

The trade which has been already done between South Africa and New Zealand, in spite of the unparalleled depression, may be taken as a fair indication of what may come if we do our part in securing it. Some further idea of the trade with this port in connection with the goods we can handle may be gathered from the figures given in the Chamber of Commerce report:—

Customs duties were collected as follows:—

	1903. £	1902. £
On oats	16,000	3,000
On fodder	21,000	11,500
On butter and margarine	25,000	24,000
On preserved meat	17,000	16,000

The gross Customs receipts for 1903 were £1,197,000, as compared with £976,000 in 1902, or an increase of 22 per cent. With such facts before you, and with the remark of the Chairman of the Chamber of Commerce, "There are signs, however, that the dawn of better times is not far off," you will be able to estimate some of the possibilities of the future.

With regard to our own products, it seems to me that one of the first conditions is not merely to make success possible, but to make failure impossible. Where we have money and a people whose chief delight is to spend money, that taste and that money must be catered for. I regret to complain that in this respect New Zealand exporters have made some very foolish and injurious blunders.

SHEEP.

The information which, on my arrival, I gave in regard to our sheep at once secured the attention of those interested, and created a desire on the part of would-be buyers to know more. With what information I was able to supply they became convinced there was something in the prospect. Had my verbal reports been properly substantiated with what actually came to hand, there can be no question that we should now be doing a very large trade in sheep alone. Some of the sheep were good, such as those sent by the "Dorset" and the "Essex." Those sent by the "Norfolk" had been good sheep, but the voyage had told upon them. The sheep on the "Coeyanna" and the "Morayshire" were not good.

FISH.

Durban has a large market for fish, as indeed has all South Africa, and in the near future the demand may increase. There is a large local consumption, and this is supplemented by the up-country trade. But there is also a large supply, and this, of course, keeps the prices down. Our experience in this branch of trade has been unfortunate. In some cases the packing has been altogether too fragile, so that when landed the cases have not been in good condition—broken, and the contents unfit for sale or use. And the cases are far too large; boxes containing 14 lb. only have a far better chance of sale than those containing 28 lb. In some cases the fish have been so badly cleaned that it has all been condemned by the Sanitary Inspector, and has had to be destroyed, thus involving loss to the exporter and disappointment and annoyance at this end. It should be remembered that although South Africa offers a market for fish, New Zealand is not by any means the only country which exports fish. Fish comes here from all countries in large quantities and in splendid condition. New Zealand facilities and the keen competition should be quite sufficient to induce exporters to put out an article a credit to themselves and profitable at the same time.

BUTTER.

Good New Zealand butter comes an easy first in quality, demand, and price. One of the best evidences of its position is the attempt made to counterfeit it; to this matter I have before called attention. Any complaints made in connection with this matter refer not so much to any fault in the original quality of the article as to the putting up for market. If the tongue is the test of good flavour, the appearance of the article has a good deal to do with unfastening the purse-strings. Very frequently the cases have been too fragile; all cases should be airtight and well wired, not clumsy, but secure and strong.

Then, again, if we want the best patronage and the best price for our butter, it must be new butter, not butter nine months old. What trade can be done if we go the right way to work you may infer from the one item—viz., £25,000 collected in Customs duties in Natal on butter. It is for the exporters to decide upon the extent of the trade to be done; my duty is to give them the facts.

CHEESE.

There is a fair demand for good-quality cheese here, but the quality must be up to that of the cheese sent out by other countries, and the packing must be such as to secure its landing in the very best condition.

TIMBER.

I have on several occasions sent to the Department reports concerning the openings for New Zealand timbers. I have also been able to send reports which experts have been good enough to furnish. During my recent tour to all the principal places in South Africa I heard nothing to weaken, but a good deal to strengthen, my previous convictions in connection with this trade. It should be remembered that many parts of South Africa are as empty of timber as a desert, and there is no question but that there must be in the near future a very large demand for such timbers as New Zealand can export. I have recently noticed that the Natal railways are taking up the hollow iron sleepers and substituting wood; this is on the overland line to the Cape. As in the case of other matters, in consequence of bad samples being shipped to South Africa, our timbers were in very bad repute when I came here; but the constant inquiries and expressions of approval during the past year prove, I think, that the stigma has been removed, and that we