Dairy Industry Stabilization Account

It is agreed that each year the balance of the Dairy Produce Account will be transferred to the Dairy Industry Stabilization Account and all credits for produce sold to the United Kingdom and to other purchasers above the level of 117/- per cwt. of butter and 73/- per cwt. of cheese (sterling) will be paid to this Account.

It is further agreed that for the 1946/47 season the Dairy Industry Stabilization Account will not be charged with dairy cost allowances and subsidies in respect of butter and cheese sold on the local market. It is agreed that the credit for the 1946/47 season in the Butter Equalisation Account will be applied in abatement of the State's liability on account of dairy cost allowances and subsidies in respect of butter and cheese sold on the local market.

Meat Industry Stabilization Account

The arrangements respecting the Meat Pool and Meat Stabilization Accounts will conform to the principles, set out in the letter addressed by the Right Hon. the Prime Minister to the Chairman of the Meat Board on 20th November, 1944, the appropriate quotation being as follows :—

> " It is considered desirable that both the Meat Pool Account and the Meat Stabilization Account should remain within the Meat Industry Account as at present, but the whole of the proceeds from the recent increase in the prices of meat to be paid by the United Kingdom Government will be credited to the Meat Industry Stabilization Account and will be conserved exclusively for the Industry, subject of course to such debits against the account as are contemplated in the Government's agreement with the Farmers' Federation of the 18th June, 1943. All accretions to the Meat Pool Account will continue as in the past and no charges other than those already operative will be made against it except in agreement with the New Zealand Meat Producers' Board. This arrangement would have to be subject to review, in the event of the resources of the Meat Industry Stabilization Account being insufficient to meet charges against that account. I would stress again that the balance finally remaining in the Meat Pool Account and the Meat Industry Stabilization Account belong to and shall be held for the benefit of the Industry."

It is understood that these principles will also apply to increases granted by the United Kingdom Government for the 1946/47 season, and it is further agreed that no payments will be made out of the Meat Pool Account and Meat Industry Stabilization Account, except in agreement with the New Zealand Meat Producers' Board.

It is agreed that for the 1946/47 season the Meat Industry Stabilization Account will not be charged with any allocation in respect of the subsidy paid to retail butchers. Credits arising from the sale of offals, hides, pelts, etc. in respect of meat used for local consumption shall not accrue to the benefit of Meat Industry funds.

Debits below the " Level existing on the Determined Date "

It is agreed that costs incurred under stabilization below " the level existing on the determined date " are debitable to both Meat and Dairy Industry Stabilization Accounts in appropriate amounts as agreed upon in the detailed schedules attached hereto as from 1st August, 1946, to 31st July, 1947.

Increases in Debits above the Unit Rate

It is agreed that no debits for increases in costs above the unit rate existing at 1st March, 1945, should be charged to the Dairy Industry Stabilization Account except :—

(*a*) Increased allowances to cover increases in farm wages or labour reward to the extent of 1·664 pence per pound butterfat.

(*b*) Increased allowances for increases in factory costs to the extent of 0·297 pence per pound butterfat unless eligible under (*d*) and in respect of cheese a figure per pound butterfat which corresponds to the figure of 0·297 pence per pound butterfat for butter.

(*c*) Any increase in dairy costs allowance adjustment for interest on capital.

(*d*) Increases in subsidies or allowances arising out of increased import costs or increased usage of fertilizer or other materials used on farms or factories.

(*e*) Generally, any increase in agreed upon items up to the aggregate amount specifically included in the United Kingdom costs structure.

In respect of the Meat Industry Stabilization Account, it is agreed that no debits for increases in costs above the unit rate existing at 1st October, 1946, should be charged to the Meat Industry Stabilization Account, except :—

(1) Any increase in allowance for interest on capital.

(2) Increases in subsidies or allowances arising out of increased import costs, or increased usage, of fertilizer or other materials used on farms or in factories.

(3) Generally, any increases in agreed upon items (including wage increases in New Zealand since 1st October, 1946) chargeable under the agreement with the Farmers' Federation up to an amount not exceeding £625,000.