

SESSION II.
1918.
NEW ZEALAND.

BUTTER.

TELEGRAMS EXCHANGED WITH LONDON IN CONNECTION WITH THE DISPOSAL OF THE BUTTER-OUTPUT DURING 1917-18 SEASON.

Laid on the Table of the House of Representatives by Leave.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 27th June, 1917.

BUTTER: There is great congestion here amounting to over a quarter of a million boxes which is seriously affecting interests of producers. Practically none shipped last few months owing to shortness of shipping and direction from London *re* not including butter as priority cargo in ships available. Next season's production commences in North Island early August, where greatest congestion exists, and consequently urge that for next few months at least that portion of insulated space on overseas steamers loading New Zealand be set aside for butter, say, equal to fifty thousand boxes per month. Urge early decision.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 4th July, 1917.

Butter: Most important that I should receive reply to my telegram of 27th June. Five steamers are loading in New Zealand this month, and I am most anxious that the congestion which now exists should be relieved, and shall consequently be glad to receive your authority to ship fifty thousand boxes or more. Would be greatly obliged for immediate reply.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 11th July, 1917.

With reference to your telegrams of the 27th June and 4th July on subject of shipment of butter, I am informed by the Board of Trade that arrangements are being made to ship sixty thousand boxes in July and August, and that question of later shipments will be considered at an early date.—MACKENZIE.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 23rd July, 1917.

Butter: Please see telegram No. 8, Australasian Tonnage Committee to New Zealand Overseas Shipowners' Committee, advising steamers loading September New Zealand ports. Expect at end August one fifty thousand boxes last season's production will be then in store, which will require to be cleared to make room for new season's production. Urge Board of Trade to provide space in these steamers for this quantity. It is of utmost consequence this quantity should be shipped so that production next season may be continued to fullest extent. Any delay in shipment of balance of last year's production now in store likely to have disastrous results affecting production coming season. Reply by telegraph.

TELEGRAM from the GOVERNOR-GENERAL OF NEW ZEALAND to the SECRETARY OF STATE FOR THE COLONIES, dated 23rd July, 1917.

Prime Minister would be glad to know whether Board of Trade would consider favourably question of taking over the export of New Zealand butter along with the export of cheese. Prime Minister thinks that an arrangement could be made which would be mutually beneficial to the consumer in England and the producer in New Zealand.—LIVERPOOL.

TELEGRAM from the GOVERNOR-GENERAL OF NEW ZEALAND to the SECRETARY OF STATE FOR THE COLONIES, dated 14th September, 1917.

Following from Prime Minister: As the butter season in New Zealand has commenced and production is fast proceeding it is of the utmost importance that Government of New Zealand should be informed with least possible delay of the intentions of Imperial Government with regard to proposals contained in my telegram of 4th September. The present uncertainty is having very disturbing effect on business community, embracing banks, merchants, and producers. Should be extremely grateful for early reply.—LIVERPOOL.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 14th September, 1917.

Butter: Following telegram has been forwarded by Governor-General to the Secretary of State for the Colonies: "Owing to the fact that the butter season in New Zealand has commenced and that production is fast proceeding it is of the utmost importance that the New Zealand Government should be informed with as little delay as possible as to the intentions of the Imperial Government with respect to the proposals set out in my telegram of the 4th instant. The present uncertainty as to what is going to be done is having a very disturbing effect on the business community, embracing banks, merchants, and producers. Should be extremely grateful for an early reply."

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 17th September, 1917.

With reference to my telegram, 11th July, on subject of shipment of butter, have continued to make representations to Board of Trade with a view to obtaining authority for as large shipments as possible, and have now received reply to effect that it has been arranged to ship seventy thousand boxes in September and October steamers.—MACKENZIE.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 25th September, 1917.

Butter: With reference to my telegrams of 4th September and 14th September, position is daily becoming most serious, and Government is being placed in most unfortunate position owing to the absence of any information regarding intentions of Imperial authorities. Please expedite matters as much as possible, and telegraph reply with least possible delay as to what position really is.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 28th September, 1917.

Interviewed Food Controller. He has purchased Australian butter output at 1s. 4d. per pound. Consider it is probable that offer will be made for New Zealand output at a price on parity with Australian, and have intimated to Food Controller that if such offer made it would probably be favourably considered New Zealand. Have further asked that a condition of agreement should be that the Imperial Government assumes ownership of butter on same terms as those now ruling for cheese.—MACKENZIE.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 1st October, 1917.

With reference to your telegram 28th September, represent to Food Controller superiority of New Zealand butter over Australian. Producers therefore unlikely to be satisfied with 1s. 4d. per pound. Export value New Zealand butter at present not less than 1s. 6d. Please expedite matters, as American buyers anxious to operate, and I am holding them off. New season's butter now coming forward in large quantities. Secondly: It is also most urgent that information should be received regarding Food Controller's intentions *re* price of cheese. Production proceeding apace, and owing to present uncertainty producers and others are being seriously hampered in financial arrangements. Thirdly: Telegraphic advice received here private source that Imperial Government bidding Argentine exporters 170s. f.o.b. Argentine season's exportable surplus. Telegraph whether correct and all information available on the subject.

TELEGRAM from the SECRETARY OF STATE FOR THE COLONIES to the GOVERNOR-GENERAL OF NEW ZEALAND, dated 3rd October, 1917.

With reference to your telegram of 4th September, Food Controller is prepared to buy exportable surplus New Zealand butter for period September, 1917, to June, 1918, inclusive, not exceeding 15,000 (fifteen thousand) tons at 155s. per hundredweight f.o.b. first grade, and 1s. less for each point down. Payment against bill(s) of lading with interest at 6 per cent. per annum after fourteen days in store, or at Food Controller's option payment against store warrants in full or on account. At any date after fourteen days in store interest to cease on account so paid. All storage charges for sellers' account and all risks until delivery f.o.b. to be sellers'.

Identical offer being made to Government of Commonwealth of Australia except that price 4s. higher in case of New Zealand owing to slightly better quality.—LONG.

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.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 2nd November, 1917.

Butter: With reference to my telegram of the 18th October and your reply of the 26th October, inform Food Controller that I met to-day in conference a committee of butter-producers completely representative of the industry in the Dominion, and to which I made known contents of your telegram 26th October, which embodied offer of Food Controller to purchase the present season's exportable output. The committee made strong representation that the cost of production had enormously increased through having to pay more for labour, transport, fuel, and all farming and manufacturing requisites, and that the butter-producers of the Dominion comprise the smallest settlers, upon whom the increase of cost of production presses most heavily. Moreover they pointed out that butter has registered a less increase in value than other primary products. Notwithstanding the foregoing they will accept the price of 157s. per hundredweight f.o.b. for first-grade creamery butter with a reduction of 1s. per point for lower grade, but urge that at least 80 per cent. of any profits realized be returned to the producer, and I sincerely trust that the Food Controller will accede to this request. The committee also point out that the arrangements suggested by Food Controller regarding payment of interest are not acceptable to producers because they cannot arrange finance on this basis, and request that 90 per cent. of the value of the butter be paid after it has been in grading-store for twenty-eight days. Storage at current rates after twenty-eight days and all risks from factory-door to be taken by Imperial Government. The committee inform me that they honestly think they should receive a higher price than 157s. per hundredweight, and in view of all circumstances I consider an increase is justified, and should be glad if you will make a personal appeal to the Food Controller to see if it is not possible to obtain advance in price. Make strongest representations, and telegraph reply with least possible delay.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 7th November, 1917.

Butter and cheese: With reference to my telegrams of 31st October and 2nd November: In view of all the reasons which have been stated in these and previous telegrams as to the necessity for decision on part of Food Controller at earliest possible moment, hope you will press for immediate reply. New Zealand Government being daily pressed by producers and those concerned in financing industry, and the long delay which has occurred in obtaining definite settlement is causing embarrassment and inconvenience.

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

With reference to your telegram of 7th November on the subject of butter and cheese: As mentioned in my telegram of 6th November, I accepted on behalf of producers £7 17s. per hundredweight for butter, and am asking Food Controller to concur in additional terms. I have continued to impress on Food Controller urgency of the position, and the necessity for early decision. Have been assured decision on both butter and cheese will be given not later than 9th November.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 10th November, 1917.

Butter: In reference to my telegram of the 2nd November, and yours in reply communicating that you had accepted the Controller's offer of 157s., and that you were discussing terms and conditions with the officials of the Food Controller's Department, I should be glad if you would arrange for the Food Controller and the London Tonnage Committee to provide space for butter in the steamers which are now on the loading-berth in New Zealand, and any others to arrive hereafter. Butter is accumulating fast in the grading-stores, and it is highly important that some of it should be shipped with the least possible delay. It will also be necessary for the Food Controller to arrange for funds to be made available in New Zealand to cover purchases. Please do all that is necessary, and advise Treasury with regard to funds. The amount immediately required will be about £100,000.

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

Butter and cheese: Great inconvenience and intense irritation being caused by absence of definite information regarding details butter and cheese purchase. Government being inundated with telegrams and inquiries from dairy companies regarding finance, and position has now become acute.

MEMORANDUM from the Right Hon. the PRIME MINISTER to His Excellency the GOVERNOR-GENERAL, dated 15th November, 1917.

The Prime Minister presents his compliments, and begs respectfully to request that His Excellency will be so good as to transmit the following telegram to the Secretary of State for the Colonies:—

"Butter and cheese: My Ministers are in receipt of telegraphic information from the High Commissioner for New Zealand dated 13th instant, intimating that the details in regard to the

purchase of the present season's output of butter and cheese have not yet been settled by the Food Controller, the reason given being that the Ministry of Food is waiting to see whether sufficient ships will be available. This is the first intimation my Ministers have received that the purchase of the output would be subject to such a condition, and this aspect of the matter was not a condition when the offer of the Food Controller was placed before the producers and accepted by them. As a result of the negotiations which were proceeding between the Imperial Government and the New Zealand Government, the export of all butter and cheese from the Dominion was prohibited except to the United Kingdom, and my Ministers have, on behalf of the Imperial Government, closed contract with the New Zealand producers. Now, in the absence of the expected reply from His Majesty's Government the producers are experiencing the greatest inconvenience in financing their operations, as they naturally expected that the 90-per-cent. advance would be arranged for as was the case last season. Already there is a very large quantity of butter and cheese in store awaiting shipment, and in view of the fact that sixteen ships are now on the loading-berth or to arrive not later than the end of December, the action of the Food Controller is not understood. All that is required is a definite decision on the part of the Imperial Government regarding the details of purchase, all of which have been submitted to the Imperial Government.

"My Ministers desire to point out that the negotiations in regard to the purchase of butter and cheese were opened as far back as April last, and the extraordinary delay that has occurred in obtaining a definite decision from the Food Controller has led to a most acute position in the Dominion, particularly in regard to the internal finance of the butter and cheese industry. Many factories are on the verge of closing down owing to being unable to arrange finance with the banks in the Dominion, and consequently unable to meet their obligations to milk-suppliers throughout the country. The gravity of the position can hardly be exaggerated, and has been repeatedly brought under the notice of His Majesty's Government by the High Commissioner for New Zealand, acting on the express instructions of the New Zealand Government. My Ministers feel that the extraordinary delay which has occurred has placed and is placing the Government in a most invidious position, and they desire me to ask you to represent the extreme seriousness of the position to His Majesty's Government, and request that a definite and satisfactory reply be forwarded within the next few days."

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 15th November, 1917.

Butter and cheese: With reference to your telegram of the 13th instant, I am grievously disappointed at the information furnished, and have taken the opportunity of communicating with the Secretary of State for the Colonies through His Excellency the Governor-General, and I shall feel obliged if you will apply to the Colonial Office for a copy of the telegram.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 20th November, 1917.

Butter and cheese: With reference to your telegram of 17th November, I am calling representatives both interests together on 28th instant, and should be greatly obliged to receive definite information with respect to advance of 90 per cent., and desire that you will press the matter and indicate its importance to the farming community.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 21st November, 1917.

With reference to your telegram of 10th November, recent plain speaking to Food Controller forced the position. Board of Trade and Shipping Controller are helping us in every way, with the following result: During December, in addition to the "Karamea," "Kaikoura," "Kumara," and "Athenic," there will probably be five others available, and about fourteen vessels during January. They hope to reduce by end of January half of the present stocks of meat in cold storage, and lift about 12,000 tons of dairy-produce, as against 10,000 tons from Australia. In addition to this, 3,000 tons of cheese to be shipped from New Zealand via Australia to Egypt. President Board of Trade hopes this will relieve financial difficulty. Here it is rumoured that banks may be able to do more than indicated in your telegram. In view of these circumstances I promised the President of the Board of Trade to submit to you these improved conditions before pressing for 90 per cent. on store warrants.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 23rd November, 1917.

With reference to your three telegrams of the 21st November, I greatly appreciate the information that the Board of Trade and Shipping Controller are helping us in every way. The tonnage which you indicate will be available during December and January will prove of inestimable benefit to producers and others. I note quantity of dairy-produce required to be shipped, and no doubt this will tend to relieve financial difficulties, but the keynote to the whole position in so far as dairy-produce is concerned is the absolute necessity of obtaining authority for an advance of 90 per cent. of the value to be paid against store warrants, as was done last year in connection with cheese, and which worked most satisfactorily. I shall be greatly obliged if the President of the Board of Trade or the Food Controller could meet us in this matter. No new season's butter has yet been shipped, but 14,500 crates of cheese, valued at approximately £97,000, have been shipped to Australia for transhipment there to Egypt. In order to meet the absolute

necessities of producers the New Zealand Government have taken the responsibility of advancing 90 per cent. of the value of butter and cheese received into store, in order that factories might be able to meet their obligations with milk-suppliers during this month. Already New Zealand Government has advanced nearly £600,000 for this purpose, and it is proposed to make this advance a first charge against the funds to be made available by Imperial Government. Until I receive further information from you with regard to the terms of purchase the matter of funds mentioned in your confidential telegram of the 21st November can remain in abeyance.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 26th November, 1917.

With reference to the notification conveyed in your telegram of the 21st November with respect to shipping available during December and January: In view of the tonnage to be made available there will be no difficulty in shipping the quantity of dairy-produce both to the United Kingdom and Egypt. In my telegram of the 23rd November I indicated to you that the Government had advanced nearly £600,000 to dairy factories to meet obligations with milk-suppliers, and further large sums will be still required for the same purpose. I shall be greatly obliged if you will arrange for at least £600,000 to be paid to the Treasury as soon as possible to reimburse the amount already advanced by the New Zealand Government. This will mean cancelling the latter part of my telegram of the 23rd November, in which I informed you that the question of funds could stand over pending the receipt of information from you with regard to the terms of purchase.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 28th November, 1917.

Kindly interview Food Controller and ascertain if he will purchase approximately 700 tons whey-butter, 250 tons milled butter, 30 tons dairy butter, and 75 tons dairy cheese, which will be available for export during current season. No market for these products in New Zealand, and producers will make heavy financial loss if this produce cannot be exported. Values whey and dairy butters usually 2d. per pound lower than first-grade creamery, and ½d. less per pound for each lower grade; milled butter 3d. per pound lower than creamery for first grade, with ½d. less each lower grade; dairy cheese 1d. per pound lower than factory for first grade, with ½d. reduction for each lower grade. Understand these prices acceptable to producers on conditions similar to those offered for creamery butter and factory cheese. Stocks accumulating. Matter urgent.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 28th November, 1917.

Butter and cheese: I greatly appreciate your telegram of the 27th November, and am especially thankful to yourself and Food Controller for the efforts made in bringing about a settlement of a matter of such great concern to the Government and producers of New Zealand. To-day I met in conference the committee of the butter and cheese producers, and made known to them the contents of your final telegram. After much discussion a request has been made by producers that the Imperial Government should accept the risk from factory-door to f.o.b., owing to the insuperable difficulties being experienced in obtaining the necessary insurance cover. If the Food Controller is prepared to undertake this risk, then the producers are equally prepared to pay a reasonable premium, which would be recovered out of the price to be paid for the butter and cheese; and I should be glad if you would ascertain and telegraph whether Food Controller can see his way to make this further concession, and, if so, the rate of premium to be charged. The amount of money required by Treasury to meet advances on the 90-per-cent. basis for both butter and cheese at present in store is £1,000,000. Please arrange to have this amount made available to the Treasury in New Zealand.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 5th December, 1917.

With reference to your telegram of 28th November on subject of whey and milled butter, dairy butter, and cheese, Food Controller is prepared to buy quantities offered subject to reduction of penny per pound on price quoted 28th November; condition of purchase to be same as in case of creamery butter and factory cheese.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 5th December, 1917.

I am informed that New Zealand Overseas Shipowners' Committee have received the following telegram from the London Tonnage Committee: "Clear old season's butter, whether private or Government, before shipping new season's." I should be glad to receive some notification from you regarding this direction, and to be advised of the circumstances under which it was issued; further, whether butter shipped on private account will be requisitioned on arrival by Food Controller, and, if so, on what terms.

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

With reference to your telegram of 5th December, I am strongly pressing for prompt payment from Ministry Food of advances cheese, butter. Understand delay due to internal arrangements

of that Department by constitution of Imports Committee, which it is expected will be completed in day or two and payment then made. I have asked them meanwhile to arrange with Imperial Treasury for payment immediately. Have informed Ministry Food that you will charge interest on advances made on their behalf in accordance with terms of contract.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 11th December, 1917.

With reference to your telegram 5th December, on subject of clearance of last season's butter, I understand that suggestion made by Food Controller so as to simplify matters and enable him deal with last season's butter requisitioned on arrival before commencement distribution this season's output. I am informed by Food Controller that it is his intention to requisition all butter shipped from New Zealand on private account which may arrive in the United Kingdom, and that question of price under consideration. Food Controller would like to know quantity of last season's butter now awaiting shipment, and also particulars quantities at present *en route* and of any further shipments as made.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND dated 14th December, 1917.

Butter and cheese: With reference to my telegram of 28th November, reply is urgently awaited regarding insurance. It will be recognized that Imperial Government are interested in this matter to extent of amount of advances, and I trust suggestion conveyed my telegram referred to will be adopted.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 20th December, 1917.

With reference to your telegram 5th December: I have referred Food Controller's offers for whey and milled butter, dairy butter, and cheese to committees representing producers. Opinions expressed are to effect that prices offered are too low, and that difference between them and those for creamery butter and factory cheese are considerably greater than relative market valuations. While it is not suggested that the offer should be refused, I should be glad if you would make urgent representations to Food Controller to meet producers to the extent of, at any rate, an additional halfpenny per pound all round. Please reply earliest possible.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER dated 2nd January, 1918.

With reference to my telegram of the 21st December, insurance dairy-produce: Now informed by Food Ministry that National Dairy Association intend to insure risk on their butter, cheese from factory-door to f.o.b., and Food Ministry requests that you will arrange for insurance documents to be lodged with you against advances made.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 3rd January, 1918.

With reference to your telegram of 20th December on the subject of whey and milled butter, dairy butter, and cheese: Have made representations to Food Controller, who now agrees to increase in prices of halfpenny per pound all round as requested.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 24th January, 1918.

Butter: The scarcity of dairy salt may necessitate some factories producing saltless butter. Will you please ascertain and telegraph whether the Food Controller is agreeable to allowing the usual trade increase, stated to be 3s. per hundredweight for saltless creamery butter shipped? Cheese: Kindly ascertain and telegraph whether it is desired that any portion of the cheese yet to be manufactured this season for shipment under Imperial Government purchase scheme should be coloured instead of white, and, if so, what percentage.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 1st February, 1918.

With reference to your telegram 24th January, scarcity dairy salt: Food Ministry willing to pay 3s. per hundredweight additional for unsalted butter on quantity not exceeding 25 per cent. season's output.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 12th February, 1918.

Butter: With reference to your telegrams of 26th October and 17th November regarding Food Controller's undertaking to make available 50 per cent. of any profit resulting from the sale of New Zealand butter, I should be glad if you would kindly ascertain and telegraph for the information of producers details of the procedure to be adopted in arriving at the result of such sales.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 13th March, 1918.

Butter: Should be pleased if you could expedite reply to my telegram 12th February, and also offer personal opinion as to probability of profits.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 18th March, 1918.

Butter: With reference to your telegrams 12th February and 13th March: Food Controller hopes to be able to shortly furnish me with particulars as to basis for assessing, on receipt of which I will express opinion.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 15th May, 1918.

With reference to profit-sharing on butter after deducting costs, Food Ministry computes margin of 34s. to 36s. for division, but delay may occur, and there may be difficulties in arriving at just estimate of relative proportion of costs. Would producers prefer to wait, or accept, say, half above amount? Figures have been supplied by Butter Cheese Imports Committee in support of their estimate, and these are stated to be based on actual account sales.

TELEGRAM from the Right Hon. the PRIME MINISTER, London, to the Hon. the ACTING PRIME MINISTER, Wellington, dated 19th June, 1918.

Purchase of butter next season depends on ability supply space. Further information promised in a few weeks.

TELEGRAM from the Hon. the ACTING PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 12th October, 1918.

Dairy-produce: Position is becoming most awkward because of extraordinary delay in completion negotiations sale and purchase. Factories are experiencing greatest difficulty in arranging finance, and Government has been approached to assist in meeting considerable payments due to suppliers on 20th instant. Should be greatly obliged if you would use every endeavour to expedite proceedings and cable earliest possibly reply.—J. ALLEN.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated Wellington, 28th October, 1918.

Dairy-produce: Yesterday I met Dominion Butter and Cheese Committees, who unanimously desire that purchases of butter and cheese should be considered separately. Price offered for cheese, 10½d. per pound, was accepted for two years, but disappointment was expressed at price offered for butter. Butter Committee of opinion that 196s. asked is reasonable, and in view of selling-prices in United Kingdom would leave generous margin profit to Imperial Government. Committee further states that 181s. offered would, in view of heavy increase in cost materials manufacture, return less per pound butter-fat to suppliers than that returned two years ago, and very considerably less than that returnable for cheese at 10½d. Committee hopes prices will be reconsidered and 196s. agreed to. To enable shipping-space available to be utilized it is urgently necessary that final decision of Imperial Government be telegraphed earliest possible moment. Presume that conditions regarding advances which applied to last season's produce will continue, and it is further requested that Imperial Government will, in view of difficulty in obtaining cover here, accept risk from factory-door instead of from f.o.b., and also pay storage charges after twenty-eight days. As season so far advanced, would greatly appreciate prompt attention.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 14th November, 1918.

With reference to my telegram 29th October and your telegram 7th November: Butter Committee agree to accept 181s. for two years. They urgently request you to endeavour to get purchasers accept insurance from factory-door and storage charges after twenty-eight days. They trust you will make clear to the Imperial Government that the price is being accepted under protest in view of price for other butters and for cheese.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 18th November, 1918.

Dairy-produce: With reference to your telegram of 15th November, I have interviewed Food Controller, and as result I think that we may expect payment of storage after butter has been in store for two months. He has promised to submit to Treasury propriety of assuming risk from factory-door to f.o.b.

TELEGRAM from the Right Hon. the PRIME MINISTER to the HIGH COMMISSIONER FOR NEW ZEALAND, dated 21st November, 1918.

Butter: For financial reasons very anxious to know whether we can assume that pending the settlement of the question of storage and insurance, transaction has been completed. Telegraph reply with least possible delay.

TELEGRAM from the HIGH COMMISSIONER FOR NEW ZEALAND to the Right Hon. the PRIME MINISTER, dated 25th November, 1918.

Dairy-produce: With reference to your telegram of 21st November, you can take it that transaction closed at 10½d. for cheese and £9 1s. for butter. Storage after two months to be paid by Food Ministry. Food Controller just waiting formal approval of Treasury before officially confirming. Food Ministry make condition that during the period of contract cheese shall not represent more than 81 per cent. of the total. During last season cheese represented 76 per cent.

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