IRISH ATTITUDE TO DANISH AND NEW ZEALAND APPLICATIONS FOR ANTI-DUMPING AND COUNTERVAILLING DUTIES

1. The situation in the British butter market is of great concern to Ireland, which has been supplying butter to the United Kingdom for over a century.

2. Ireland's exports to the British market and her share of that market in recent years has been less than pre-war. In the post-war years prior to 1956/57 conditions on the British market were abnormal and rapidly rising home consumption absorbed the bulk of production in Ireland.

3. The most significant increases in imports to Britain compared with pre-war have been from New Zealand, Latin America and Eastern Europe. New Zealand has increased her share of the market from 23 per cent pre-war to 40 per cent in 1958 and 1959 and 36 per cent in 1960. The Irish authorities consider that countries which have increased their deliveries of butter compared with pre-war to a market which has not expanded have contributed substantially to present difficulties.

4. Irish exports have been carefully restricted in accordance with recent recommendations of the OEEC and GATT. The bulk of exports go to local markets in Northern Ireland. The quantities going to Great Britain are extremely small and any effect on London price quotations must be insignificant. Moreover Ireland has so far refrained from following recent price reductions made by other countries.

5. Ireland's milk production is based almost entirely on grass. The price paid for milk is about the lowest in Europe. Milk production is integrated with beef production and the scope for further orientation away from dairying (in accordance with the generally accepted recommendations for solving the problems of the dairy industry in the long term) is limited. An element of stabilization in the price of milk is essential. The subsidy to butter which this involves is paid unambiguously by way of State subvention through recoupment of export losses in which the producer participates.

6. The Irish authorities are satisfied that recent prices on the British market have not been sufficient to cover costs of production in any country and that all exporters to the British market are supporting their exports in one way or another. They are aware, for example, that the price charged for butter sold on the Danish home market exceeds the price at which it is sold for export. They also understand that certain funds have been provided by the New Zealand Government to assist butter exports from that country. The Irish authorities consider, however, that a solution to the basic problem of equating supply and demand in the dairy products market cannot be found in resort to anti-dumping or countervailing procedures in one of the dairy products. The current conditions in the international market are a serious threat to the whole Irish economy, affecting as they do the welfare of the cattle and dairying industries. If therefore it is intended to seek remedies through anti-dumping procedures, the Irish authorities will have no option but to consider invoking corresponding action to protect their own interests.