(2) Tariff concessions are granted in respect of the following goods upon importation into South Africa from New Zealand: Butter, cheese, cornflour, other farinaceous foods and cereals (other than oatmeal and rolled oats) hops (in bulk), meats (fresh, frozen, salted, or cured), other meats (except bacon and ham). On butter the rate under the reciprocal arrangement is 2d. per lb., as against the general rate of 2¼d. per lb., and on cheese the rate is 25 per cent. or 5½d. per lb. (whichever is the greater), as against the general rate of 30 per cent. or 6d. per lb.

(3) The arrangement continues in force until the requisite notice of termination is given by either party.

(e) Belgium.

(1) A Trade Agreement was entered into between New Zealand and Belgium in 1933 and this was ratified in New Zealand by the Trade Arrangement (New Zealand and Belgium) Ratification Act, 1933, and came into force on the 16th December, 1933.

(2) Under the arrangement Belgium agreed to admit the following products of New Zealand origin at rates not higher than those set out in the agreement: Cheese, fats and greases from neat cattle, sheep and goats, hides and skins, wool, apples, *Phormium tenax*, and yarns of *Phormium tenax*. Further, Belgium undertook to admit New Zealand goods, other than those enumerated in the arrangement, on importation into Belgium, at rates not higher than those chargeable on similar goods from any other country. New Zealand Cheddar cheese is taxed at the rate of 72 francs per 100 kilos (7s. per cwt.) and in addition there is a turnover tax of 5 per cent.

(3) New Zealand, on the other hand, agreed to admit the following commodities on importation from Belgium at rates not higher than those specified in the agreement: Matches and vestas, boot and similar laces, floor-coverings, textile piece-goods (namely, moquette, tapestry, and tickings), rubber tires, glass (sheet, common window, or plate), glassware, sensitized surfaces, and albumenized paper, vegetable parchment paper, firearms and fittings therefor, lead and zinc (bars, rods, foil, &c.), and manures. New Zealand also undertook to grant to Belgium the same treatment in matters of commerce, Customs, and navigation as is or may be accorded to the most favoured foreign country.

(4) The agreement is to continue in force until the expiration of six months from the date on which either Government shall have given to the other notice of revocation of the arrangement.

APPENDIX VI.

LEGISLATION AFFECTING BUTTER IN CERTAIN EXPORTING COUNTRIES.

(The information concerning Denmark, Estonia, Finland, Latvia, Netherlands, Sweden, and Switzerland has been obtained from *Dairy-produce Supplies in 1933*, prepared in the Intelligence Branch of the Imperial Economic Committee, and from the weekly "Dairy-produce Notes" prepared by that Committee.)

The low prices to which butter and other dairy-products have fallen during the past few years, accentuated by Government action in importing countries, have called forth Government aid to the industry in exporting countries. This aid has taken different forms, either a direct subsidy or bounty, or a raising of the price to producers by a tax on domestic consumption. In the following section are enumerated the more important of these measures adopted by certain exporting countries within the past year or two. The information relates only to dairy-produce, generally butter, and does not include references to other forms of aid to agriculture as a whole, or which might benefit milk-producers indirectly.

Denmark.

No direct aid was granted to the Danish dairy industry as such until near the end of 1933, although the varying prices obtained for butter on different export markets were equalized by means of a pooling arrangement.

A series of Orders, which came into force on 13th December, 1933, provided for the levying of a tax of 35 ore per kilogram on butter sold on the home market, so long as the Copenhagen quotation was between 1·75 kr. and 2·15 kr. per kilogram. When the quotation dropped below 1·75 kr., the tax was increased by the amount by which it dropped below that figure, and, similarly, if above 2·15 kr. the tax was reduced by the amount by which it was above 2·15 kr., ceasing to operate when the quotation touched 2·50 kr. The levies were to be paid into a special fund and distributed to farmers in proportion to the utilization of gross fodder production, 90 per cent. being based on milk-production.

Simultaneously, provision was made for the levying of a tax of 30 ore per kilogram on all oils and fatty substances used in the manufacture of margarine (but excluding lard and tallow) and an import duty of similar amount was imposed on imported fats and oils of this nature. An import duty of 25 ore per kilogram was imposed at the same time on imported margarine and margarine cheese. The proceeds of the tax on margarine were to be passed to the Treasury, but a proportion of the sums collected has been used for the purpose of purchasing margarine and beef for the poor.

In the first sixteen weeks of the operation of the scheme (15th December, 1933, to 5th April, 1934) the levy collected on butter sales amounted to approximately 4,500,000 kroner. The extent of the levy, being the difference between the Copenhagen quotation and 2·10 kr., was as follows in four-weekly periods: 43 ore, 74 ore, 59 ore, and 67 ore per kilogram. The funds were utilized in the manner outlined above.

A further scheme to stabilize butter prices was prepared early in the present year. The object was to relieve the market at critical periods of any surplus above ordinary requirements, such quantities of butter being placed in cold store and disposed of on the home market. A fund of 2,000,000 kr. was set up, one-half subscribed by the co-operative and private exporters and the other half from the Butter Quota Fund.