

1918 AND 1919.

CORRESPONDENCE BETWEEN PRIME MINISTER OF NEW ZEALAND AND BRITISH  
MINISTERS RESPECTING SHORTAGE OF SHIPPING.

FROM Right Hon. the PRIME MINISTER, London, to Right Hon. A. BONAR LAW.  
(Copies also sent to Prime Minister of United Kingdom, President of Board of Trade, Shipping  
Controller, and Food Controller.)

DEAR MR. BONAR LAW,—

Savoy Hotel, W.C. 2, 23rd August, 1918.

In order that the position in which New Zealand has been placed by the withdrawal of its shipping may be made quite clear, I deem it to be my duty to place the following information before you:—

Commencing with March, 1915, the British Government purchased, through the New Zealand Government, the whole of the Dominion's output of meat and wool for the period of the war, and in the case of wool for one full year after the termination of hostilities. The dairy-produce has also been purchased for several years, arrangements with regard to price and other conditions being made at the commencement of each season. For the last twelve months there has been serious difficulty with regard to shipping, and it is not necessary to remind you that this trouble has been intensified since last March by the fact that so much shipping has been required for war purposes in the North Atlantic. The result is that the stores for frozen produce in New Zealand are full to the roof, and in consequence very serious loss and inconvenience is being experienced by the people in New Zealand. In addition to this, New Zealand season commences in the North Island on the 1st September, so that you can easily imagine the very serious financial and industrial difficulties that will arise unless relief is afforded by more shipping being provided.

I want you to understand that the people of New Zealand are prepared to put up with any sacrifice if their doing so will assist in bringing the war to a successful conclusion, but facts have come to light which show that New Zealand's difficulty has been taken advantage of by the American meat trusts, who have been disposing of their inferior meat at an enormous profit to themselves, with the result that the price to the British consumer has been seriously increased. The Ministry of Food admit also that the large profit being made on New Zealand meat is being used partly to make up the loss on the American meat. This latter is adding insult to injury, and will cause a very bitter feeling amongst the New Zealand producers, with the majority of whom the meat trusts are anathema. The New Zealand producers have not complained of the prices paid to them, but they will complain bitterly when they know that the profit on their meat is really benefitting those whom they consider as being the worst type of exploiters.

I can assure you that what has happened in this connection is really placing another weapon in the hands of our pacifists and other people of that ilk which they will not be slow to take advantage of.

The cost of American meat landed in England is 11d. to 1s. 3d. Now, supposing equal quantities of meat were paid for at 11d. and 1s. 3d., then the average landed cost would be 1s. 1d. per pound. I do not say that is the average. I believe the average to be considerably higher, because, as far as I can ascertain, a very much larger quantity was purchased at the higher than at the lower price. Now, the average landed cost of New Zealand meat is 8½d. or 9d. Both statements have been made to me—it may be something between 8½d. and 9d., but am mentioning both for the purpose of argument. And this will apply to Australia as well as New Zealand, because the prices are similar—not exactly alike in both countries, but very nearly.

This is mostly American beef. The difference in favour of New Zealand, therefore—that is, comparing the landed cost of New Zealand meat with the landed cost of this meat from the United States—is 4d. to 4½d. per pound. Now to make this point: I am informed that a very considerable proportion of this meat was found to be of such inferior quality that it was condemned on being landed here as unfit for human consumption. I am told that there were tickets on the meat—and this came to me from people connected with the meat trade—showing that some of it has been in store in the United States for over two years. Very well. Now, supposing my figures are approximately correct, the difference in favour of New Zealand meat or Australian meat, as the case may be, would be 4d. to 4½d. per pound. Take 155,000 tons at 4d. per pound, and the increased cost is £5,786,666.

That is the difference in the cost of 155,000 tons as between the United States and New Zealand or Australia. Or, if the difference is 4½d., the increased cost would be £6,510,000. It seems to me those figures are sufficiently startling.

Here is a copy of a telegram I received from Wellington not many days ago from the Acting Prime Minister in New Zealand. He says,—

“For your information, following is summary of position regarding produce awaiting shipment at 30th June [the end of last month]: Frozen meat, 5,230,000 freight carcasses; butter, 123,097 boxes; cheese, 334,997 crates; wool, 424,573 bales; hides, 1,600 tons; frozen rabbits, 76,000 crates.”