the Orientation and Regulation of Agricultural Markets (FORMA) continues to provide aid to producers of textile raw materials (flax, hemp, silk, wool).

Flax: The production of flax enjoys the benefit of the following aids:

- a bonus for the encouragement of cultivation of F 110 per hectare, for which a sum of F 4,950,000 has been allocated;
- a bonus of F 0.45 per kg. for the encouragement of the production of selected seeds for which a sum of F 450,000 corresponding to 1,000 tons of seeds has been allocated. The bonuses are paid to producers' co-operatives and associations which collect the seed supplied by their members;
- a scutching bonus of 7 per cent on the price of sale of scutched flax, for which a sum of F 7,600,000 has been allocated;
- a stock-piling aid consisting of a payment to scutchers by the Tow Board of a partial down payment representing 85 per cent of the value of tow lots. The total sums allocated up to date amount to F 5,050,000;
- payment to the National Interprofessional Flax Association of the following subsidies:
 - (a) F 850,000 for operating expenses
 - (b) F 100,000 to balance its working account
 - (c) F 50,000 for cost of supervising areas under cultivation;
- subsidy of F 640,000 to the Technical Association for the Production and Utilization of Flax for the modernization of flax production.

Hemp: The production of hemp enjoys the benefit of the following aids:

- a grading bonus of F 25 per quintal paid to producers of retted tow;
- a bonus of F 2 per quintal paid to producers of semi-retted hemp straw;
- a stock-piling bonus for water-retted tow of F 30 per quintal for a maximum quantity of 200 tons;
- a stock-piling bonus of F 40 per quintal for seeds of monoecious hemp, also for a maximum quantity of 200 tons.

Silk: Silkworm breeding enjoys the benefit of the following aids:

- a bonus of F 5.70 per kg. of cocoons paid to silk growers who deliver their cocoons by 1 September to the French Interprofessional Association for the Production of Cocoons, Silkworm Seeds and Raw Silk for a maximum quantity of 18,000 kgs.;
- a subsidy of F 45,000 to the Interprofessional Association for the purchase and incubation of selected seeds;
- a subsidy of F 75,000 to the Interprofessional Association to cover its operating expenses.

Wool: A sum of F 1,450,000 has been allocated by FORMA to promote the collection of greasy wool, provided it is adequately presented.

This credit makes it possible to grant three kinds of bonuses:

- (a) a grouping bonus of F 0.14 per kg. of greasy wool. An additional bonus of F 0.02 per kg. is granted in mountainous departments in compensation for special difficulties of collection in those areas;
- (b) an exploring bonus of F 0.05 per kg. paid to grouping entities which have been set up since 1963, or have been exploring new territories since that date.

All these bonuses are paid to eight regional co-operatives which collect wool in their respective areas.

The National Interprofessional Wool Committee is responsible for applying the system, for which it receives a fee at a flat rate of F 45 per ton of wool.

Angora hair: FORMA has allocated an amount of F 500,000 for regulation of the angora hair market through the French Angora Board which is responsible for stock-piling and partly marketing this product, and which stocks a maximum of 20 tons of angora hair. The purpose of this aid is to ensure the stability of prices.

In addition, the national association "Angora-Qualité" has received from the Ministry of Agriculture a subsidy of F 330,000.

