

QUANTITY and VALUE of PHORMIUM TENAX (NEW ZEALAND HEMP) EXPORTED from NEW ZEALAND 1881 to 1891.

Year.	Quantity. Tons.	Value. £
1881	1,383	27,097
1882	2,040	41,955
1883	2,013	36,761
1884	1,525	23,475
1885	1,063	16,316
1886	1,112	15,922
1887	1,578	25,094
1888	4,042	75,269
1889	17,084	361,182
1890	21,158	381,789
1891	15,809	281,514

FIBRE IMPORTS INTO UNITED KINGDOM IN 1890.

	Quantity.	Value. £
Hemp	1,767,551 cwt.	2,834,154
Hemp tow (or codilla of)	122,816 cwt.	111,491
Flax	1,581,849 cwt.	2,655,500
Flax tow (or codilla of)	218,620 cwt.	200,774
Unenumerated vegetable substances applicable to same uses as hemp or flax	86,528 cwt.	89,456
	3,777,364 cwt.	5,891,375
Jute	369,958 tons	4,921,991
Jute yarn	4,222,858 lb.	97,243
Esparto and other vegetable fibres for making paper	217,028 tons	1,045,722
		£11,956,331

And this leads me to the important question as to the cost of production, and how such question, even if satisfactorily answered, will affect New Zealand. I find that this also is a question to which it is difficult to procure a very exact answer. But the best authority I have states that if manila hemp could be delivered f.o.b. at a cost of £19 per ton,* it would still bring in a small profit, but that if prices fell to that point there would also be a falling-off in production. Sisal can, I am told, be produced under similar circumstances for about £14 per ton.†

These prices are equal to about £25‡ and £17 respectively in this market, and, as the present prices obtainable are £25 and £22, it would appear that the present extent of production is sufficient to meet the present demand, and any material fall in existing prices would result in diminishing the quantity produced.

The conclusion is therefore arrived at that the supplies of manila and sisal will be increased or diminished in proportion as the prices obtainable for it rise or fall. The special use which somewhat suddenly arose for hemp, for the manufacture of harvest binding-twine, evidently created a demand which could not be supplied all at once, and prices, therefore, rose to an extent which encouraged the increase of production, which now, however, appears to have overtaken the increased demand, and prices have accordingly returned to their normal state. Under these circumstances it is again evident, as I have already remarked, that New Zealand producers must rely for their profits in the future on improving the quality of their hemp, and in decreasing the cost of production and sea-carriage, rather than upon the expectation that the supplies of manila and sisal will be insufficient to meet the demands for this class of fibre.

I will now touch upon the subject of the processes by which manila and sisal fibres are prepared, and I give in the Appendix to this letter extracts from Consular reports which describe them. I also give in the Appendix other extracts referring to the preparation of other fibres. It would appear, according to these reports, that the manila hemp is prepared by hand, and that sisal is cleaned by machinery. But I would venture, in reference to this part of the subject, to remark that processes that are used advantageously as regards fibres such as manila, sisal, and others, would not, in all probability, be profitably available as regards the New Zealand product.§ First and foremost is the difference in the plant itself; then there would be the difference in the price of labour; and the question of climate would, I apprehend, be an important element as regards the preparation of the raw material. From the time when, in 1871-74, so much capital and labour was unprofitably expended in this industry, the question as to what is the best process for the profitable preparation of the New Zealand hemp plant has always been, and I apprehend still is, one that if solved would go far to place the industry on a permanent and satisfactory footing. This office has received from time to time communications respecting machines which the makers represent as likely to satisfactorily clean what they call New Zealand flax, because they are successful in their treatment of the linseed-flax plant; and I would therefore point out that it is expedient, in my opinion, that in speaking of the New Zealand fibre it should be described as "hemp," and not as "flax," as the latter term creates misunderstanding as to its nature.

* "This quotation is at port of loading, and is equivalent to about \$1½ less on plantation."—C. P. & Co.

† "Anything under \$8 would decrease supplies from the outlying districts. Present first cost \$8½ per picul of 140lb. English."—C. P. & Co.

‡ "£22 10s., not £25."—C. P. & Co.

§ "Manila produced by coloured labour."—C. P. & Co.