

APPENDICES.

APPENDIX I.

FIFTH ANNUAL REPORT OF THE SECRETARY OF INDUSTRIES AND COMMERCE.

SIR,— Department of Industries and Commerce, Wellington, 2nd August, 1907.
I have the honour to submit herewith the departmental report for the year ending the 31st March, 1907.

I have, &c.,

T. E. DONNE, Secretary.

The Hon. James McGowan, Minister of Industries and Commerce, Wellington.

I HAVE to report that the exports and imports for the year under review show very considerable increases on those of the previous year. The increase in exports is particularly gratifying. Nearly the whole of our principal export lines have greatly advanced both in volume and in prices realised on British and foreign markets. The ready market which our increased output has met seems to me to indicate very clearly that British merchants and consumers have a due appreciation of the high standard which the products of New Zealand have attained. There is, however, one cloud on the horizon of our export trade. I refer to the large proportion of our products which finds its way to the consumer under brands and designations which have no connection with the source of origin. This is a matter to be regarded with great seriousness. It is only too well known that much of our best produce is being sold as of English, Scotch, or Irish origin, in order to obtain the advanced retail prices which goods from these sources command, and articles from foreign sources of inferior quality to our own are being palmed off on to the consumers as of New Zealand origin. To what extent such fraudulent practices operate against the country's trade is easily conceived. On the one hand we are being robbed of the credit which should attach to the excellent quality of our produce, and on the other hand our goods are discredited by being replaced by inferior articles. For the future welfare of our trade I am of opinion that every effort should be advanced in the direction of restricting such practices on the part of British traders; but, obviously, the question must be fought out and adjusted in London.

From the comparative table which I append it will be seen that the increases in the exports of wool, lamb, mutton, beef, preserved meats, hides, tallow, casings, butter, cheese, gold, and coal have been very considerable, and in some of these cases, owing to exceptionally favourable markets, the value has increased in a greater ratio than the volume. The only lines that show any appreciable falling-off are timber, grain, peas, beans, seeds, and fish. The total value of the increased lines amount to £3,532,260, while the reduced value of the decreased lines as compared with the previous year amounts to £267,470, leaving a net increase of £3,264,790.

EXTENSION OF TRADE BETWEEN NEW ZEALAND AND THE UNITED KINGDOM.

Owing to the large increase of exports from New Zealand to the United Kingdom, I am of opinion that the time has arrived which necessitates New Zealand being represented in London on lines similar to those adopted by Canada and other countries. The display of products and manufactures made by Canada at the New Zealand International Exhibition proved one of its greatest attractions, and indicated the very thorough manner in which that Dominion carried out its advertising. New Zealand could, I consider, profitably follow Canada's example in this respect.

Although New Zealand has other markets for its produce, it should not be forgotten that the United Kingdom is by far its largest buyer, and that this country's increasing export trade is mainly dependent on the maintenance of our position on English markets.

It appears to me to be absolutely essential that New Zealand's commercial staff in London should be strengthened, in order that steps may be taken to more effectively bring its products under the notice of consumers, and to check the fraudulent practices of traders in selling this country's products. If New Zealand products are to successfully withstand their competitors, the consumer must be educated up to the value of the article, and this can only be done by seeing that he now gets New Zealand produce knowing that it is New Zealand's, and not Argentine mutton as New Zealand's, New Zealand lamb as English, and New Zealand butter of every brand and designation under the sun almost except New Zealand's.