

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## MARKETING OF BUTTER IN THE UNITED KINGDOM

### Request by the Government of New Zealand for a Multilateral Consultation under the Provisions of Article XXV:1

The following communication dated 20 March 1961 has been received from the New Zealand Government for consideration by the Council on 24 March:

"During recent months the New Zealand Government has become increasingly concerned over the difficulties being encountered by New Zealand in the marketing of butter, one of New Zealand's principal export products. Between September 1957 and April 1958 the price of New Zealand butter in London fell from 310 shillings per hundredweight to 206 shillings per hundredweight. The price subsequently recovered and as a result of exceptional climatic conditions in Europe in 1959 reached 410 shillings per hundredweight in November 1959. Since that time it has continued to fall and is now 250 shillings per hundredweight. The present price, when compared with prices ruling for butter in almost all countries, cannot be regarded in any circumstances as an economic price.

"The present prospects for supplies to the London market offer little hope of improvement in prices if no action is taken. The United Kingdom market is especially important to New Zealand as the United Kingdom is virtually the only major consuming country which does not impose restrictions on butter imports. The New Zealand dairy industry has been developed over the past half-century as a major export industry and its products, especially butter, represent an important proportion of New Zealand's total export earnings. The difficulties experienced in the marketing of butter have contributed to a worsening of our balance of payments position and make it difficult to maintain the level of imports from industrial countries, which are essential to the development and expansion of our economy.

"In these circumstances, the New Zealand Government having regard to the recommendations<sup>1</sup> of the Working Party on commodities in paragraph 7 of its report L/930 adopted by the Contracting Parties on 22 November 1958, and in paragraph 35 of its report L/1103 adopted by the Contracting Parties on 20 November 1959, requests the Contracting Parties pursuant to the

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<sup>1</sup>BISD, 7C/44 and 8S/84.

provisions of Article XXV paragraph (1), to arrange a multilateral consultation with interested importing and exporting countries. The New Zealand Government would like this request to be considered by the Council at its meeting on 24 March with a view to the consultations being convened at the earliest possible date.

"The New Zealand Government believes that such a multilateral consultation would be materially assisted by taking into account the work already undertaken and recommendations made by the OEEC in this matter."