

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