

where not yet existing and most needed. Of course, they can borrow two-thirds of the money required at bank rates; but they have not the facility afforded them in Denmark of borrowing the whole amount at the low rate of 4 per cent. per annum from the Government under special provisions. The idea of a bonus is like locking the stable-door when the horse is stolen; it is before the factory is started, not afterwards, that the money is requisite. The factory once built, the industry is good enough to stand firmly on its own legs, and grow rapidly too, without the false impetus, the hothouse nursing, of the bonus system. Before adopting such a dangerous policy, would it not be wise to wait another year, and watch, not the effects of the bonus, but the consequences of its stoppage, in Victoria? The effects, we know, of the Victorian bonus are, briefly, a very rapid growth of the industry; but we also know that rapid growth is generally attended by a reaction and breaking-down of the overtaxed powers. The bonus system has not been sufficiently long in existence in Victoria to enable us to see what shape the reaction will assume. Mr. Wilson, the Victorian Government expert, remarks that for an expenditure of £50,000 of the taxpayers' money the farmers draw into Victoria £250,000 of British money. This view is too absurd to criticize; besides, the leading agricultural papers, whose editors understand the subject, have already done so.

If the Government are really anxious to benefit the industry, as every one admits is the case, the most useful and the most profitable way to the public in general, as well as to the dairy-farmers in particular, would be to establish a dairy school, where young men can learn everything about milk, butter, and cheese, from the milking of a cow to the selling of the "finished product." Lately I have been asked, "Where can I send my son to learn dairying?" or, "If we start a factory, where can we get a good manager?" Both of these questions could be answered satisfactorily if a Government dairy school existed. At present, however, they cannot.

I would request that the duty on all goods for use in butter- or cheese-factories, or for the carriage of butter, milk, and dairy-produce of all kinds, not already rendered duty-free, be withdrawn. Such articles as parchment-paper, now being used very largely for butter-boxes (liable to a duty of 5s. per hundredweight), butter-casks in the rough of other material than oak (liable to a 15-per-cent. *ad valorem* duty), and butter-tins (25 per cent.), are large items in many factories' accounts, and several people have asked me to mention the matter to the Government.

In closing my report, and my engagement with the Government, I may say that, so great is my faith in the future of the dairy industry of this colony, I intend to start one or more factories next season in connection with a London firm of produce brokers, and would gladly see many others follow my example and go in for dairying, because there is no danger of flooding the London, Liverpool, and Glasgow markets, and because the more important the industry the sooner will the difficulties at present in our way disappear under the combined action of those engaged in what will most assuredly prove before the end of this century New Zealand's greatest industry.

CARL W. SORESENSEN.

APPENDIX No. 5.

FRUIT.

MR. HANLON'S REPORT.

I began my work in January by endeavouring to encourage orchardists to make shipments of apples and pears to the London market, in order to aid in developing the export of fruit. I visited many of the growers in the Whangarei, and also a number in the Auckland district. In talking the matter over, I found most of them very timid about venturing on shipments, owing to the high rates of freight and other charges. The general feeling was the rather selfish one of waiting to see how their fellow-growers fared during the present experimental stage of this young industry, when the probability of loss is most prominently present. However, my efforts were so far successful as to induce a number of growers to forward small consignments. Some twelve orchardists in the Whangarei district combined, and forwarded seven hundred cases during the season. The consignments consisted chiefly of apples, but also comprised a few cases of pears and grapes. From Auckland, fruit-growers who had shipped in previous seasons sent larger consignments; and I noticed some new shippers whom I had visited sending fruit to London per s.s. "Tainui" while I was superintending the shipments by that vessel; but I have no data as to how successful my endeavours were to promote shipments from that district. When the details of the result of this season's shipments come to hand I purpose furnishing a report on the subject to the Minister of Agriculture.

Secondly, with a view of ascertaining how the fruit is at present conveyed to London, and considering whether any improvements could be suggested, I came down with a consignment of 330 cases from Whangarei for London per s.s. "Tainui," and superintended the shipment of all the fruit by that vessel and the s.s. "Duke of Westminster." I came down to Wellington in the former, and watched the regulation of the temperature in the cool-chambers. My observations and suggestions on this subject are embodied in my special report to the Minister of Agriculture on apples exported by s.s. "Tainui." Shortly after my arrival in Wellington a proposed Order in Council to admit certain specified vine-cuttings was brought under my notice. On reading up the records it was very evident that the proposed Order in Council had been drawn up in misconception of the desires of many who had written to the department on the subject. As they evidently desired to import a number of varieties of wine-grapes (whereas the proposal was to permit the importation of several species of American vines that resist the phylloxera, and are used as stocks only), I therefore drew up a memorandum to the Minister of Agriculture, pointing out how dangerous it would be to permit free importation of vines or vine-cuttings, while at the same