APPENDIX II.

REPORTS FROM MR. J. GRAHAM GOW, TRADE REPRESENTATIVE, TO SECRETARY FOR INDUSTRIES AND COMMERCE.

T. E. Donne, Esq.

SIR,— Vancouver, B.C., 20th November, 1906.

I have the honour to report to you at greater length than was possible in the communications already despatched from time to time since my arrival in Vancouver, regarding the prospects of increased trade between New Zealand and this part of Canada.

Commercially, Vancouver is the principal city of Western Canada. At the present stage in its history, however, it is still almost entirely a business city rather than a manufacturing centre. Very few factories have been established, most of the manufactured goods being imported into British Columbia from the Eastern Provinces, and also to some extent from the United States. It is, of course, apparent in the light of this fact that the market for raw materials, as matters stand at present, is inconsiderable, though it must not be forgotten that Vancouver is the natural distributing-point for a large extent of territory, and that the absence of factories, which is such a marked feature in the life of the province to-day, is bound to undergo considerable modification, if, indeed, it does not entirely disappear in the near future.

I was invited to attend a meeting of the Board of Trade and explain my mission, which I did, and experienced no difficulty in enlisting the interest and sympathy of the members. I have had quite a rush of people to the sample-room, in which were exhibited a large range of samples supplied by the Department of Industries and Commerce. The visitors, without exception, spoke most encouragingly of the prospects of trade between New Zealand and Canada. The people of this province require to import largely of mutton, butter, canned meats, tallow, and jams, and there is no doubt that if the New Zealand exporters can meet competition in the matter of prices trade is assured.

With active and resourceful merchants established in the United States, and Eastern Canada already in possession of a large share of the existing trade, the matter of prices is one that cannot be too strongly urged upon the attention of traders. In the meantime the prices at present quoted by New Zealand rule too high, having regard to the fact that New Zealand products must displace those of the United States in order to obtain a place in the Western market, and having regard also to the favourable reception which New Zealand goods will receive from Canadians in preference to goods of American origin, owing to the growing good feeling between the colonies and also to the unpopularity in which recent revelations involved American tinned meats. I would respectfully urge consideration of the commercial wisdom of making a temporary sacrifice to secure control of the market. Once the Canadian people have learned to use New Zealand goods, the quality of the goods and straight, sound business methods on the part of the exporters would, in my opinion, make the holding of the market a matter of no great difficulty. If the merchants export goods at bed-rock prices until they secure a footing in the Canadian market, quality will do the rest.

Among the men I have met who are prominently identified with commercial life in the West is Mr. Montague Dunn, of Dunn, Finch, and Co., who is here representing a London syndicate which has been formed for the purpose of securing fishing rights in the Yukon District. Mr. Dunn interviewed me principally with regard to the New Zealand frozen mutton and butter. The syndicate which he represents will engage in the carrying of halibut and salmon from Yukon waters, and he discussed the feasibility of carrying New Zealand mutton and butter on the return trip from here to the Yukon. There is no practical difficulty in the way of carrying out the proposal I discussed with Mr. Dunn. It is pretty much a matter of arranging prices, and, this being done, there is little doubt that a trade of considerable extent and importance could be developed. Mr. Dunn said, "She [the vessel engaged in the northern trade] would take in a cargo of beef, mutton, butter, eggs, cheese, &c., for the cold-storage at Kaien Island, for all northern ports, and for the canneries at Port Essington, Port Simpson, Naas River, and Skagway, also the canneries at the seasons when they are in operation. . . . The importance of the Yukon trade alone will suggest itself, when it is remembered that the port of Seattle, U.S.A., upon this trade alone has risen from nothing to a population of 100,000 inhabitants in ten years."

It is quite apparent that Vancouver is the key to British Columbia commercially. The period of industrial prosperity through which British Columbia, more than the rest of Canada, is now passing is attracting immigration and money into the province. The wide interior is being steadily settled, and the settlers in the great North-west Territories, whither the tide of Canadian immigration is mainly flowing, are bound to come West for supplies. This tendency is the result of geographical necessity, and is bound to grow stronger and more marked in the course of a year or two. The market for the products I have mentioned is already an important one, and it is ever increasing. It is easier for the traders of New Zealand to get it now than it will be when the position of competitors now in the field is more assured.