

MEMORANDUM from the Right Hon. the PRIME MINISTER to His Excellency the GOVERNOR-GENERAL, dated 6th October, 1917.

The Prime Minister presents his compliments, and respectfully desires to acknowledge the receipt of telegram dated 4th instant from the Secretary of State for the Colonies, intimating the terms on which the Food Controller is prepared to buy the exportable surplus of New Zealand butter for the period September, 1917, to June, 1918, inclusive, not exceeding 15,000 tons.

In reply, the Prime Minister desires to inform His Excellency that he has convened a conference of butter-producers on Friday, the 12th instant, when the terms transmitted in the telegram from the Secretary of State for the Colonies will be considered. The Prime Minister will advise His Excellency of the result immediately thereafter for communication to the Secretary of State.

Secondly: The Prime Minister desires also to inform His Excellency that it is of the utmost importance that the New Zealand Government should be informed as to the decision of the Imperial authorities regarding the price at which the cheese-output is to be purchased, especially in view of the fact that both cheese and butter are so intimately connected. The Prime Minister will, therefore, be much obliged if His Excellency will telegraph to the Secretary of State for the Colonies intimating that a reply regarding cheese at the earliest moment would be very much appreciated by Ministers.—W. F. MASSEY, Prime Minister.

TELEGRAM from the GOVERNOR-GENERAL OF NEW ZEALAND to the SECRETARY OF STATE FOR THE COLONIES, dated 8th October, 1917.

With reference to your telegram of 3rd October—Butter: Firstly—Prime Minister will submit offer to conference of butter-producers this week, and I will telegraph result. Secondly—Prime Minister states that it is of utmost importance that my Government should be informed as to the decision of Imperial Government with regard to price at which cheese-output is to be purchased, especially in view of the fact that both cheese and butter are so intimately connected. In a telegram sent to High Commissioner for New Zealand on 26th July giving general information on subject, Prime Minister stated that New Zealand producers would be satisfied with price equivalent to that paid to Government of Canada. It is suggested that you obtain copy of that telegram if not already in your possession, and of further telegrams sent to High Commissioner by Prime Minister on subject. Reply at earliest possible moment would be very much appreciated by my Ministers.—LIVERPOOL.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 8th October, 1917.

With reference to my telegram of 1st October, reply has been received through Governor with reference to terms under which butter will be purchased. Expect you have been informed: if not, see Colonial Office. Offer will be considered by conference of producers 12th October. Secondly: Am telegraphing to-day through Governor with regard to cheese, and as both cheese and butter so intimately connected it is of utmost importance I should receive early advice regarding former. Questions raised repeatedly in Parliament on the subject. Do everything possible expedite decision.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 13th October, 1917.

With reference to your telegram of 11th October: Butter and cheese: Conference postponed until 18th October. Will telegraph result immediately. The very serious delay which has taken place in England with regard to submitting prices butter and cheese has made position exceedingly difficult for New Zealand Government to deal with. My own opinion is that owing to enormously increased cost of production and the exaggerated reports which have been telegraphed from London, producers will not be satisfied with less than 159s. Secondly: With regard to cheese, producers have been expecting 10½d., and will not be satisfied with less than 10d., and then only on the understanding that if other Dominions are paid more New Zealand price will be increased accordingly. Please get matter settled as soon as possible. Very serious unrest here, and American agents are doing their best to encourage trouble.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 18th October, 1917.

Butter: With reference to my telegram of the 13th October and your telegram of the 17th October, met representatives of the butter industry to-day and discussed position at length. They notified me—Firstly, that after taking into consideration the largely increased cost of production they were prepared to dispose of the exportable output for Imperial requirements at 159s. f.o.b. first grade, and 1s. per hundredweight less for second grade; secondly, that in case of any portion of the butter not being required for Imperial purposes it should be marketed by nominated agents through the usual trade channels, and in case of a profit being made on any portion so disposed of such profit (less all expenses) should be returned to the producers; thirdly, that storage after twenty-eight days after arrival in grading-store be paid by the Imperial Government; fourthly, that 90 per cent. of the purchase-money be paid as an advance to the producer in New Zealand after the butter has been in store for twenty-eight days; fifthly, that all risks from factory-door be taken by Imperial Government; sixthly, that in the event of any profit as mentioned in "secondly," charges for storage in the Dominion and insurance to be deducted therefrom; seventhly, reply by telegraph urgently required.