



THE  
**NEW ZEALAND GAZETTE**  
 EXTRAORDINARY.

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WELLINGTON, WEDNESDAY, MARCH 19, 1919.

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*Purchase of Butter by the Government.*

**W**HEREAS it is necessary that His Majesty's Government of the United Kingdom should acquire the whole of the butter manufactured in New Zealand during the period hereinafter specified, saving only such supplies as may be required for local consumption: And whereas arrangements have been made whereby the Government of New Zealand will acquire on behalf of His Majesty's said Government the supplies of butter so required:

Now, therefore, it is hereby publicly notified as follows for the information of butter-manufacturers and of all other persons concerned:—

1. The New Zealand Government (hereinafter referred to as "the Government") is prepared to purchase for and on behalf of His Majesty's Government of the United Kingdom the whole of the exportable surplus of butter manufactured in New Zealand during the period commencing on the 1st day of August, 1918, and ending on the 31st day of July, 1920, at the prices and on the terms and conditions hereinafter set forth.

2. The following prices will be paid for butter delivered free on board steamer at a customary grading port for carriage to the United Kingdom:—

*Creamery Butter*: First grade, 181s. per hundredweight. In the case of second-grade butter a deduction of 6d. per hundredweight shall be made for each half-grade point by which the butter falls below first grade.

*Whey Butter and Dairy Butter*: First grade, 162s. 4d. per hundredweight; second grade, 157s. 8d. per hundredweight.

*Milled Butter*: First grade, 148s. 4d. per hundredweight; second grade, 143s. 8d. per hundredweight.

3. The butter shall before shipment be examined and graded in a Government grading-store in accordance with the usual course of trade, and may be rejected as not being of good merchantable quality and condition, or as not being in conformity with the terms and conditions of the contract in other respects.

4. The butter shall be shipped in good and merchantable condition at a customary grading port on board ocean steamer for direct carriage to the United Kingdom, and shall be consigned to His Majesty's Government in the name of the Butter and Cheese Imports Committee, London, or in such other manner as the Controller of the Department of Imperial Government Supplies at Wellington (hereinafter referred to as "the Controller") may from time to time direct: Provided that in any case the Government may permit butter to be shipped at a customary grading port for carriage to and transshipment at another customary grading port on through bills of lading.

5. The bills of lading and grade-notes for all butter so shipped shall be delivered by the shipper to the Controller.

6. In respect of all loss or damage from fire or other cause whatsoever the butter shall be at the risk of the seller until it is shipped in manner aforesaid.

7. The butter so shipped and consigned to His Majesty's Government shall become the property of and be at the risk of His Majesty on shipment as aforesaid, and shall be paid for as soon as the bills of lading and grade-notes have been delivered to the Controller; and a contract of sale and purchase on the terms and conditions herein set forth shall be deemed to be constituted by such shipment and consignment.

8. The butter when manufactured shall not contain less than  $1\frac{1}{2}$  per cent. or more than 2 per cent. of salt.

9. All butter supplied shall be free from adulteration of whatever nature, and the proportion of moisture shall not exceed 16 per cent.

10. In the case of creamery, whey, and milled butter, each box shall contain  $56\frac{1}{2}$  lb. weight of butter, including the weight of the enveloping parchment, and the net weight of the butter shall be charged and paid for as 56 lb. only. In the case of dairy butter, the weight of butter contained in each box, including the weight of the enveloping parchment, shall be  $\frac{1}{2}$  lb. in excess of the weight marked on the box, but the butter shall be charged and paid for on the marked weight.

11. All butter shall be packed in new export boxes made of thoroughly seasoned timber, lined with genuine vegetable parchment of double thickness, properly packed and secured.

12. The boxes are to be branded in such manner as may be indicated by the Director of the Dairy-produce Division of the Department of Agriculture.

13. No creamery butter or whey butter will be purchased by the Government except from the manufacturer thereof.

14. (a.) If by reason of shipping-space being insufficient or for any other reason it is impossible for the manufacturer of any butter to effect shipment thereof in accordance with the foregoing provisions within fourteen days after the receipt thereof in a Government grading-store, the Government will, on demand, make to the manufacturer an advance equal to 90 per cent. of the value of that butter on the terms and conditions following.

(b.) Such advance shall be repayable on demand, and shall bear no interest.

(c.) Such advance shall be secured by the delivery to the Government of the store-warrants for the butter in respect of which it is made.

(d.) No such advance shall be made except on the certificate of the Government Grader that the butter is fit for purchase by the Government in accordance with the foregoing provisions.

(e.) No such advance shall be made until and unless the Controller is satisfied that the butter is covered by insurance against fire to the full extent of the advance in the name of the Crown.

(f.) Every manufacturer who accepts any such advance shall at all times prior to shipment of the butter in manner aforesaid keep the same duly insured against fire to the full extent of the advance in the name of the Crown and to the satisfaction of the Controller.

(g.) The acceptance of any such advance shall be deemed to constitute a contract between the Government and the manufacturer for the purchase and sale of the butter in accordance with the foregoing provisions and for its shipment in manner aforesaid as

soon as possible, but the butter shall remain the property of the manufacturer and at his risk in all respects until shipment of the butter by him in accordance with the contract.

(h.) The foregoing provisions as to advances shall extend and apply to butter which is already in a Government grading-store at the date of these presents, and the period of fourteen days shall run from the day on which such butter was received into the store in respect of each shipment.

15. The Government will refund to each seller in respect of the whole of the butter supplied by him to the Government under the foregoing provisions the total storage charges incurred by that seller for the storage of that butter in a Government grading-store, whether before or after the date of these presents, so far as such total may exceed the aggregate storage charges which would have been incurred by that seller had the whole of that butter remained in a Government grading-store for two calendar months. Provided, however, that for the purpose of this clause all storage charges in respect of any store shall be computed at a rate not exceeding the rate current in respect of that store on the 1st day of January, 1918, save that in the case of new or altered stores the maximum rate shall be such as the Government thinks reasonable having regard to the rate current in the case of other stores on the said 1st day of January, 1918. The determination of the Controller as to the storage to be refunded by the Government under this clause shall be final and conclusive.

16. (a.) For the purpose of equalizing the profits of those manufacturers who supply creamery butter to the Government under this scheme of purchase and export and the profits of those manufacturers who supply creamery butter for local consumption, the Government will establish a fund to be called the Butter Prices Equalization Fund.

(b.) For the purpose of constituting such fund the Controller shall retain out of the purchase-money payable from time to time to each seller of creamery butter under this scheme a sum equal to the excess of that purchase-money over the sum of 1s. 6d. per pound of the quantity of creamery butter for which payment is so made, but for the purpose of this clause such purchase-money shall be computed without any deduction for short weight or for butter graded lower than first grade.

(c.) The moneys so retained shall constitute the said Equalization Fund, and shall be held by the Government in trust for distribution in accordance with the following provisions.

(d.) The Equalization Fund shall from time to time be expended by the Controller on the following purposes:—

(i.) In the payment of all expenses incurred in the establishment or administration of the fund:

(ii.) In the distribution among manufacturers of New Zealand creamery butter sold by the manufacturers during the period mentioned in clause 1 hereof, whether before or after the date of these presents, for local consumption at prices fixed by the Order in Council of the 16th day of April, 1918, of such sum as may be deemed justly payable in order to compensate those manufacturers for any loss incurred by them in so disposing of their butter:

(iii.) In refunding to the sellers at whose expense the Equalization Fund has been established all sums not expended for the aforesaid purposes.

(e.) The determination of the Controller as to the expenditure of the Equalization Fund shall for all purposes be final and conclusive; but in the exercise of his powers in this respect he will at all times consult the Dominion Butter Committee as now established, or such other committee or body as may for the time being be substituted therefor, as representing the manufacturers of New Zealand creamery butter.

17. The determination of the Government as to the extent of the exportable surplus of butter, and as to the inclusion of any butter as part of that exportable surplus, shall for the purposes of these presents be final and conclusive.

18. All butter manufactured in New Zealand since the 1st day of August, 1918, and already sold to the Government for the use of His Majesty's Government of the United Kingdom before the date of these presents, shall be deemed to have been sold under the provisions of the scheme herein set forth, and all the foregoing provisions shall apply accordingly.

19. In all of the matters aforesaid the Controller will act on behalf of the Government.

20. If such supplies of butter as the Government deems adequate for the necessities of His Majesty's Government are at any time not obtained by way of contract of purchase and sale in accordance with the foregoing provisions, the necessary supplies will thereupon be obtained by seizure or requisition in pursuance of the powers conferred by the Regulation of Trade and Commerce Act, 1914, or otherwise, as the case may require.

Dated this 18th day of March, 1919.

D. H. GUTHRIE,  
Acting Minister in Charge,  
Department of Imperial Government Supplies.

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By Authority: MARCUS F. MARKS, Government Printer, Wellington.