

“(d) *Preservative*.—Preservative will not be included unless specially ordered by the Ministry of Food.

“(e) *Unsalted Butter*.—If supplies of unsalted butter or lightly salted butter are required by the Ministry of Food special arrangements will be made regarding the price to be paid for such butter.

“(f) All butter to be free from any adulteration whatever, and moisture content not to exceed 16 per cent.

“ 3. *Quality*.

“The grading certificates of the New Zealand Government will be accepted as evidence of quality and weight, it being understood that the pre-war standard of grading is maintained. The New Zealand Government undertake to maintain a suitable staff of qualified graders in New Zealand as well as appropriately qualified Inspectors in the United Kingdom to deal with any complaints as to quality after arrival. Claims on quality, if not capable of mutual adjustment, to be adjusted by an independent umpire to be selected by mutual agreement.

“ 4. *Storage*.

“(a) The New Zealand Government will be responsible for storing butter in suitable stores at suitable temperature in New Zealand and will be responsible for placing butter on board steamers for shipment as they become available.

“(b) The Ministry undertake that, in the event of butter having to be kept in store in New Zealand for an unduly long period owing to the inability of the Ministry to provide ocean-going ships, they will be prepared to make payments towards the consequential additional costs of storage in accordance with arrangements to be agreed with the New Zealand Government in the light of actual experience up to the end of January, 1940.

“ 5. *Bills of Lading*.

“Bills of lading will be prepared, the shipper being shown as the New Zealand Government and the consignee as the New Zealand Government Dairy Sales Division. Grade-notes to be forwarded with the bills of lading.

“ 6. *Loss prior to Ocean Shipment*.

“All butter shall in respect of fire and all other loss or damage be at the risk of sellers until it is placed f.o.b. ocean steamer, except that in cases where butter is forwarded from one ocean shipping port for shipment on board ocean steamer at another port on through bills of lading such butter shall be at the risk of the Ministry of Food from the point of departure from the initial port.

“ 7. *Arrivals on or after 1st October not covered by Paragraph 1*.

“The Ministry agrees that arrivals of New Zealand butter in the United Kingdom on or after 1st October, 1939, shipped from New Zealand before that date will be paid for at a landed price equivalent to the f.o.b. prices in paragraph 2 (a) above.

“(Signed) W. J. JORDAN.

“(Signed) W. S. MORRISON.

“Ministry of Food, 16th November, 1939.”

“ HEADS OF AGREEMENT FOR PURCHASE OF NEW ZEALAND CHEESE.

“ 1. *Quantity, Price, and Shipments*.

“(a) Commencing with all arrivals after 20th November, 1939, the Ministry of Food undertakes to buy, and the Government of New Zealand undertakes to sell, 84,000 tons of cheese at f.o.b. sterling prices specified in paragraph 2 (a) below.

“(b) In addition, the Ministry, subject to freight being available, will use its best endeavours to ship additional quantities available for export within the limits of its requirements, such quantities to be paid for in accordance with the terms of this agreement.

“(c) Subject to freight being available, shipments to be made according to a monthly schedule to be determined by the Ministry based on the 1938–39 shipping programme.

“(d) The Ministry accept responsibility for providing ships for the ocean transport of the cheese.

“(e) Payments to be made in London as to 90 per cent. on shipment and 10 per cent. within twenty-eight days after arrival or, in case of the steamer being lost, of estimated due date of arrival.

“(f) In the event of delay in shipment owing to inability of the Ministry to provide ocean-going ships, the Ministry undertakes to make a payment on account amounting to 50 per cent. of the value of any cheese which has had to remain in cold store for more than two months by reason of the inability of the Ministry to adhere to the shipping programme referred to in clause 1 (c) above.