

It is hardly necessary for me to refer to the fluctuations in the value of New Zealand hemp during the last two years, as they have been sufficiently felt in the Colony; but I am anxious to define the exact state of the market at the present time, and its prospects in the future. To do this satisfactorily I have, besides availing myself of every source of reliable information within my reach, personally seen and consulted the leading fibre brokers in this city, namely, Messrs. G. and J. A. Noble, Messrs. White, Binnie, and Co., Messrs. Barber, Simpson, and Co., and Messrs. Devitt and Hett, and the information thus obtained may be summarised as follows:—

1. It is pretty certain that the New Zealand hemp, having passed through the ordeal incident to the introduction of almost every new article of supply, is now fairly established in the market, and its qualities becoming every day better known and appreciated by manufacturers, the demand for it will increase so long as there is a steady supply.

2. Apart from the effect of rival interests, and the natural hostility of houses representing the Russian, Irish, Manilla, and other fibres, the reputation of the New Zealand *Phormium* suffered terribly from the stocking of the market with only half cleaned or badly prepared supplies. Indeed, I am informed that about November last the quantity of bad New Zealand hemp sent home was such that it had the effect of completely stopping the market. Large consignments were lying on hand, and there were no quotations whatever. The fibre had managed to get a bad name with the manufacturers, and for some time there were absolutely no buyers. By degrees, however, the market became free again. The Messrs. Noble inform me that the change of name (from “flax” to “hemp”) contributed as much as anything else to this improvement. Many of the manufacturers in the country who would on no account take “New Zealand flax” were willing to try “New Zealand hemp,” and allowed them to send a few tons for experimental purposes, and, after an unprejudiced trial of it, sent for more. The collapse operated beneficially in the Colony, by compelling producers to send home their fibre in better order. A few sales of really good quality brought our hemp into favourable notice again, and it has since continued to rise in public estimation and in price—the latter advantage, however, being partly in consequence of the temporary failure of other sources of supply.

3. Much care should be observed in the packing, and stowing as cargo. The slightest stain or taint of sea-damage, on being overhauled at the docks for classification, suffices to bring the bale into the category of “first class—sea-damaged,” and this very seriously affects its value in the market. The attempt to remedy this by employing men to tear out or remove the stained portions has proved a failure, for the bale is then returned by the dock functionaries as “made merchantable,” and the prejudice against it in the sale room is just as great as if marked “sea-damaged.” The brokers recommend small bales, not exceeding 3 cwt. and pressed-packed. Being more portable and manageable in this form than the unwieldy bales often sent, they are less liable to neglect and damage. They likewise condemn the practice of securing the bales with bands of iron hoops, as considerable damage is often done to the fibre through corrosion. A binding of hemp twist is recommended.

Messrs. Devitt and Hett are of opinion that covering the bales with canvas or coarse scrim is little or no protection, and involves unnecessary expense. Their experience is, that parcels having this semblance of “protection” suffer a proportionate share of neglect in the transport, and often arrive in worse condition, or more completely stained, than bales left uncovered. I call attention to this particularly, because of an opinion to the contrary (and adverse to Mr. Chilman’s) expressed by the Commissioners, at page XX of their Report (Sess. Pap. 1871. G.—No. 4). It would be very advisable, however, to try the experiment of converting into cheap bale covers the refuse leaves of the *Phormium* which are rejected in the process of manufacture, as already suggested by the Commission (l.c., p. 20).

4. Above all things else, the brokers urge the importance of keeping up the quality of the shipments to something like the present average standard. This will make the market perfectly safe, and a consumption which even now may safely be reckoned at from 300 to 400 tons per month will speedily increase to double that quantity.

I beg to forward enclosed the last Trade Reports of New Zealand hemp, as per margin,\* and, for the reasons stated above, I beg to furnish the following samples of fibre, with Messrs. Devitt and Hett’s remarks on each:—

SS with BB underneath. This is fine fibre, white colour, and good length. It is not perfectly clean, but the colour being so good accounts for the high price obtained for it—namely, £42 15s.

OCH. Good bold fibre, perfectly clean, and good length. The colour is good, but had it been whiter a higher price would have been obtained. It was sold at £42.

F. & W. NELSON. Good fibre, good colour, and well cleaned, but rather short. Sold at £40.

HFM. This is useful hemp, of good medium quality. It is fairly cleaned; good fibre, length and colour. We consider that for regular shipments of quality similar to this the price will be well maintained. It sold at £36 10s.

GA with W underneath, in heart. Fair length and fibre, but imperfectly dressed, and dull colour. Sold at £33.

X. Short, with heavy straw. Sold at £27 15s. This is a high price, and could only have been obtained in an exceptionally good market. We would strongly impress on shippers the necessity of refraining from sending home such quality as this, as the value is most uncertain.

I beg to forward, also, the following samples furnished by Messrs. White, Binnie, and Co., fibre brokers of this city:—

HF. Ex ‘Halcione,’ from Wellington. Sold 27th March, 1872, at £36.

“WAIKUKU.” Ex ‘Queen of the South,’ from Lyttelton. Sold 24th April, 1872, at £33.

\* G. and J. A. Noble, 3rd April, 1872; Devitt and Hett, 24th April, 1872.