

secured. In order, however, that the dairy industry might be kept fully acquainted with the trend of negotiations between the two Governments, the Minister of Marketing on the 30th October, 1939, forwarded to the Chairman of the New Zealand Dairy Board a full summary of the progress of negotiations which had taken place up to that time.

On the 17th November, when the final agreement between the two Governments had been completed, the Minister made a public broadcast announcement in which the farming community throughout the Dominion were given full details of the price basis and conditions of this agreement, and a summary also of the main trend of the negotiations.

Finally, on the 29th November, the Minister addressed the Dominion Conference of the New Zealand Dairy Board, at which he again gave full details as to the price basis and conditions of the agreement, and of the steps taken by the New Zealand Government during negotiations to ensure that the vital interests of the dairy industry received full recognition.

Eggs.

Summary of Negotiations for Purchase and Sale of New Zealand Eggs.

The United Kingdom Government on the 3rd October, 1939, offered to purchase any export surplus of New Zealand eggs for shipment to 31st December, 1939, at sterling f.o.b. prices equivalent to the following c.i.f. London prices, less last peace-time freight and insurance charges:—

Weights (lb.).	Prices per Great Hundred (120).					
	s. d.					
13½ to under 15	10 0
15 to under 17	12 0
17 and over	12 3

The New Zealand Government replied that the supply position was such that there would be no surplus for export in 1939.

FRUIT.

Summary of Negotiations for Purchase and Sale of New Zealand Fruit.

At an early date inquiries were made of the United Kingdom Government as to whether they wished to purchase apples and pears. The reply was (cable dated 6th October, 1939) that they had no intention of doing so at that time, but they would endeavour to provide some shipping-space, if shipping developments rendered this possible at the time when fruit was available.

The New Zealand Government decided that in view of the uncertain conditions it was necessary to assure the New Zealand fruitgrowers of some income for their produce, and accordingly agreed to pay a fixed price of approximately 5s. per case at assembly point.

At a later date in the season it was found possible to obtain shipping space for some 700,000 cases of apples for shipment to the United Kingdom, apart from smaller quantities shipped to Canada and Malaya.

TALLOW.

Summary of Negotiations for Purchase and Sale of New Zealand Tallow.

Negotiations for the purchase by the United Kingdom of the New Zealand exportable surplus of tallow officially commenced on 30th September, 1939, when the New Zealand Government cabled to London seeking a clarification of policy in order to ascertain whether or not tallow was to be the subject of a purchase agreement in line with dairy-produce, meat, and wool. In reply, the United Kingdom Government stated that arrangements had already been made with private exporters from New Zealand to cover urgent requirements, and that as soon as possible negotiations would be opened between the two Governments to finalize a purchase agreement.

In the interim, therefore, the New Zealand Government permitted the export of tallow to the United Kingdom to continue, on the understanding that arrangements had already been made by the Ministry of Food whereby such tallow was first offered to the Ministry before being sold to private manufacturers in the United Kingdom.

These arrangements continued until 9th December, 1939, when advice was received that the United Kingdom Government desired to make all future purchases through the New Zealand Government, the suggested price basis to be cost and freight with payment of cash against documents, seventy days after the date of bill of lading.

In reply to this suggestion, the New Zealand Government indicated their preference for an f.o.b. purchase basis, and in a later advice forwarded the Ministry of Food full details of the quantities and grades available, with the estimated sterling f.o.b. values in line with current parity prices.

On the 16th January, 1940, a further advice was received from London expressing reluctance on the part of the Ministry of Food to enter into a long-term contract on the grounds that an f.o.b. purchase basis was unsatisfactory and that the prices already indicated by the Dominion on this basis were up to £2 in excess of current market values.

By the end of January, negotiations had again progressed to the point where the United Kingdom made a definite offer to purchase the total exportable surplus of New Zealand tallow on the original basis of cost plus freight. Under this arrangement the sellers were to be responsible for the cost of freight to the United Kingdom, but the buyers were in turn responsible for making all necessary freight space available. This offer was finally accepted by the New Zealand Government, who agreed to make the whole of New Zealand's exportable surplus available, but at the same time requested consideration for the right to continue direct shipment to India of special tallow in normal quantities. This concession was agreed to by the United Kingdom Government, with a fixation of a maximum quantity to be shipped to India of 4,000 tons.