

during the previous war period. The United Kingdom Government doubtless remembered the costliness of long delays, whilst the New Zealand Government had full appreciation of the limited value of high but uncertain war prices.

In this connection it is interesting to note that during the 1914-18 period the Department of Imperial Government Supplies did not commence operations in New Zealand until the 3rd March, 1915, and, indeed, was not fully functioning until 1917.

By way of contrast, on this occasion, hostilities commenced on the 1st September, 1939, and before the end of the year the Marketing Department was in full operation and equipped to institute whatever procedure was necessary for the sale of our primary products to the United Kingdom. Within the brief space of three months, therefore, all the necessary arrangements for internal organization had been made and, in the main, the negotiations with the United Kingdom Government had been completed.

The preliminary action taken by both Governments was along the lines of avoiding, if possible, extreme price-rises, whilst at the same time ensuring that the United Kingdom Government secured all the produce it required on an equitable basis, and that the prices agreed upon should enable the farming community in New Zealand to meet all necessary costs of production.

PRE-WAR ACTION IN THE UNITED KINGDOM.

In the United Kingdom the Food (Defence Plans) Department, then a Department of the Board of Trade (but later on to become the Ministry of Food), was set up in 1936. In June of that year, Dominion Ministers then being present in London for the Imperial Conference, the opportunity was taken by the United Kingdom Government to make a first approach to the question of possible wartime purchases of supplies from New Zealand. It was indicated that, in the event of war, the United Kingdom Government might become the sole purchaser of imported foodstuffs, and in this connection meat and dairy-produce were specifically mentioned.

At this time it was also indicated that fresh fruit would not be especially controlled, and would therefore have to take its chance in the ordinary way.

Again, in August of 1938, at which time the crisis over Czechoslovakia was developing, the United Kingdom Government submitted through the New Zealand High Commissioner a more detailed memorandum outlining plans for food-control in the event of war—this envisaged the bulk purchase of meat and dairy-produce on long-term contracts. This memorandum also stated (with special reference to New Zealand) that “since the New Zealand Government now acts as the sole exporter of butter and cheese and the New Zealand Meat-producers Board regulates the shipment of meat, it would be a simple matter to inaugurate both contracts in the event of war.”

Again, as in the case of the preliminary discussions at the time of the Imperial Conference, questions of prices and quantities were left for detailed negotiation should hostilities actually commence.

This August, 1938, memorandum, having been examined by the New Zealand Government, was accepted in principle by the Prime Minister on the 28th February, 1939, and the United Kingdom Government was advised to this effect.

In June, 1939, early after the arrival of the Minister of Finance in London and when the European situation was again deteriorating, discussions were resumed at the instance of the Food (Defence Plans) Department in the United Kingdom. On this occasion it was again reiterated that dairy-produce and meat must take priority in any direct purchase from New Zealand, whilst fresh fruit could be exported as long as shipping space was available. Tentative discussions were also held between Board of Trade officials and the Minister concerning the possible purchase of New Zealand's wool-clip, although this subject could only be broadly discussed as a possibility at that time.

PRE-WAR ACTION IN NEW ZEALAND.

Simultaneously with these various pre-war conferences which were taking place in London, general plans were under discussion in New Zealand for the purpose of ensuring the efficient and prompt export of the Dominion's exportable surplus of primary products to the United Kingdom in the event of war. These discussions were commenced as far back as 1937 within the general framework of the Organization for National Security, which had been set up by this time. It was agreed that the Marketing Department could well form the nucleus of whatever organization would be required in the event of an outbreak of war and the bulk purchase of primary products by the United Kingdom Government. The Dominion was therefore already well equipped to meet the emergency and to commence detailed negotiations immediately war did commence on 3rd September.

COMMENCEMENT OF NEGOTIATIONS.

Pre-war discussions between the United Kingdom and the New Zealand Governments by way of exchange of cables and by personal conferences in London between the Minister of Marketing and the Ministry of Food had already prepared the ground for such immediate action as would be necessary to take in regard to the acquisition of New Zealand products by the United Kingdom in the event of war being declared. After the outbreak of war the United Kingdom Government cabled through the New Zealand High Commissioner (on the 5th September, 1939, in the case of meat, and on the 6th September in the case of dairy-produce) stating that they were prepared to buy New Zealand's “entire exportable surplus for twelve months of frozen beef, mutton, lamb, and edible offals” and “export surplus, being shipments up to the 31st July, 1940,” of butter and cheese. In reply the New Zealand Government cabled within twenty-four hours stating their willingness to consider an f.o.b. purchase of the total surplus of these products by the United Kingdom Government.