

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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SWITZERLAND

The following notification, covering the years 1978 to 1980, has been received from the Swiss delegation.

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PART ONE: AGRICULTURE

I. Milk and dairy products

(a) Dairy account of the Confederation

Dairying is the most important branch of Swiss agriculture; it brings in more than one third of the gross value of agricultural production. The dairy account of the Confederation shown below gives a general picture of the financial measures taken in this sector. The details of these measures will be studied in the succeeding chapters dealing with the various groups of dairy products.

Accounting period (1 November-31 October)	(Sw F '000)		
	1977/78	1978/79	1979/80
<u>Expenditure</u>			
<u>Total</u>	<u>565,005</u>	<u>648,993</u>	<u>708,072</u>
including mainly:			
- valorization of butter	180,614	228,434	226,874
- valorization of cheese	309,421	334,283	393,782
- principal other measures (including valorization of preserved milk products)	23,668	20,925	20,693
- contributions to producers delivering neither milk nor dairy products	28,799	40,397	40,999
<u>Coverage</u>			
<u>Total resources</u>	<u>565,005</u>	<u>648,993</u>	<u>708,072</u>
including:			
<u>Payments by the Confederation</u>	523,828	596,438	651,674
out of which:			
- general funds	322,752	441,905	445,828
- revenue from charges and price supplements	201,077	154,533	205,846
<u>Share of losses payable by producers</u>	41,176	52,555	56,398

(b) Butter

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Agriculture Act of 3 October 1951;
- Order of the Federal Assembly of 29 September 1953 concerning milk, dairy products and edible fats;
- Federal Act of 21 December 1960 concerning goods at protected prices;
- Dairy Economy Order of 7 October 1977.

The Swiss butter market is governed by the Swiss Central Office for Butter Supplies (BUTYRA), a public co-operative society which holds the monopoly of butter imports. It levies a charge on imported butter, purchases at a price corresponding to the base price of milk any domestic butter which cannot be readily sold and arranges for its disposal with the help of contributions granted by the Confederation.

(ii) Incidence

The following subsidies, which may be granted concurrently, promote the sale of butter on the domestic market only:

1. (a) BUTYRA pays a subsidy to the butter centres to enable them to sell table butter without loss at prices fixed by the Federal Council.
(b) The Confederation allocates to BUTYRA the sums necessary to enable it to sell fresh or resolidified cooking butter at a reduced price. The amount of the price reduction, and consequently of the loss entailed, varies according to the destination and quality of the product.
2. BUTYRA shares in the cost of advertising to promote butter consumption.
3. In order to stimulate the use of fresh skimmed milk for animal feed, BUTYRA pays a subsidy to users of this product.

(iii) Amount of subsidy

Accounting period (1 November-31 October)	1977/78	1978/79	1979/80
1(a) Reduction in price of table butter	98,094	123,787	126,097
1(b) Reduction in price of cooking butter and resolidified butter	65,679	84,573	78,890
2 Butter advertising	3,918	5,707	5,668
3 Subsidy for fresh skimmed milk intended for animal feed	12,499	13,873	15,727
Total expenditure on valorization of butter	<u>180,190</u>	<u>227,940</u>	<u>226,382</u>

(iv) Amount per unit

1. (a) Subsidies for table butter varied, according to quality, as follows:

From 1.9.1977: 3.68 or 3.78 frs per kg.
 From 1.5.1978: 3.92 or 4.02 frs per kg.
 From 1.7.1979: 4.14 or 4.24 frs per kg.

1. (b) Subsidies for cooking butter and resolidified butter varied, according to the quality of the butter used as follows:

	Cooking butter Sw F per kg.	Resolidified butter Sw F per kg. of fresh butter
From 1.9.1977:	5.30 to 7.94	8.52 to 11.16
From 1.5.1978:	5.34 to 8.22	8.52 to 11.40
From 1.7.1979:	5.44 to 8.32	8.74 to 11.62

2. Effect of subsidy - prices and consumption

- (i) The following tables show the trend of prices and of butter consumption from 1977/79 onwards:

- Retail prices (Sw F per kg.)

	Before 1.9.1977	From 1.9.1977	From 1.7.1979
Special butter (packages of 200 grs.)	13.30	13.80	14.30
Fresh cooking butter (packages of 250 grs.)	8.80	9.40	10.00
Resolidified butter (tins of 450 grs.)	7.56	8.00	8.56

- Annual consumption

	In tons			Variation in %	
	1977/78	1978/79	1979/80	1978/79 to 1977/78	1979/80 to 1978/79
<u>Total consumption of butter</u>	<u>45,544</u>	<u>46,225</u>	<u>47,842</u>	<u>+1.5</u>	<u>+3.5</u>
<u>including:</u>					
Special butter	12,491	12,859	13,461	+3.0	+4.7
Fresh cooking butter	25,930	26,141	27,078	+0.8	+3.6
Resolidified butter (in terms of fresh butter)	3,308	3,529	3,662	+6.7	+3.8
<u>Consumption per capita</u> (kgs. per annum)	<u>7.2</u>	<u>7.3</u>	<u>7.5</u>	<u>+1.0</u>	<u>+2.7</u>

It should also be noted that, in order to limit as far as possible the losses incurred in the valorization of milk, an order of priority is laid down. The largest possible proportion of domestic production is to be used to meet the demand for fresh milk and fresh dairy products, which can be sold without loss. Apart from that, the manufacture of cheese and preserved milk products takes priority over butter, which involves the heaviest losses in the utilization of milk; efforts are being made to encourage imports of butter.

(ii) Total production, imports and consumption of butter (in tons)^{1/}

<u>Calendar year</u>	<u>Production</u>	<u>Imports</u>	<u>Consumption</u> ^{2/}
1978	31,953	14,950	45,678
1979	35,954	18,273	46,439
1980	34,257	13,213	49,499

(c) Cheese

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

The legal basis is the same as for butter.

Pursuant to these legislative provisions, the organizations of milk producers and of manufacturers and exporters of cheese established the Union Suisse du Commerce de Fromage S.A. (USF), which purchases the domestic output

^{1/} Exports are insignificant

^{2/} Allowing for fluctuations in stocks

of hard cheese (Emmental, Gruyère and Sbrinz, representing 80 per cent of total output) at fixed prices and resells it through private firms at the best prices obtainable. However, in these operations, USF incurs losses which are charged to the dairy account of the Confederation (see page 3).

(ii) Incidence

As the dairy account shows, most of the deficit resulting from USF operations is met by the Confederation; the remainder is borne by the producers. Certain valorization expenses are also met out of the dairy account in the case of other types of cheese which are not subject to compulsory delivery to USF. As to the incidence of the measures adopted in this connexion it should be pointed out that, because of their quality, Swiss cheeses sell at higher prices than similar cheeses from other countries, whether on the home market or on export markets.

(iii) Amount of subsidy

(Cf. dairy account, page 3.)

(iv) Amount per unit

It is not possible to calculate the price reduction resulting from the intervention of the Confederation to cover losses on the valorization of cheese, because the prices obtained vary from market to market.

2. Effect of subsidy

(i) The fact that the Confederation covers part of any deficits in the dairy account (the remainder being borne by the milk producers - see page 3) offsets the difference between, on the one hand, earnings from cheese sales on domestic and foreign markets^{1/} and, on the other, the production costs of the same cheese, established according to the base price of milk.

(ii) Production, imports, exports and consumption^{2/}

Year	Production	Imports	Exports	<u>Consumption</u> ^{3/}
				t
1978	119,800	19,677	56,549	80,280
1979	121,000	19,158	58,738	81,781
1980	119,900	20,046	62,797	86,670
	provisional			

^{1/} Under its statutes, USF is under a duty to dispose of cheese at the highest possible prices.

^{2/} Including the output from mountain pasture cheesemaking and Schabziger (estimates).

^{3/} Allowing for fluctuations in stocks

(d) Preserved milk products1. Nature and extent of the subsidy(i) Legal basis and legislative provisions

The legal basis is the same as for butter and cheese.

(ii) Incidence

The subsidy is designed to safeguard traditional exports of preserved milk products. It is paid on the basis of the quantity of milk used for the manufacture of these products.

(iii) Amount of subsidy

(Cf. dairy account, page 3).

(iv) Amount per unit

From 1 May 1977 to 31 October 1978 the subsidy was 48 centimes per kilogramme of milk used for the manufacture of these products; from 1 November 1978 to 30 June 1979 it was 55 centimes, and from 1 July 1979 onwards 58 centimes. Since the amount of milk used for the manufacture of one kilogramme of preserved product varies according to the product, it is impossible to determine the amount of the subsidy per unit of preserved milk products.

2. Effect of subsidy

(i) Since foreign selling prices do not cover the production cost of milk, these subsidies are necessary in order to maintain traditional exports.

(ii) Production, imports, exports and consumption

(in tons of fresh milk used)

<u>Year</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u>
	t	t	t	t
Commercial Assistance Schemes				
1978	187,000	26,000	27,600	14,400
1979	173,000	25,700	19,000	18,200
1980	182,800	26,100	24,900	18,700
				171,000
				151,700
				165,300

(e) Measures taken in the field of dairy policy

(i) Price policy

On 1 May 1978 the base price paid to the producer for milk offered in the market, which is fixed by the Federal Council, was raised from 75 to 76 centimes per kg./litre. On 1 July 1979 it was increased to 79 centimes and from 1 January 1981 onwards to 82 centimes.

(ii) Quota system

A quota system for milk deliveries was instituted on 1 May 1977. Under this system, which has been modified several times, an individual quota is allotted to every milk producer in the plain, in the sub-Alpine hill zone and in mountain zone I. Within this quota the base price, less the normal deduction (2 centimes/kg.), is paid. A charge of 60 centimes per additional kg./litre is levied on any surplus. Since 1 May 1981 producers in mountain zones II to IV have been subject to a similar quota system.

(iii) Other measures

Non-marketing subsidies for milk were introduced in 1970 to ease pressure on the milk market and to support mountain peasant incomes. For the dairy year 1980/1981 these subsidies were set at:

<u>Sw F per cow</u>	<u>No. of cows/zone</u>
	2nd to 10th
1,100	mountain zones II to IV
1,000	other areas
1,000	11th to 20th
800	21st to 50th
600	51st to 100th
400	101st onwards

II. Breeding and dairy cattle

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Agriculture Act of 3 October 1951;
- Federal Act of 15 June 1962 to facilitate the sale of breeding and dairy cattle, horses and wool;
- Federal Act of 28 June 1974 on contributions to the costs of cattle-keepers in mountain areas and the sub-Alpine hill zone.

The various measures taken in this sector are intended primarily to improve the farming situation in the mountain areas, where animal husbandry is the principal, if not the only, source of livelihood. Assistance can thus be given to smallholdings in mountain areas, which are placed at a disadvantage both by their geographical situation and by the climate.

The specific purpose of these measures is to ensure that good-quality breeding and dairy cattle can generally be sold at prices which cover production costs. The measures are financed partly out of the proceeds of the price supplements charged on imported fodder and partly out of the general funds of the Confederation.

(ii) Incidence

1. Promotion of sales within the country

(a) In order to avoid difficulties in the disposal of breeding and dairy cattle from mountain areas, the Confederation grants subsidies to cantons and authorized bodies which purchase animals from stock-breeders in those areas at markets, shows or fairs and incur losses in the process.

(b) The Confederation refunds part of their expenditure to cantons which grant subsidies to breeders in mountain areas for the slaughter of breeding and dairy cattle which are of inferior quality and unfit to be kept. In addition, special culling campaigns have been launched in the plain. Farmers wishing to receive bonuses under these campaigns were required to purchase stock from mountain areas to replace the culled.

(c) The Confederation contributes to the cost of transporting livestock from remote mountain areas.

2. Maintenance of traditional exports

Subsidies are granted in order to bring the prices of exported livestock into line with those charged in traditional export markets. These contributions are calculated as a percentage of the selling price, plus a uniform supplement per head of stock; they are paid up to a fixed maximum. The Confederation also pays the cost of transport to the Swiss frontier.

3. Contribution to the expenses of cattle-keepers in mountain areas

In view of the adverse production conditions in mountain areas, the Confederation grants an annual allowance to cattle-keepers in those areas. The amount of the allowance has not been adjusted since

1 January 1974. The allowance is payable for 15 head of cattle per holding. The total number of head covered by the allowance was 568,803 in 1980.

(iii) Amount of subsidy

1. Promotion of sales within the country

		<u>1978</u>	<u>1979</u> (Sw F'000)	<u>1980</u>
	(a) subsidies to relieve market pressure	1,758	1,211	882
	(b) subsidies for culling	15,594	19,587	21,036
	(c) contribution to transport costs	516	640	860
2.	Maintenance of exports	13,100	17,000	26,000
3.	Special campaigns	1,187	1,077	520
4.	Contribution to expenses of cattle-keepers in mountain areas	125,908	126,150	125,327
	<u>Total</u>	<u>158,063</u>	<u>165,665</u>	<u>174,625</u>

(iv) Amount per unit

		<u>1978</u>	<u>1979</u> (francs per head)	<u>1980</u>
1.	(a) subsidies to relieve market pressure (average)	574	489	381
	(b) subsidies for culling (average)	265	267	270
	(c) contribution to cost of transporting cattle (average)	60	64	60
2.	Export subsidies (average)	1,608	1,714	1,707
3.	Contribution to expenses of cattle-keepers in mountain areas (limited to fifteen head of cattle per holding)			

- sub-Alpine hill area	80	80	80
- mountain zone I	140	140	140
- mountain zone II	270	270	270
- mountain zone III	400	400	400
- mountain zone IV	-	-	500

2. Effect of subsidy

(i) Purchases intended to relieve market pressure are limited in time and geographically; their purpose is to prevent a collapse of livestock prices in mountain areas. They thus help to stabilize the income of farmers in those areas. The subsidies for culling campaigns aim at improving the quality and productivity of the livestock. In the long term, therefore, they provide a basis for improvements in income.

The export bonuses have made it possible to maintain traditional exports of cattle, mainly in the interests of breeding in mountain areas. Despite these subsidies, the prices of Swiss breeding and dairy cattle are generally higher than those of animals of foreign origin.

The contribution to the costs of cattle-keepers in hilly and mountainous areas is intended to ensure higher incomes for the peasant population in those areas in view of the difficult production conditions which prevail there.

(ii) Production and exports of breeding and dairy cattle

<u>Year</u>	<u>Production</u> ¹	<u>Exports</u> ²
1978	181,675	8,145 head
1979	198,300	9,800 head
1980	201,400	16,631 head

Note: Switzerland imports practically no breeding or dairy cattle.

¹ Head of calves for breeding up to age six months, of which about a quarter are placed on the market.

² Total exports of breeding and dairy cattle.

III. Wool

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Agriculture Act of 3 October 1951;
- Federal Act of 15 June 1962 to facilitate the sale of breeding and dairy cattle, horses and wool.

There are at present some 365,000 head of sheep, the great majority of which are in mountain areas. The subsidy enables the Swiss wool industry to purchase domestic wool, while at the same time it guarantees to producers, for part of their deliveries, prices corresponding more or less to the cost of production. It is therefore designed on the one hand to raise the income level of the mountain population and on the other to guarantee, to some extent, the country's supply of domestic wool in time of crisis.

The subsidy is payable up to a certain maximum; it is financed out of the price supplements levied on imported fodder and, if necessary, out of the general funds of the Confederation.

(ii) Incidence

The Domestic Wool Board (CLI), a subsidiary of the Swiss Sheepfarmers' Federation, purchases domestic wool from the producers. The price received by the producer comprises a federal contribution fixed by the Department of Public Economy and an amount that varies with the prices obtained by the Board when re-selling in the domestic market. The Confederation reimburses CLI for any losses resulting from its operations up to a certain maximum amount, which since 1 November 1978 has been Sw F 1,800,000 per annum.

(iii) Amount of subsidy

- 1978: Sw F 1,400,000 for 590 tons of wool delivered
- 1979: Sw F 1,600,000 for 634 tons of wool delivered
- 1980: Sw F 1,800,000 for 641 tons of wool delivered.

(iv) Amount per unit

- 1978: Sw F 2,373 per ton of wool delivered
- 1979: Sw F 2,524 per ton of wool delivered
- 1980: Sw F 2,800 per ton of wool delivered.

2. Effect of subsidy

(i) The subsidy improves the modest incomes of the mountain peasants and helps to prevent a decline in the sheep population.

It should be noted that domestic production covers only 5 to 7 per cent of total consumption. There are no restrictions whatsoever on imports, and the exports referred to below do not consist of domestic wool.

(ii) Production, imports, exports and consumption

Year	Production ^{1/}	(in tons)		
		Imports	Exports	Consumption
1978	635	13,602	3,678	10,559
1979	667	13,906	3,883	10,690
1980	690 ^{2/}	14,801	3,533	11,958 ^{2/}

IV. Eggs

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Agriculture Act of 3 October 1951;
- Federal Act of 21 December 1960 concerning goods at protected prices and the price equalization fund for eggs and egg products.

Imports of eggs and egg products are not subject to quota. On the other hand importers of fresh eggs are obliged to take domestic eggs at the rate of 30 per cent^{3/} of their imports for the preceding two years. A charge is levied on imports of eggs and egg products, and the proceeds from it are used mainly to reduce the price of domestic eggs taken over, whether compulsorily or voluntarily, by importers. The reduced take-over prices and the target prices to the producer are fixed by the authorities.

^{1/} Including domestic supplies

^{2/} Provisional

^{3/} Since 1 January 1980: 40 per cent

(ii) Incidence

The price equalization fund for eggs and egg products is financed solely out of the charges levied on imported eggs and egg products. It covers the expenses of the bodies responsible for the collection, transport and distribution of domestic eggs. It also contributes to the cost of advertising to promote egg consumption and can make grants for other measures designed to facilitate disposal of domestic eggs.

(iii) Amount of subsidy

1978: Sw F 9,685,000

1979: Sw F 9,351,000

1980: Sw F 9,783,000 .

(iv) Amount per unit

1978: 5.38 centimes per egg taken over

1979: 6.73 centimes per egg taken over

1980: 4.87 centimes per egg taken over.

2. Effect of the subsidy

(i) The subsidy facilitates the take-over by the import trade of domestic eggs purchased by the collecting bodies. Such take-overs affect less than 25 per cent of total domestic production. This production accounts for between 63 and 66 per cent of total consumption of eggs in shell.

(ii) Production, imports and consumption of eggs in shell

<u>Year</u>	<u>Production</u> ¹ (millions of eggs)	<u>Imports</u>	<u>Consumption</u>
1978	740	405	1,145
1979	750	405	1,155
1980	750	423	1,173

¹Including consumption on the farm

V. Bread grains1. Nature and extent of the subsidy(i) Legal basis and legislative provisions

- Wheat Act of 20 March 1959 (entered into force on 1 January 1960).

The subsidies are designed, firstly, to keep an area under wheat in order to safeguard the country's supplies in time of difficulty, and secondly to relieve the pressure on animal husbandry. Thirdly, they are designed to ensure a fair return to farmers. Since 1 January 1960 the importation of wheat has ceased to be a State monopoly and has been free from any quantitative restrictions. The Wheat Administration purchases domestic bread wheat of good quality at prices which cover average production costs and which are fixed by the Federal Council. Commercial millers buy this wheat at prices corresponding to the cost price, customs-cleared, of imported wheat of the same quality.

A producer who keeps wheat for his own use is entitled to a milling bonus. Since 1976 acreage subsidies have been granted in areas where production conditions are difficult.

(ii) Incidence

The loss resulting from the difference between the selling prices of domestic wheat and the prices paid to producers by the Federal Wheat Administration is covered by the Confederation.

A producer who uses home-grown wheat on his farm is entitled to a milling bonus. The rate of the bonus is fixed in such a way that the bread made with the producer's own flour will cost him approximately the same as if he bought it at a bakery.

(iii) Amount of subsidy

The amounts spent on subsidies by the Wheat Administration were as follows:

	(Sw F '000)		
	1975	1979	1980
Price premiums on domestic grains	99,446	124,534	114,000
Milling bonuses and compensatory allowances	7,550	7,686	7,096
Acreage subsidies	14,100	13,500	13,412
Other subsidies	2,608	2,789	2,880
<u>Total subsidies</u>	<u>123,704</u>	<u>148,509</u>	<u>137,388</u>

(iv) Amount per unit of the subsidy (francs per 100 kgs.)

	<u>1978</u>	<u>1979</u>	<u>1980</u>
- Purchase of domestic bread wheat	27.21	31.20	31.30
- Milling bonus:			
. average	27.10	27.05	27.11
. variable according to altitude of the farm		from 25.00 to 43.00	
- Acreage subsidies (francs per hectare)			
. steeply sloping land and sub- Alpine hill zone	550.00	550.00	550.00
. intermediate zone in the plain	400.00	400.00	400.00
. mountain zone I (up to 1,000 m.)	700	700	700
. mountain zone II (over 1,000 m.)	900	900	900

2. Effect of the subsidy

(i) The subsidy makes it possible to grow wheat in Switzerland and thus helps to guarantee the country's supply in time of trouble.

Switzerland does not export bread wheat.

(ii) Production, imports and consumption of bread grains

(For human consumption and for fodder; allowing for fluctuations in stocks.)

<u>Year</u>	<u>Production</u> ('000 tons)	<u>Imports</u> ^{1/} ('000 tons)	<u>Consumption</u> ('000 tons)
1977/78	399	384	709
1978/79	424	398	740
1979/80	388	339	756

^{1/} Including flour

VI. Feed grains

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Agriculture Act of 3 October 1951.

In order to guarantee the country's supplies in time of crisis and encourage arable farming in order to relieve the strain on animal husbandry, bonuses are paid to promote the growing of feed grains. The bonuses are financed out of price supplements levied on imported fodder.

(ii) Incidence

Feed grains cost more to grow than to buy imported and crop bonuses proportionate to the area under cultivation are therefore paid to domestic producers of oats, barley, maize, field beans and three other local types of feed grains. The allowances consist of a basic bonus, with supplementary bonuses for the mountain zone. They are fixed annually before the spring sowing.

(iii) Total amount of crop bonuses

1978: Sw F 60,243,000

1979: Sw F 68,000,000

1980: Sw F 78,000,000

(iv) Amount per unit

(francs per hectare)	<u>1978</u>	<u>1979</u>	<u>1980</u>
- Basic bonus, identical, for all varieties except maize	800.00	900.00	900.00

¹ Maize: in 1978: for the first 3 hectares per farm 750.00
between 3.01 and 5 hectares 450.00
over 5 hectares 200.00

in 1979
and 1980: for the first 5 hectares per farm 850.00
between 5.01 and 10 hectares 550.00
over 10 hectares 300.00

- Supplements for:	<u>1978</u>	<u>1979</u>	<u>1980</u>
. Mountain areas up to 1,000 m. and steeply sloping land outside the mountain areas	500.-	550.-	600.-
. Mountain areas above 1,000 m.	650.-	700.-	750.-

2. Effect of the subsidy

(1) The increase in the supplementary crop bonuses for feed grains is one of the measures designed to safeguard peasant income and at the same time to relieve the pressure on animal husbandry. The purpose of the supplements for mountain areas is to narrow the income gap between farms on the plain and those in the mountains. It should be noted in this context that the area under feed grains increased from 74,000 hectares in 1977 to 78,000 hectares in 1979.

(ii) Production, imports and consumption
(not allowing for fluctuations in stocks)

<u>Year</u>	<u>Production</u> ('000 tons)	<u>Imports</u> ('000 tons)	<u>Consumption</u> ('000 tons)
1978	383	943	1,326
1979	412	880	1,292
1980	361	920	1,281

VII. Colza seeds

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions
- Agriculture Act of 3 October 1951

The measures taken to promote colza cultivation should be viewed in the general context of measures to promote arable farming. In addition, they are aimed at keeping a minimum area under oilseeds in order to make the country self-sufficient in vegetable oil in time of trouble. The Federal Council fixes annually the area for which it guarantees to producers the purchase of the colza crop. This area was 13,000 hectares for the period covered by this report. The guaranteed price to the producer is fixed at harvest time, taking into account production costs and disposal prospects.

(ii) Incidence

Under the supervision of the Confederation, the organizations concerned conclude cultivation contracts with producers. There are also agreements between the Administration and the oil-processing plants for purchase of the crop, processing of the seed and disposal of the oil. The selling prices of colza oil are fixed in relation to the prices of other edible oils. The Confederation makes good to the oil-processing plants any loss resulting from the difference between their costs and the selling price of colza oil.

(iii) Amount of subsidy

1978: 22,832,000 francs

1979: 31,000,000 francs

1980: 33,000,000 francs

(iv) Amount per unit (per ton of seed)

1978: 828 francs

1979: 1,012 francs

1980: 968 francs

2. Effect of the subsidy

(i) The subsidy has made it possible to keep a minimum area under colza as a basis for extension in case of need. Without the subsidy this crop would disappear. Domestic production barely exceeds, on the average, 10 per cent of Swiss consumption of vegetable oils and fats.

(ii) Production and consumption

Imports of colza seeds and oil are irregular and small. There are no exports.

The consumption of domestic colza oil was:

1978: 10,996 tons

1979: 9,827 tons

1980: 11,852 tons

VIII. Sugar beet

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Federal Order of 23 March 1979 concerning the domestic sugar industry

In order to enable the sugar refineries to take over, at prices fixed by the Federal Council, the beet produced under the cultivation contracts concluded with the planters, the Confederation grants them a subsidy in the form of a guarantee against any deficit. The price of beet corresponds in principle to the cost of production on properly run farms. Imports of sugar are unrestricted. Consequently the sugar refineries must sell the sugar refined in Switzerland at a price equal to that of imported sugar, customs-cleared. This may involve them in a loss when the world price is very low, as it was from 1959 to 1962, from 1964 to 1973 and from 1977 onwards.

(ii) Incidence

The new Federal Order concerning the domestic sugar industry, whose period of validity is limited to ten years, came into force on 1 October 1979. By comparison with the previous Order of 1974, the arrangements for financing have undergone some modifications amounting in essentials to a reduction in the subsidy from the Confederation. Any losses incurred through the sale of domestic sugar are covered, in the order shown, by:

- (1) any gains made in previous years;
- (2) an initial contribution of not more than Sw F 10 million per annum from the Confederation;
- (3) other resources, chiefly:
 - a supplementary contribution of Sw F 1.5 million to 15 million from the Confederation;
 - a charge of Sw F 1.70 to 17 per 100 kg. of sugar imported;
 - a contribution from the planters of 6 to 60 centimes per 100 kg. of beet.

The three last-mentioned measures operate concurrently: in other words, for each tranche of Sw F 1.5 million of the Federal contribution there will be a charge on imports of Sw F 1.70 and a contribution of 6 centimes from the planters.

In addition, each year the Federal Council determines the area to be sown to beet (not to exceed 17,000 hectares) and the quantity of beet for which the Confederation guarantees disposal at the price fixed (not to exceed 850,000 tons). This quantity was fixed at 650,000 tons in 1978, 660,000 tons in 1979 and 680,000 tons in 1980.

(iii) Amount of subsidy

1978: Sw F 57,071,000
 1979: Sw F 69,531,000
 1980: Sw F 20,846,000

(iv) Amount per unit (per kg. of refined domestic sugar)

1978: 58 centimes
 1979: 60 centimes
 1980: 22 centimes

2. Effect of the subsidy

(i) In virtue of the Confederation guarantee, the sugar refineries are in a position to process domestic sugar beet even when sugar prices on the world market are extremely low. This both helps to secure the country's supplies in times of trouble and serves the purpose of promoting arable farming in order to relieve the pressure on animal husbandry. Domestic production covers between 38 and 42 per cent of total consumption.

(ii) Production, imports, exports and consumption of sugar
 (in tons)

<u>Year</u>	<u>Production</u>	<u>Imports</u> ¹	<u>Exports</u> ¹	<u>Consumption</u>
1978	99,000	161,593	4,310	254,646
1979	108,421	149,085	1,427	255,921
1980	96,184	126,991	679	254,500

¹ No. 17.01 of the customs tariff

IX. Potatoes

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Article 32 bis of the Federal Constitution;
- Federal Act of 21 June 1932 on alcohol;
- Agriculture Act of 3 October 1951.

Article 32 bis of the Federal Constitution calls for legislation to encourage the use of domestic distillable materials - including potatoes - for food or fodder. This provision is designed inter alia to reduce the production and consumption of spirits with a view to safeguarding public health. Article 8 of the Alcohol Act authorizes the distillation of potatoes only if the crop cannot be used in a more appropriate manner. In this context, therefore, the subsidies serve to promote the use of potatoes for purposes other than alcohol production.

The prices of potatoes to the producer are fixed annually before the beginning of the main harvest, taking into account in particular average production costs and quality. The subsidies are financed out of the revenues of the Federal Alcohol Administration and the general funds of the Confederation.

(ii) Incidence

The subsidies take the following forms:

1. Information and advertising;
2. Sale of potatoes to the needy at reduced prices for use as food;
3. Subsidies of transport costs;
4. Disposal of potato seedlings;
5. Subsidies for the utilization of surpluses in the form of aids to the processing of potatoes into flakes or flour for fodder and of export promotion;
6. Subsidies to organizations and for research;
7. To maintain rational cultivation of potatoes in mountain areas or on sloping ground in other areas, subsidies have been granted since 1 March 1966 in the form of sharing in the higher production costs involved.

(iii) Amount of subsidy

	<u>1 July to 30 June</u>	<u>Thousands of francs</u>
1. Information and advertising	1977/78 1978/79 1979/80	1,017 1,039 953
2. Sale of potatoes to the needy at reduced prices	1977/78 1978/79 1979/80	914 898 923
3. Transport subsidies	1977/78 1978/79 1979/80	109 112 92
4. Disposal of potato seedlings	1977/78 1978/79 1979/80	1,094 1,427 1,681
5. Subsidies for the utilization of surplus potatoes	1977/78 1978/79 1979/80	2,894 11,080 13,425
6. Subsidies to organizations and for research	1977/78 1978/79 1979/80	322 340 225
7. Promotion of cultivation of potatoes in mountain areas and on sloping ground	1977/78 1978/79 1979/80	2,337 2,398 2,337

(iv) Amount per unit

		<u>Francs per 100 kgs.</u>
1. Reduction in price for the needy	1977/78 1978/79 1979/80	8.96 10.22 n.a.
2. Utilization of surpluses	1977/78 1978/79 1979/80	3.12 6.76 7.35

2. Effect of subsidy

(i) Domestic production has long been sufficient to meet the country's requirements (except for new potatoes and potato seedlings); the subsidies make it possible to protect public health by promoting the utilization of domestic distillable materials for purposes other than the production of alcohol.

The amount of the export aids depends on the price situation on the various export markets. The policy pursued in this connexion does not involve undercutting and does not result in lower prices for exported Swiss products than for the corresponding domestic products in the market of the country of destination.

(ii) Total harvest, normal utilization, utilization of surpluses and imports ('000 tons)¹

<u>Year</u>	<u>Total harvest</u>	<u>Normal utilization</u>	<u>Utilization of surpluses²</u>	<u>Of which: exports</u>	<u>Imports</u>
1977/78	800	707	93	23	34
1978/79	989	825	164	40	11
1979/80	964	781	183	50	7

X. Fruit

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Article 32 bis of the Federal Constitution;
- Federal Act of 21 June 1932 concerning alcohol;
- Agriculture Act of 3 October 1951.

Article 32 bis of the Federal Constitution calls for legislation to aim at reducing the production and consumption of spirits and promoting the production of dessert fruit. As a result of the measures adopted to that end, Swiss per capita consumption of fresh fruit is one of the highest in Europe.

¹ Food, seed and fodder potatoes

² Domestic harvest

(ii) Incidence

The subsidies are granted in different ways according to their nature.

- (1) Subsidies for the transformation of fruit-growing, designed to make cultivation more efficient and to improve the quality of fruit, are granted to cantons which themselves provide assistance for this purpose.
- (2) (a) In principle, the authorities pay half the cost of information and advertising to promote fruit consumption. The other half is paid by the business groups concerned (producers, user undertakings and importers).
(b) As a general rule the authorities pay the cost of transport and part of the trading margins for the sale of fruit at reduced prices to the needy. An additional reduction is made for persons living in mountain areas.
(c) The authorities pay subsidies to facilitate the disposal of domestic apricots. Without these subsidies, marketing difficulties would be inevitable, for the Swiss apricots arrive on a market already amply supplied with imports, and at a time when competition from imported substitute fruit, especially peaches, is particularly keen.
- (3) The subsidies paid to promote the utilization of surpluses without distillation are intended mainly for manufacturers of concentrated fruit juice. The granting of these subsidies is conditional on adherence to the target prices fixed by the Federal Council for the fruit in question.

In addition, export subsidies may be granted in particular cases in order to safeguard exports of fruit and concentrated juice to traditional markets.

(iii) Amount of subsidy

Sw F '000

(1)	Transformation of fruit-growing	1977/78	777
		1978/79	759
		1979/80	815
(2)	Subsidies to promote the consumption of fruit		
	(a) Information and advertising	1977/78	2,538
		1978/79	2,189
		1979/80	2,145
	(b) Supply of fruit at reduced prices to persons with low incomes or living in mountain areas	1977/78	853
		1978/79	430
		1979/80	552
	(c) Disposal of apricots	1978	1,247
		1979	850
		1980	1,007
(3)	Subsidies for the utilization of surpluses of various fruits	1977/78	3,067
		1978/79	3,053
		1979/80	19,477

(iv) Amount per unit.

The subsidies to reduce the price of fruit for the needy and for persons living in mountain areas have fluctuated on the average between 15 and 26 centimes per kilogramme.

The subsidies for apricot disposal have varied between 20 and 22 centimes per kilogramme during the period of report.

The amount per unit of the other subsidies cannot be shown because it varies too widely with conditions and with the market situation.

2. Effect of subsidy

(i) The main effect of the subsidies is to ensure, to a much greater extent than formerly, that the pip-fruit crop can be used for purposes other than the production of alcohol. As per capita consumption of fruit is very high in Switzerland, domestic production of dessert fruit covers only 45 to 55 per cent of the country's requirements, according to the year.

(ii) Production, imports, exports and consumption of fruit (excluding fruit for cider and for distilling)¹

(1) Fresh fruit

(thousands of tons)

<u>Year</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u>
1976/77	263	287	2	547
1977/78	267	296	8	556
1978/79	253	298	3	548

(2) Fruit juice, pulp, preserved and dried fruits

1976/77	79	80	11	168
1977/78	92	79	14	174
1978/79	120	86	10	181

XI. Wine, grape juice, dessert grapes

1. Nature and extent of the subsidy

(i) Legal basis and legislative provisions

- Agriculture Act of 3 October 1951;
- Federal Order of 22 June 1979 instituting measures in favour of viticulture;
- Wine Statute of 23 December 1971.

¹ The figures for 1979/80 are not yet available.

Grape-growing is restricted to the areas suitable for wine production, as determined by the vineyard survey. Outside that area the planting of new vines is prohibited; within the area permission must be obtained.

Subsidies have been granted for the following measures aimed at encouraging disposal of the harvest:

- (1) Advertising of grape juice and dessert grapes (halted with effect from 1 January 1980);
- (2) Promotion of domestic wines in foreign markets;
- (3) Non-alcoholic use of grapes (grape juice and dessert grapes).

These measures are financed out of the vineyard fund, which is constituted from the proceeds of a charge of Sw F 8.00 per quintal on wine imported in casks and of the additional customs duty levied on imports of red wine in bottles in excess of a certain quantity.

(ii) Incidence

- (1) and (2) The contributions to the promotion of domestic wines in foreign markets have been paid to the Society of Swiss Wine Exporters and to the exporters.
- (3) Subsidies for the non-alcoholic use of grapes are granted to traders and to manufacturers of grape juice on condition that they pay the fixed prices to the producer. These subsidies must ultimately be passed on to the consumer.

(iii) Amount of subsidy

		Sw F '000
(1)	Advertising to promote consumption of dessert grapes and grape juice	1978 248 1979 229 1980 -
(2)	Expenditure to promote domestic wines in foreign markets	1978 1,071 1979 1,278 1980 1,813
(3)	Non-alcoholic use of grapes:	
	(a) Grape juice	1978 36 1979 133 1980 62
	(b) Dessert grapes	1978 92 1979 229 1980 68,000

(iv) Amount per unit

(1) Advertising: impossible to determine the amount per unit.

(2) Non-alcoholic use of grapes:

(a) Grape juice	1978:	0.59 frs. per litre
	1979:	0.59 frs. per litre
	1980:	0.67 frs. per litre
(b) Dessert grapes	1978:	0.42 frs. per kg.
	1979:	0.38 frs. per kg.
	1980:	0.38 frs. per kg.

2. Effect of subsidy

(i) The subsidies for advertising and for the non-alcoholic use of grapes assist in the disposal of the harvest of certain types of grapes (Americano from the Tessin). In particular they make it possible to reduce consumer prices of these grapes or of the juice extracted from them.

(ii) Production, imports, exports and consumption

<u>Year</u>	<u>Production</u>	<u>Imports</u>	<u>Exports</u>	<u>Consumption</u> ¹
<u>Wine</u>	hl	hl	hl	hl
1978	778,093	1,826,884	7,778	2,849,554
1979	1,108,343	1,884,743	6,910	2,873,581
1980	842,005	2,037,214	9,502	2,983,607
<u>Grape juice</u>				
1978	2,476	135,420	9,432	134,653
1979	3,860	132,914	9,440	144,426
1980	1,704	118,514	8,288	107,616
<u>Dessert grapes</u>	t	t	t	t
1978	285	37,419	8	37,704
1979	610	34,335	17	34,945
1980	250	34,090	12	34,340

¹ Consumption is calculated on the basis of the vineyard year (1 July to 30 June).

XII. Processed agricultural products

(a) Nature and extent of the subsidy

(i) Background and authority

- Articles 28 and 31 bis of the Federal Constitution
- Federal Law of 13 December 1974 on the import and export of processed agricultural products.

In order to place the Swiss foodstuffs industry on an equal footing with foreign competitors in respect of the cost of agricultural commodities used in the preparation of processed products, the above-mentioned law authorizes Switzerland:

- to charge variable elements on imports
- to grant contributions on exports

The contributions on exports as well as the variable elements on imports are calculated periodically on the basis of the difference between Swiss and foreign prices of agricultural commodities.

(ii) Incidence

The contributions on exports have been granted since 1 June 1976 for the following agricultural commodities:

- dairy products
- preserved eggs
- cereal products
- sugar and molasses

when they are exported in the form of processed foostuffs, such as chocolate, biscuits, infant food, confentionery, macaroni, spaghetti and the like, soups, sauces, etc.

(iii) Amount of subsidy

For the past three years, the amount of the contributions to exports paid for each of the four agricultural commodity categories mentioned above has been as follows:

	<u>1978</u>	<u>1979</u>	<u>1980</u>
	(Sw F '000)		
Dairy products	11,200	11,846	16,763
Cereal products	2,311	2,167	1,779
Preserved eggs	305	363	368
Sugar and molasses	6,326	4,730	5,173

(iv) Amount per unit

The contributions to exports are calculated and fixed each month¹ for each of the principal agricultural commodities used by the foodstuffs industry on the basis of the difference between Swiss and foreign prices. The amount per unit of processed product also depends on the quantities of agricultural commodities used in preparing the goods exported.

2. Effect of subsidy

(i) The subsidy allows Swiss undertakings to be placed, on foreign markets, in the same competitive conditions as foreign undertakings in respect of the cost of purchasing the principal agricultural commodities.

(ii) Production, imports, exports and consumption of the principal processed agricultural products

(Biscuits, infant food, chocolate, soups and sauces, macaroni, spaghetti and the like, sugar confectionery)

<u>Year</u>	<u>Production</u>	<u>Imports</u> ('000 tons)	<u>Exports</u>	<u>Consumption</u>
1978	203	34	49	188
1979	206	35	52	189
1980	226	40	63	203

¹Publication in the Feuille officielle suisse du commerce

PART TWO: INDUSTRY

For the sake of completeness, the Swiss Government notifies below the subsidies granted in the industrial sector during the financial years 1978/1979/1980. In view of their limited financial impact, these subsidies have had very small economic repercussions. The first two are intended to reduce the economic difficulties which arose as a result of the recession during the second half of the 1970s and are therefore temporary. The Swiss Office for Development of Trade (OSEC) is a permanent institution, but it has recently been reactivated. Lastly, it may be pointed out that the encouragement of Swiss film production is not really an economic, but a cultural objective.

A common characteristic of the subsidies is their general purpose. They are not designed to promote a specific product or category of products. It is therefore impossible to break down the total amount of a subsidy by units of production. Hence, in what follows no attempt has been made to calculate amounts per unit.

I. Financial assistance to areas whose economy is threatened

1. Nature and extent of the subsidy

(a) Basis and legislation

At the beginning of 1975, the Swiss economy suffered a substantial recession. Areas heavily dependent on certain branches of industry were particularly affected by a severe deterioration of the economic situation. In order to reduce the excessive uniformity of certain regional economic structures, so as to avoid, if possible, dependence of the employment market on a single branch of industry, the Confederation gives additional financial assistance to encourage the carrying out of economic projects in the private sector designed to create and maintain employment in areas whose economy is threatened.

The legal provisions are laid down in the Federal Order of 6 October 1978, instituting financial assistance for areas whose economy is threatened.

(b) Incidence

This federal assistance is intended to benefit the areas whose economy is threatened.

Such areas are considered to be:

- (i) those whose economy is centred on a single branch of industry, and
- (ii) those in which there has been, or is expected to be, a great reduction in the number of jobs, or which have severe unemployment, or which are threatened with imminent unemployment.

Federal assistance may be granted to all artisanal or industrial undertakings, Swiss or foreign, for projects which, in areas having a threatened economy, make it possible:

- (i) to continue to develop their products or to adopt new manufacturing processes and new distribution programmes, in order to adapt to the trend of the market and the possibilities it offers;
- (ii) to start up the manufacture and marketing of new products;
- (iii) to establish undertakings in branches of production which are not represented, or too little represented, in the area.

Financial assistance is allocated in the form of:

- (i) sureties to guarantee investment loans;
- (ii) contributions to the servicing of loans granted by banks;
- (iii) tax reductions.

For the Confederation to be able to guarantee up to one third of the total cost of a project, the following conditions must be satisfied:

- the capital invested by the undertaking itself must cover a reasonable proportion of the total cost of the project;
- a bank must advance, on the usual terms offered on the market, the credits needed to finance the project, and give an interest rate reduction of at least one quarter of the usual commercial rate on the guaranteed part of the loan;
- the canton in which the project is carried out must assume responsibility for half of any losses under the guarantee.

Surety obligations may be contracted for ten years at the most. The participation of the Confederation in servicing the guaranteed part of the loans, and the tax reductions provided for in the above-mentioned Federal Order, are of an exceptional and subsidiary nature.

(c) Amount of subsidy

Under the Order, surety obligations contracted by the Confederation may not exceed Sw F 250 million. In addition, to finance the contribution to loan service, a programme credit of Sw F 30 million has been opened.

Assistance by the Confederation breaks down as follows:

	<u>1979</u>	<u>1980</u>
	(million francs)	
- Total amount of credits guaranteed	9.6	31.4
- Effective provision to cover losses	0	0
- Contribution to loan service	0	0.044

(d) Estimated amount per unit

See introduction.

2. Effects of the subsidy

Evaluation of quantitative effects of the subsidy on trade

By reason of their nature, these measures will produce their full effects only in the medium and long term. It may already be noted, however, that they have helped to maintain several hundred jobs and to create about 1,000 jobs in areas whose economy is threatened.

II. Measures designed to reduce economic difficulties

1. Nature and extent of the subsidy

(a) Basis and legislation

In view of the abrupt deterioration in the general economic situation and massive increase in the value of the Swiss franc, the strengthening of foreign competition and the rapidity of technological changes, the Confederation adopted, in 1978, a number of measures designed to reduce the economic difficulties of Swiss industry. The only object of these measures is to induce those concerned to take the initiative, since the growth of the Swiss economy ultimately depends on the spirit of initiative and capacity for innovation of undertakings.

The legal provisions are laid down in the Federal Order of 13 December 1978 allocating additional credits to reduce economic difficulties.

(b) Incidence

The measures adopted for the promotion of exports may be divided into two groups: the first group concerns the promotion of collective publicity for industrial exports, including :

- contributions to the Association for the Promotion of Swiss Textile Exports, to enable it to intensify its advertising campaigns abroad;

- contributions for implementation of selective measures to help other branches of industry which have special difficulties;
- contributions for the preparation of detailed documentation on the various branches of industry, to improve the information available concerning them.

The second group of measures concerns technological development and training, including, in particular:

- evaluating and ensuring the reliability of electronic components;
- advice and training on "software" for systems development and process controls;
- a common programme for perfecting electronic watch parts;
- research and development centred on practice;
- access to data-banks;
- energy saving in building.

For financing of these measures, credits amounting to Sw F 71.2 million have been opened for a maximum of four years.

Professional associations, artisanal and industrial undertakings and private persons may benefit from these measures.

(c) Amount of subsidy

The amount of the subsidies granted is as follows:

1979	1980
(million Francs)	
12.1	16

(d) Estimated amount per unit

See introduction.

2. Effects of subsidy

Evaluation of quantitative effects of the subsidy on trade

The measures are designed mainly to improve general conditions; it is therefore impossible to quantify their effects. In view of the small financial impact of these measures, their effects on trade can only be very slight.

III. Contribution to the Swiss Office for Development of Trade (OSEC)1. Nature and extent of the subsidy(a) Basis and legislation

The Swiss Office for Development of Trade (OSEC) is a private law institution in which trade, industry and the Federal authorities have joined together to develop and expand economic relations between Switzerland and foreign countries, and to promote the export of Swiss products and services, with a view to maintaining full employment and, in general, promoting awareness of Switzerland abroad.

The legal provisions are laid down in the Federal Law of 3 October 1975 as amended on 15 December 1978, allocating a contribution to the Swiss Office for Development of Trade.

(b) Incidence

The activities of OSEC are as follows:

- (i) tasks especially concerned with the image and influence of Switzerland, such as special publications on Switzerland, press services, facilities granted to foreign journalists, visitors services, etc.;
- (ii) tasks designed to promote economic and trade relations with foreign countries, such as the organization of exhibitions and Swiss participation in international fairs and exhibitions, special advertising campaigns abroad, provision of documentation and information on the Swiss economy, documentation on foreign countries, exploratory journeys, etc.

The expenses of the Swiss Office for Development of Trade are financed by the members, including the Confederation, which pays contributions, and by the receipts from services provided.

The Confederation allocates to the Swiss Office for Development of Trade an annual contribution of Sw F 3.9 million, which the Federal Council may increase by one million and, for the years 1979 to 1982, Sw F 5.5 million, if the economic situation so requires.

(c) Amount of subsidy

The total contribution allocated by the Confederation to the Swiss Office for Development of Trade was as follows:

<u>1978</u>	<u>1979</u>	<u>1980</u>
(million francs)		
4.73	10.4	7.6

(d) Estimated amount per unit

See introduction.

2. Effects of subsidy

Evaluation of quantitative effects of the subsidy on trade

As the activities of the Swiss Office for Development of Trade (OSEC) are designed to encourage Swiss exports in general, it is impossible to quantify their effects.

IV. Encouragement of Swiss film production

1. Nature and extent of the subsidy

(a) Basis and legislation

The object in view is not of an economic, but of a cultural nature. The main purpose is to ensure the continuation of Swiss film production and enable it to make long scenic films, documentaries and cultural and educational films of high quality, which have some value from the point of view of culture and general policy.

The relevant legal provisions are laid down in the Federal Law of 28 September 1962 on the cinema.

(b) Incidence

The Confederation may encourage the production of Swiss films of value, in particular by:

- (i) contributions and other assistance in meeting the cost of film production;
- (ii) bonuses for high quality films;
- (iii) contributions to the operating costs of Swiss film studios;
- (iv) granting of fellowships to provide or complete the professional training of cinematograph personnel.

Each year, the budget of the Confederation fixes a maximum amount for the promotional measures. The Federal Council allocates subsidies within the limits of this maximum after consultation with the Federal Cinema Commission and the "Pro Helvetia" Foundation.

(c) Amount of subsidy

The total amount of subsidies granted is as follows:

<u>1978</u>	<u>1979</u>	<u>1980</u>
(million francs)		
2.85	3.2	3.2

(d) Estimated amount per unit

The amount granted for each film varies considerably, according to its nature, category and length. Consequently, calculation of an amount per unit would be meaningless.

2. Effect of the subsidy

In view of the limited financial means available to the Confederation for subsidizing Swiss film production, there can be no question of trying to promote or develop this industry. The aim is rather to offset, to some extent, the difficulties encountered in producing films in a small country where four languages are spoken. Swiss production has remained very marginal; it varied between twelve and fifteen films a year in the period under consideration. On the other hand, imports amounted to 560 films in 1978, 579 in 1979 and 669 in 1980.

