

No. 7068

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**NEW ZEALAND  
and  
UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND**

**Exchange of letters recording an agreement relating to the  
import of butter into the United Kingdom. London,  
15 May 1963**

*Official text: English.*

*Registered by New Zealand on 14 January 1964.*

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**NOUVELLE-ZÉLANDE  
et  
ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD**

**Échange de lettres constituant un accord relatif à l'impor-  
tation de beurre au Royaume-Uni. Londres, 15 mai 1963**

*Texte officiel anglais.*

*Enregistré par la Nouvelle-Zélande le 14 janvier 1964.*

No. 7068. EXCHANGE OF LETTERS RECORDING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF NEW ZEALAND AND THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND RELATING TO THE IMPORT OF BUTTER INTO THE UNITED KINGDOM. LONDON, 15 MAY 1963

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I

*The Right Honourable Duncan Sandys, Secretary of State for Commonwealth Relations, to The Honourable J. R. Marshall, Deputy Prime Minister of New Zealand*

COMMONWEALTH RELATIONS OFFICE

London, 15 May 1963

Dear Minister,

I refer to the Trade Agreement signed by the New Zealand and United Kingdom Governments at Wellington on 12th August 1959,<sup>2</sup> under which the United Kingdom Government have an obligation to afford to New Zealand butter a margin of preference of not less than 15/-per cwt.

2. In connection with the proposals of the member states of the European Free Trade Association for an acceleration of the timetable for the reduction of tariffs within the Association, I am writing to record the understanding of the United Kingdom Government that, in consideration of the assurances set out in the following paragraphs of this letter, the New Zealand Government agrees that the United Kingdom Government is free, notwithstanding the obligations in the Trade Agreement, to suspend the tariff on all butter imported into the United Kingdom for the duration of the present system of the imposition of quotas on imports of butter.

3. The United Kingdom Government assure the New Zealand Government that :

*First*, the United Kingdom Government fully accept their obligations under Article 13 of the 1959 Trade Agreement, under which the United Kingdom Government agree to consider taking action, consistent with their own legislation and with their international

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<sup>1</sup> Came into force on 15 May 1963 by the exchange of the said letters.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 354, p. 161.

obligations, to remedy material injury or to prevent threatened material injury due to the competition of dumped or subsidised exports from third countries. The United Kingdom Government recognise that such action could take the form of anti-dumping or countervailing duties.

*Second*, the United Kingdom Government recognise the value to New Zealand of Article 13 of the 1959 Trade Agreement which has been demonstrated by the action already taken in applying the present system of quotas to imported supplies of butter.

*Third*, the United Kingdom Government have no intention of removing import restrictions on butter so long as the circumstances on account of which they were imposed remain. The United Kingdom Government moreover undertake that they would consult the New Zealand Government if they were proposing to change the present system of import restrictions and recognise that Article 13 of the 1959 Trade Agreement will remain as a basis for any future discussion of this and any related issues.

*Fourth*, so long as import restrictions on butter are maintained the United Kingdom Government will consult with the New Zealand Government each year about the total quantity of butter that will be allowed to be imported into the United Kingdom during the following year.

*Fifth*, the United Kingdom Government will continue to allocate to New Zealand not less than its present proportionate share of the total permitted imports of butter, and (except as may be agreed by the New Zealand Government) a minimum of not less than the quantity allowed to be imported from New Zealand under the existing quotas.

*Sixth*, the United Kingdom Government do not intend to depart from their present policy of not encouraging the expansion of milk production in the United Kingdom for manufacturing purposes.

*Seventh*, the United Kingdom Government's request for a waiver of the margin of preference provided by the 1959 Trade Agreement is confined to butter, and is not extended to cheese.

4. I would be grateful for your confirmation that the understanding of the United Kingdom Government as set out in the foregoing paragraphs is agreed by the Government of New Zealand.

Yours sincerely,

Duncan SANDYS

## II

*The Honourable J. R. Marshall, Deputy Prime Minister of New Zealand, to  
The Right Honourable Duncan Sandys, Secretary of State for Commonwealth  
Relations*

NEW ZEALAND HIGH COMMISSION

London, 15 May 1963

My dear Secretary of State,

I am writing to acknowledge the receipt of your letter of today's date which reads as follows :

[See letter I]

2. I have pleasure in confirming that the understanding of the United Kingdom Government is agreed by the Government of New Zealand.

Yours sincerely,

J. R. MARSHALL