

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

LONGER-TERM SOLUTIONS TO BUTTER MARKETING PROBLEMS

Note from the New Zealand Delegation

1. The New Zealand delegation proposed during the recent Council meeting that an item be included on the Agenda of the nineteenth session - "Longer-Term Solutions to Butter Marketing Problems". It will be recalled that during the Article XXV Consultation on Butter in April this year it was agreed that both importing and exporting countries should adopt certain principles in relation to the production and marketing of butter with particular emphasis on increasing the effectiveness of measures designed to stimulate consumption and reducing the effectiveness of those measures which tend to stimulate production to a level which can be disposed of only with the assistance of domestic and export subsidies. In the New Zealand view these principles are not yet being generally and effectively applied, although some countries appear to have recognized that the need for action along these lines cannot long be delayed.

2. New Zealand in proposing this item intended to suggest to the CONTRACTING PARTIES that further consideration should be given to such longer-term aspects as domestic price and consumption policies of the countries principally concerned. This remains the intention, but some contracting parties may wish to have a little more time to reflect on the implications of this suggestion and the New Zealand delegation is therefore prepared to suggest deferment of consideration of this item until the next session of the CONTRACTING PARTIES or until an earlier meeting of the Council, if the latter alternative appears desirable.

3. This suggestion of deferment in no way detracts from New Zealand's view that a solution to longer-term butter marketing problems must be found. The problem is of major importance to New Zealand and an agreement on measures to meet it remains an objective of highest priority.

4. The Netherlands delegation, which joined with New Zealand in proposing this item, has been consulted and agrees to its deferment.