The products which come under the common agricultural policy will henceforth be the object of a set of measures whose application is governed by the obligations of the Community. The Commission of the EEC will transmit a communication concerning these products.

Indirect assistance to exports of agricultural products

Exports of agricultural products are granted reduced freight rates for carriage by rail over national systems.

I. Nature and extent of the subsidy

The relevant regulations and tariffs for the carriage of goods on State railway systems provide the following facilities:

- Special Tariff No. 251: over land

This tariff provides for a reduction of the ordinary tariff, varying from 10 to 30 per cent according to the nature of the goods and the distance covered.

- Special Tariff No. 252: by sea

This tariff provides for a reduction of the ordinary freight rates by 10 per cent for distances not exceeding 200 km. and 15 per cent for distances exceeding 200 km.

Purpose of subsidy

The institution and maintenance of a sliding scale of reductions according to the distance covered are justified by the geographical characteristics of the country, for production centres of many export products (citrus fruit, grapes, etc.) are at a considerable distance from the frontier transit point.

Such reductions are part of the Government's present policy for developing employment and resources in the less-developed areas.

1See document L/1948/Add.14.
Amount of subsidy

No precise indication can be given as to the total amount of the reductions granted to exports of the products concerned, since it varies according to the quantity actually exported.

II. Effect of subsidy

The reductions at present granted for exported agricultural products are limited in effect since the freight costs within national territory generally amount to a very small percentage (10 to 18 per cent) of the total freight costs incurred for delivery to consumer markets abroad.

In practice, the assistance in question represents an average of 1 per cent of the delivery price of the exported product.