

the end of 1881 the population of New South Wales was, in round numbers, 859,000; Victoria, 741,000; South Australia, 280,000; and Tasmania, 116,000; or, together, 1,996,000; while the population of New Zealand was 500,000 (also in round numbers), which is a proportion much exceeding one-sixth. According to the proportion which our population bears to that of the Australian Colonies I have named (not counting Queensland, which is now served by a separate line of steamers), New Zealand might fairly expect to see 1,500 cabin passengers, and a total of all classes of more than 3,000, travelling by direct steam, instead of the 2,100 I have given, even after allowing for the deduction that has to be made from the Australian totals for passengers to New Zealand coming out by Australian steamers. I would again deprecate the expectation of a great increase in passenger traffic to New Zealand by a direct steam service as being sure to lead to disappointment; but you will perhaps agree with me, after what I have said, that neither in the figures I have given for the postal, nor in those for the mercantile service, am I giving way to exaggeration or leading you astray.

3. *Freight by Steam.*

Passing on from the passenger traffic to the more troublesome question of the amount of cargo that may be looked for in a monthly direct steamer, I admit that there are several difficulties in the way of forming any really correct estimate; yet there are a few broad features on which I think you may rely to a considerable extent, and I will try to make these clear.

In the first place, as regards outward cargo, I may as well say briefly, as I have done in regard to passenger traffic, what has taken place about cargo to New Zealand last year, and compare this with what went to Australia by steam.

The New Zealand Shipping Company took out in 1881 a total of 83,854 tons of goods, of which about 6,500 tons were fine goods: their average of fine goods for the five years 1877–81 was 6,750 tons. Rates of freight were from 25s. to 45s. per ton, the average net freight earned being between 27s. and 28s.; but large shipments of salt, cement, deals, &c., had always to be carried at nominal prices. Freight on wool by their ships during the past few years has been $\frac{3}{4}$ d. for washed and $\frac{3}{4}$ d. for greasy; the rate for wheat has lately averaged 45s. a ton of 20 cwt., though during one season it was carried as low as 26s. On tallow, preserved meats, gum, &c., freights have ranged from 40s. up to 60s. a ton.

Shaw, Saville, and Co. took out in 1881 a total of 87,296 tons, at an average freight of from 27s. to 30s. for measurement and 25s. for weight; about 4,000 tons were fine goods; and freights home for wool and wheat were about the same as the New Zealand Shipping Company, the two lines really dividing the London trade.

The Albion Company took out in 1881 a total of 13,324 tons, including 1,875 tons of fine goods, being about 1,000 tons over the average of the five years 1877–81. The rates were from 20s. to 30s. for weight, 20s. to 35s. measurement, and about 40s. for fine goods.

Taking the cargo sent out by the three lines, the total outward for 1881 was nearly 185,000 tons. In the Steam Committee's Report it is stated that 106,312 tons of cargo were brought into the colony direct from the United Kingdom during the year ended 31st March, 1881; the yearly average would accordingly be about 145,656 tons, exclusive of cargo going round by Australia. Now it is manifest that a monthly steamer could only take a small proportion of this, without allowing for any increase whatever in the trade.

The P. and O. ships are now carrying at the rate of about 50,000 tons of cargo annually outward, besides what comes homeward. The Orient line carries about 2,000 tons in each steamer, or nearly the same as the P. and O. Their rates outward have ranged for measurement up to 50s., and for "express cargo" from 50s. to 100s. Both these companies object, for obvious reasons connected with their transshipping trade, to giving detailed information about their earnings, but the figures I have given represent the general result. It may therefore be taken for your purpose that at least 100,000 tons of goods go out by steam to Australia in the year, independently of the amount carried by sailing ship. According to this, the estimates I have given of probable revenue from freight by direct steam to New Zealand can hardly be deemed excessive. On the contrary, I think they will be found under the mark. I have already said that with a regular monthly steamer shippers would engage freight for fine goods at very full rates. Two firms alone sent close on 700 tons of fine goods in 1881 by steam *via* Australia to the single port of Dunedin, at the following freights: In one case, the highest rate by Orient ships was 100s., and average 93s.; by P. and O. ships 95s., and average 76s.; and by other steamers at an average of over 70s.; the average all round being over 82s. per ton, besides primage of 5 per cent. payable in London, or 10 per cent. in the colony. In the other case the highest rate by P. and O. was 90s., and by the Orient 100s., besides primage of 10 per cent. The Orient ships were able to get the best freights all through the season, because they made shorter time to Dunedin. But the same two firms also sent nearly 4,000 tons of soft goods by sailing ships, a large part of which would certainly have gone round by Melbourne if it had not been for having to add to these high rates the damage by transshipment to the very class of finer goods that could best bear the extra freight; and, moreover, it is certain that retail houses send far more round by Australia than large firms, because they can always obtain, more easily than warehousemen, the higher price wanted to cover the difference between sailing freight and steam. Now it is evident that when a shipper, even by fast Orient boats, has to add the delay in time by transshipping to the damage by transshipment, he would not send his goods round if he could send them direct at no higher rates. It was lately pointed out in the Dunedin Chamber of Commerce that, while an average of thirty-two sailing vessels gave one hundred and seven days as sailing time between leaving docks and delivering goods, an average of twenty-eight steamers round by Australia gave sixty-seven days as steaming time from bill of lading to delivery. Now this is nearly a fortnight more than I have allowed for the time of even the mercantile steamer direct, so that, except at extravagant rates, a shipper would hardly ever hesitate in his choice.

In looking, indeed, at the prospects of a direct steam service to New Zealand, the amount of fine goods capable of bearing steam freights is of course a material point. It is well, therefore, to see what quantity of these is taken by the populations of New Zealand and Australia. Now the value of the drapery goods shipped from the United Kingdom to Auckland, Wellington, Canterbury, and Otago direct, during the three years 1879–81, was as follows;—