

22nd April, 1937.

Dear Sir,-

I understand that your Board has purchased a considerable quantity of Australian honey which the Board intends to export to the United Kingdom in fulfilment of orders arranged by the Board's agent, but which would have been filled with New Zealand honey had sufficient quantities of comparable quality been available.

I have to advise you that the action of the Board is ultra vires, in that it has no authority to purchase honey whether of New Zealand or Australian origin. As the New Zealand Honey Board is established under a Government Act, and is under the Chairmanship of the Government nominee, I am very concerned that the action taken by the Board should not have repercussions on the Dominion's overseas trade. So that the greatest degree of protection possible may be assured, I wish you to communicate immediately with your London agent, and inform him that the Board cannot deliver New Zealand honey in fulfilment of the sales that he has made on your behalf, but that you can supply Australian honey of comparable grade. Your agent should be further instructed to inform contract buyers of this fact, and to cable you whether Australian honey is acceptable under the contracts made. If the reply is satisfactory, you can proceed with the export of Australian honey as already arranged by the Board. I wish you to forward to me at the earliest possible date, a copy of your cable to your agent, and of the reply you receive from London.

With regard to the 30 tons of honey now in bond in Auckland, this may be shipped immediately, and if the reply from contracting buyers in England is unsatisfactory, it must be sold on the Board's account. If the reply from London is satisfactory and the full 150 tons are shipped, I wish you to take any steps necessary to ensure that there is no possibility of any portion of it being sold directly or by inference, as a product of New Zealand.

As the Government representative on the Board I look to you to protect the Government's interests in this matter, and shall be glad if you can arrange to discuss the transaction with me at an early date so that future operations may be arranged satisfactorily. The method to be adopted in the distribution of profits (if any) from this transaction must also be decided upon.

Yours faithfully,

(Sgd) P. Fraser.

Acting Prime Minister.

The Chairman,  
N.Z. Honey Control Board,  
P.O. Box 1372,  
AUCKLAND.