

From His Excellency the GOVERNOR-GENERAL OF NEW ZEALAND to the SECRETARY OF STATE FOR THE COLONIES, dated 9th October, 1920.

Your telegram of 27th September: Prime Minister met Dominion Butter Committee on 6th October and was informed—Firstly, butter-producers of South Island and of east and west coast of North Island accept terms of purchase for creamery butter manufactured by them; secondly, but they request that a similar graduated increase which it is understood was allowed to Australia should be given for all butter grading over 88 points, also that the free storage given by factories should be six weeks, as arranged in Australia, instead of two months as under existing arrangement in New Zealand; thirdly, wish to be informed regarding price for whey, dairy, and milled butter, and suggest that the same reduction per pound from first-grade creamery price as was existing last season should be continued; fourthly, butter-producers of certain districts of the Auckland Province, who manufacture probably more than half of the exportable surplus of New Zealand butter, decline to confirm the terms of purchase unless a full guarantee is given that either a free market in the United Kingdom will be given at 31st March, 1921, or that New Zealand producers will at that time receive equal treatment with Irish and English producers; fifthly, Prime Minister desires to be advised if butter may be accepted from those producers referred to in “firstly” who are willing to sell on the Imperial Government terms; sixthly, Prime Minister desires to say that he is personally anxious that the available export should go to the Imperial Government, and on that account, as well as for other reasons, he hopes that the suggestions made by the producers may be agreed to. Seventhly, Mr. Massey desires to add that the new season’s butter is now coming in freely.

From the SECRETARY OF STATE FOR THE COLONIES to His Excellency the GOVERNOR-GENERAL OF NEW ZEALAND, dated 18th October, 1920.

With reference to your telegram of 9th October, following from Food Controller: “Ministry of Food unable to grant increase of price New Zealand butter graded over 88 points; present offer closely based on retail price 3s. 4d. per pound. Increase of 1s. 6d. per point to Australia for butter graded 91 to 94 points merely ensures for best quality price paid first-grade New Zealand—namely, £14. Premium for butter graded over 90 points was paid under old contract to Australia. Ministry agrees that free storage given by factories shall be for six weeks only instead of two months as before. Ministry agrees that price for whey, dairy, and milled butter should be arrived at by deducting from first-grade creamery price same amount per pound as deducted last season. Concerning free market, Government of New Zealand will appreciate that His Majesty’s Government cannot give so far ahead unqualified guarantee required, but Food Controller repeats assurances given in preceding telegrams and hopes to be able to make end of January definite announcement of free market in butter in Great Britain about May or June on same terms for imported butter as for British and Irish. Similar treatment Home and overseas butter impracticable at present as business proposition. Attempt failed in year 1918 collect British butter for distribution by Ministry, and control of British butter was maintained by maximum prices only. Anti-profiteering Act, which is still in force, applies to British and Irish butter. All New Zealand butter offered on Imperial Government terms will be accepted by Ministry up to end of December, but Ministry will not guarantee acceptance of deliveries after end of December from any producers not formally accepting Imperial Government terms now for delivery up to end of March.”

From His Excellency the GOVERNOR-GENERAL OF NEW ZEALAND to the SECRETARY OF STATE FOR THE COLONIES, dated 5th November, 1920.

My telegram of 23rd October: My Prime Minister advises that he has now received from all the butter-producers of New Zealand an acceptance of the Imperial Government’s conditions of purchase for creamery, milled, dairy, and whey butter manufactured by them. Mr. Massey states that the rates of storage charged by owners of cool stores are, owing to well-known conditions regarding cost of coal, labour, &c., higher than those current under previous butter contracts, and he suggests that the producers should, after expiry of the six weeks’ free storage allowed for, be reimbursed the actual storage incurred, provided rates do not exceed those current at 1st August, 1920. It is also desired that the small trade for butter existing between New Zealand and Honolulu, West Indies, Caledonia, &c., should be continued, and the Prime Minister requests that permission be given for free shipments up to a total of 100 tons for the season.

From the SECRETARY OF STATE FOR THE COLONIES to His Excellency the GOVERNOR-GENERAL OF NEW ZEALAND, dated 10th November, 1920.

With reference to your telegram of 5th November, Food Controller notes acceptance by all producers of price offered for surplus butter exportable up to 31st March, 1921. He agrees to release up to 100 tons of butter for export to Honolulu, West Indies, Caledonia, &c. He also agrees to reimburse actual storage charges incurred after average six weeks’ free storage for whole of contract provided rates do not exceed those current 1st August, 1920. Method of financing purchase being discussed with High Commissioner.

From His Excellency the GOVERNOR-GENERAL OF NEW ZEALAND to the SECRETARY OF STATE FOR THE COLONIES, dated 16th November, 1920.

Your telegram of 10th November: Butter: Prime Minister appreciates the action of the Food Controller in regard to storage charges, &c., and notes that the method of financing the purchase is being discussed with the High Commissioner, who, however, has been informed already of Mr. Massey’s desire that the same procedure in respect to payment should be followed as during previous contracts.