Mr. Jens Christensen, Denmark, explained the reasons why he had requested the inclusion of this matter on the agenda of the Intersessional Committee. In recent months eggs, in particular, and also cattle and potatoes had been exported from the United Kingdom to Continental markets. These exports reflected the great expansion of United Kingdom agricultural production generated by internal subsidies. Up to 1954, he said, the United Kingdom had been the main market for exports of Danish eggs. Today there were practically no exports of Danish eggs to the United Kingdom. On the contrary, there was a surplus of United Kingdom eggs for export. In recent months, he said, United Kingdom eggs had been sold on the German market on a scale equal to the quantities offered from Denmark. These subsidized low-priced eggs from the United Kingdom naturally had a depressing effect on egg prices in third markets. Although there had recently been a small reduction in the guaranteed price for United Kingdom eggs, British egg producers were still being paid more than twice the world market price for eggs, he said. The average guaranteed price for 1957/1958 amounts to 4s. 1/2d. per dozen. As regards United Kingdom exports of cattle and potatoes he was content, for the moment, to see how these would develop. But as far as eggs were concerned the Danish Government had no alternative but to ask for the matter to be discussed under the terms of Article XVI, with a view to prohibiting or restricting the export of subsidized eggs.

Baron C. L. Bentinck, Netherlands, said that his country was in the same position as Denmark as a large supplier. He considered that the sudden increase in United Kingdom egg production was partly due to the mild winter and partly to the price guarantee system. Today the United Kingdom was exporting eggs at far below production costs. United Kingdom exports of eggs to Germany had completely upset this market for Netherlands eggs. He supported the Danish request to urge the United Kingdom to take measures to prevent exports to Europe on a subsidized basis.

The Danish proposal was also supported by the representatives of the Federal Republic of Germany, Belgium and Sweden.

Mr. C. W. Sanders, United Kingdom, assured the Intersessional Committee and the Danish and Dutch representatives, in particular, that his Government was very sensitive to their concern about the possibility of the sustained entry of United Kingdom eggs into the export trade on a scale which might be damaging to their export interests. The United Kingdom had no deliberate
intention of subsidizing agricultural production for export. There were various exceptional circumstances, including the mild winter, which had contributed to the heavy production of eggs in the United Kingdom. But the sharp increase in egg production over the past year had been a matter of concern to the United Kingdom Government, and Ministers had therefore decided to make the reduction in the guaranteed price, mentioned by the Danish representative. In addition the seasonal reduction in the guaranteed price had now taken effect. The United Kingdom Government had assured the Danish Government that they would consider urgently what remedial action might be appropriate if, in the future, exports reached - and seemed likely to continue at - the level calculated to cause serious prejudice to Danish exporting interests. But for various reasons the United Kingdom Government felt that this was unlikely. Apart from the general and seasonal reductions in the guaranteed price referred to, egg consumption at home was increasing and was being encouraged, and there was in fact evidence that in the last week or two exports of eggs had ceased. His most recent information was that there had been an upward movement in the domestic price. Nevertheless, the United Kingdom Government would continue to watch the situation closely, while maintaining its bilateral contacts with the Danish Government.

Mr. Christensen said that he was not content to leave the matter solely to further bilateral contacts. He did not feel convinced that the United Kingdom exports would not continue and emphasized that the trend since 1954 indicated that the United Kingdom production of eggs had still been increasing. The seasonal reduction of the United Kingdom subsidy would necessitate an increase later in the year. He asked that the circumstances under which the United Kingdom would take action should be clearly defined.

The Intersessional Committee, having heard the complaint raised by the Danish Delegation and supported by the Delegations of the Netherlands, Belgium, Germany and Sweden, concerning the export of subsidized eggs from the United Kingdom, and taking into consideration the view of these Governments that the continuation of these exports would be a matter of serious concern to them, decided to recommend:

(i) that the discussions with the United Kingdom Government pursuant to Article LVI should be continued;

(ii) that the United Kingdom Delegation should report to their Government the views expressed at this meeting together with the Committee's recommendation that these views be taken fully into account in the determination of future policy.

The Committee also appointed a panel to examine this complaint if at any time it is reported to the Executive Secretary that the discussions with the United Kingdom Government have not led to a satisfactory settlement of the matter.