

(Extract from Report of H.M. Consul at Bahia, Brazil, Mr. G. A. Stevens, 28th August, 1890.)

Into Bahia in 1889 hemp goods were imported to the value of £7,084.

(Extract from Report of H.M. Consul, Mr. Lionel Carden, Mexico, 23rd September, 1891.)

In Mazatlan a large number of aloes are being planted in the sterile lands of the State for the sake of the fibre, which finds a ready sale in the United States, and which is also made into rope and twine for home consumption.

APPENDIX D.

DEAR SIR,—

4, Fenchurch Avenue, London, E.C., 8th June, 1892.

Your report seems to us exhaustive and accurate.

1. *As to the possible Output of Manila and Sisal.*—In both cases it seems largely a question of demand, and it appears from past experience that an increased demand and high prices will always react on supplies. It is likely that the output of sisal will be considerably increased in the near future by the cultivation of the plant in the Bahamas. The only outside influences on the sisal production, other than price and demand, is corn and supply of labour. There is a point at which corn can be more profitably grown, but until this is reached, or until the supply of labour is deficient, production of sisal will continue and can be increased.

2. *Cost of Production.*—Manila: Present price is \$8½ per picul of 140lb., English, at port of lading, or \$7 at plantation. We calculate that anything under \$8 would decrease supply, and that \$6.50=£19 f.o.b., or \$5 at plantation, would only yield the workman 25c. a day wage, which is barely enough to keep him; £19 f.o.b. is equal to £22 10s. c.i.f., not £25, as you have it. Sisal at £14 f.o.b. probably leaves a profit, but sisal at £14 f.o.b. is only equal to £15 10s. c.i.f. to New York, although probably £17 c.i.f. to United Kingdom, as you have it in report; and this brings us to an important point in connection with New Zealand as compared with sisal, with which it is supposed to compete more particularly.

The question of Freight.—Freight on New Zealand hemp to United States is £4 10s., while freight on sisal is near £1. We do not see how this is to be overcome, except by cheapening the cost of production in New Zealand, and possibly by improving the system of baling. The freight on manila by sailer to the United States is at present equal to £1 12s. 3d. per ton English, and the measurement of a ton (eight bales) of manila is 96ft. to 100ft.; whereas New Zealand measures about 160ft. to the ton, although this varies considerably, according as the bales are loosely or tightly pressed, and there is great irregularity in this respect.

With regard to points 3 and 4 in your letter of 16th May, we cannot add anything to the information already embodied in your report. There is, however, one thing that is worth attention. When the demand in the States for binder-twine runs on manila, then New Zealand is in such demand for mixing that it may go above sisal in price. It mixes well with manila. When, on the other hand, the demand is on sisal twine, New Zealand is comparatively neglected, as at present sisal is £22, while New Zealand is only £20 in the States. There is no accounting for the "fashion" in twine in the States. Of course New Zealand can never directly compete with manila, which is altogether a better and stronger fibre, although at present the lower qualities of manila are very unduly depreciated, and fair brown, which is worth £5 less than current manila, is very near the price of good New Zealand.

Mr. Cox will be able to call on the Agent-General any day after to-day (Wednesday), and will be glad to supply information on any other points.

We are, &c.,

The Agent-General for New Zealand.

COX, PATTERSON, AND CO.

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