

settlers in the North-west, and naturally is increasing at a rapid rate. To cater to this district a glance at the map will show that Vancouver is naturally adapted as the port of entry and exit, and her trade will increase in ratio to the increase of the population and railways.

At present, and for some years, we shall be dependant on the C.P.R. for railroad advantages. They grant a through rate to the places we have mentioned, and shippers in Vancouver can take full advantage of same, being on the spot and able to distribute shipments on arrival. For instance, one shipment sent to Vancouver might easily be distributed over the whole territory. We ourselves, like other men in a similar business, have our distributing agents in all the principal centres of trade. Nelson, Revelstoke, Greenwood, Grand Forks, Kamloops, Calgary, Edmonton are all in touch with us, and buy their supplies through us. It is important to remember this, as some merchants are apt to think that the towns mentioned are each large enough to take carload lots of goods, whereas we have to make up carloads for shipment to these various places by shipping different quantities of goods. Consequently, in considering the trade likely to be done between New Zealand and Western Canada it is necessary to remember that a superfluity of agents is likely to act harmfully, as each man would be competing in small quantities instead of one man or firm handling the whole territory. The natural outcome would be deterioration of price, and eventually loss of trade, as none of the different distributors would find it profitable to handle the goods.

We have carefully examined the various lines you have put before us, and would make the following remarks on same, hoping that they may be of some value to you in your inquiries.

New Zealand Meats.—This is a class of goods for which there is an opening here, especially in canned mutton. The quality and excellence of these meats is well known on your side, and, although a certain quantity of trade is already done between New Zealand and this port in these lines, we think New Zealand firms might with advantage push their lines here. We are writing them by this mail fully on the subject. We would, however, point out that, as far as the price-lists you have shown us go, we think there must be something wrong with same. If you will compare their prices with those of others you will at once see what we mean.

Australian firms were offering their own goods here last year, but their prices showed no advantage, and we were unable to place their goods owing to a change in rates shortly after we received same, and also to the fact that New Zealand prices were better. There has been a great prejudice against all canned goods since the Chicago revelations, which has had the effect up to the present time of leaving the wholesale houses well stocked, but this prejudice will wear off in time. The prices of Australia and New Zealand are here compared:—

	Australian.		New Zealand.	
	s.	d.	s.	d.
Quoted per case of 4 dozen 2 lb. tins ..	7	6	11	6
Duty, 25 per cent.		0		0
Freight, 37 lb., at \$8 per ton ...		11		11
Insurance ...		0		0
Charges ...		0		0
Exchange ...		0		0
	10	1	15	0
	2	45	3	66

A New Zealand firm's agent here is quoting for the same sizes \$2.50 laid down here. The above prices were net, so that we should have to add on a commission to make anything for ourselves. Compared to others New Zealand prices in all lines show the same disadvantage.

Condensed Milk.—This would have to compete with well-advertised and known brands here, such as Carnation, St. Charles, Reindeer, all of which sell to the consumer at 15 cents each, or two tins (standard size) for 25 cents, or virtually 1s. The New Zealand milk which is quoted at 5s. per dozen f.o.b. Wellington would cost laid down here at least 13 cents a tin. The wholesale houses sell the brands we mention at a price of from 8 cents to 9 cents per tin to the trade.

Butter.—At this season New Zealand butter would command a very good sale if the supply could be depended on and the price were right.

We have to thank you for the information you have given us on this line, and we will write by the next mail to New Zealand giving the local conditions, and try to get into touch with the people you have mentioned. The present prices for butter are as follows: Government creamery, September make, 25½ cents per pound; creamery, in boxes, 28's and 56's, 24½ cents per pound; dairy, in tubs, finest quality, 22 cents per pound; dairy, in tubs, medium quality, 20 cents per pound.

Toronto, 26th January, 1907.

I must apologize for the delay in examining the samples you gave me, owing to my being out of town. I now take pleasure in making the following report, which I hope will be of some service.

Boiled Mutton.—Flavour and texture fine, but the heavy freight would make the cost too high to sell in Eastern Canada. Should packers at any time be able to reduce their price to meet this state of affairs there are two ways in which the goods might be improved from a Canadian point of view: the meat should be packed more closely, in which case it would slice better, and less fat should be run in with the meat. To be just to the packers, the tin given me might be an odd one in which there might happen to be more than the usual quantity of fat.

Pie Damsons.—These are very nice, but here again the freight and duty are against your doing business. I think, too, that our Canadian canned damsons show better flavour.

Peach Jam.—The same remarks as to freight and duty apply here, but the stock is inferior in quality to Canadian goods, being much darker in colour and not as good in flavour.

Red-currant Jam.—This is the best article in the lot, but the price is too high to permit sales. West of Winnipeg and at the coast something might be done, and a manufacturer who could make as good an article as this could no doubt pick out from his stock other lines with which he could open business.