

21st April, 1937.

MEMORANDUM for:-

The Solicitor-General,  
WELLINGTON.

I am informed by the Comptroller of Customs that a shipment of 30 tons of honey, ex Sydney, is at present in bond in Auckland, consigned in the name of the N.Z. Honey Control Board.

I have made enquiries from Mr. Butland, Chairman of the Board, and am informed that the Board has entered into arrangements for the purchase of 150 tons, approximately, of Australian honey for shipment to London. These shipments are to be made to the Board's London agents, Messrs. Morton & Co. The transaction has apparently been arranged on Letter of Credit lodged in Auckland by Messrs. Morton & Co., but I am not yet clear as to whether the Board is cited in the Letter of Credit, or whether it is in favour of Morton's New Zealand agent, namely, Messrs. Butland Ltd. In any case it is apparently the intention of the Board to sell this honey at a profit, but it is not clear how any such profit would be distributed in New Zealand. The Board has previously entered into forward commitments with Messrs. Morton & Co. for the delivery of honey, and now find that they are unable to fill the orders from the New Zealand crop. The practice of the Board in the past has been to sell through Messrs. Morton's Ltd. "Imperial Bee" honey brand, and a secondary brand known as "Empire Pack". The honey which has been bought in Australia for shipment to Messrs. Morton & Co. is intended for use in the secondary or "Empire" pack, and would presumably be represented as a New Zealand product, at least by Messrs. Morton, Ltd., in their sales propaganda.

I shall be glad if you can give a ruling as to the legality of the Board's action, as it is essential to make a rapid decision if the honey now in bond is to be prevented from shipment in the name of the Board.

(Sgd) A.H. COCKAYNE.

Director-General.